



## AES Argentina Generación S.A.

### U.S.\$121,990,601 9.50% Notes due 2027

Reference is made to the U.S.\$121,990,601 aggregate principal amount of 9.50% Notes due 2027 (the “New Notes”) issued by AES Argentina Generación S.A. (“AES Argentina”, the “Company” or the “Issuer”).

This listing memorandum relates to the listing of the New Notes on the Euro MTF Market of the Luxembourg Stock Exchange. Application has been made for the New Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and for admission to trading on the Euro MTF Market of the Luxembourg Stock Exchange. **The Luxembourg Stock Exchange has only scrutinized and approved the sections herein that relate to the listing of the New Notes and not the sections that relate to the Exchange Offer. The sections relating to the Exchange Offer are provided for informational purposes only. No public offering for the New Notes has been made in Luxembourg. The New Notes were issued to Eligible Holders (as defined herein) who validly tendered U.S.\$145,854,000 aggregate principal amount of Old Notes (as defined herein) pursuant to the terms of the Exchange Offer (as defined herein).**

The listing memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019. Terms used but not defined in this listing memorandum have the meanings set forth in the exchange offer memorandum dated July 13, 2023 (as amended, modified, or supplemented, the “Exchange Offer Memorandum”).

Due to the extension of the Exchange Offer, as implemented by the Press Releases included in this listing memorandum, the issue date, interest payment dates, record dates, principal payment dates, optional redemption dates and final maturity date of the New Notes, as listed in the Exchange Offer Memorandum, have been adjusted accordingly, as per the following table:

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issue Date</b>                   | August 30, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Interest Payment Dates</b>       | Interest on the New Notes will be payable semi-annually in arrears on February 28 and August 30 of each year, beginning on February 28, 2024.                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Record Dates</b>                 | February 27 and August 29                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Payment of Principal amounts</b> | <p>The principal amount of the New Notes will be payable in four consecutive semi-annual installments, starting on February 28, 2026. The final installment of the principal will, in any event, equal the then outstanding aggregate principal balance of the New Notes and will be paid by the Issuer. The final maturity of the New Notes will be August 30, 2027.</p> <p>February 28, 2026: 25.000%</p> <p>August 30, 2026: 25.000%</p> <p>February 28, 2027: 25.000%</p> <p>August 30, 2027: 25.000%</p> |
| <b>Optional Redemption Dates</b>    | <p>Prior to February 28, 2026, we may redeem the New Notes, in whole or in part, at a redemption price based on a “make-whole” premium. On or after February 28, 2026, we may also redeem some or all of the New Notes at any time at the redemption prices set forth in “Description of the New Notes—Optional Redemption.”</p>                                                                                                                                                                              |
| <b>Maturity Date</b>                | August 30, 2027.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

AES Argentina accepts responsibility for the information contained in this listing memorandum. This listing memorandum may contain information sourced from third parties, such as industry or government publications. AES Argentina accepts responsibility for accurately reproducing this information. As far as AES Argentina is aware and is able to ascertain from information published by these sources, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The New Notes were issued on August 30, 2023, pursuant to the indenture dated August 30, 2023 among AES Argentina, Energética Argentina S.A. and Vientos Neuquinos I S.A., as subsidiary guarantors, Citibank N.A., as trustee, co-registrar, transfer agent and paying agent, and La Sucursal de Citibank, N.A. establecida en la República Argentina (as successor of Citibank N.A., Argentine Branch), as registrar, Argentine paying agent, Argentine paying agent, Argentine transfer agent and representative of the Trustee in Argentina. The New Notes will constitute our Series 2 notes issued under the Program authorized by the Argentine Securities Commission (“CNV”) pursuant to Resolution No. RESFC-2022-21990-APN-DIR#CNV dated as of October 19, 2022. Our Board of Directors approved the Exchange Offer and the issuance of the New Notes at a meeting held on July 13, 2023.

The New Notes have been accepted for clearance and settlement through DTC, Euroclear and Clearstream. The ISIN Number and Common

Code for the New Notes are US00107VAB99 (144A) and USP1000CAE41 (Reg S) / 266118040 (144A) and 266118147 (Reg S), respectively.

The New Notes are our general, unsecured and unsubordinated obligations, ranking equally without any preference among themselves and with all of our other present and future unsecured and unsubordinated indebtedness from time to time outstanding, except as otherwise provided by law. The New Notes are subordinated to all of our existing and future secured obligations to the extent of the value of the assets securing such obligations, and to all of the existing and future obligations of our subsidiaries. As of June 30, 2023, Energética Argentina S.A. and Vientos Neuquinos I S.A., subsidiary guarantors of the New Notes, represented 34% of our total assets.

Except as contemplated or resulting from the developments described elsewhere in the Exchange Offer Memorandum, there has been no material adverse change in our financial condition nor our prospects since June 30, 2023.

Copies of our by-laws, the indenture, as may be amended or supplemented from time to time, and our financial statements, will be available free of charge at our principal executive offices, as well as at the offices of the Trustee, registrar, paying agent and transfer agent, as such addresses are set forth in the Exchange Offer Memorandum. This listing memorandum, together with its annexes and attachments will be available on the website of the Luxembourg Stock Exchange. Please disregard any references to the confidential nature of this Listing Memorandum and any statements restricting the free distribution thereof.

Notices to holders of the New Notes shall be delivered to the Trustee for the New Notes and holders thereof pursuant to the procedures set forth in the Indenture, including through the facilities of DTC, Euroclear and Clearstream, as applicable. To the extent required by the rules of the Luxembourg Stock Exchange, notices will also be published on the website of the Luxembourg Stock Exchange. All notices, as indicated on page 202 of the Exchange Offer Memorandum, will be published on the website of the Luxembourg Stock Exchange at [www.luxse.com](http://www.luxse.com).

The business address of the administrative, management and supervisory bodies of AES Argentina is Román Subiza 1960, City of San Nicolás de los Arroyos, Province of Buenos Aires, Argentina. The LEI code of AES Argentina is 529900B8V2PQYTG6L754. The registered office of Energética Argentina S.A. is Carlos Pellegrini 1023, Piso 9, City of Buenos Aires, Argentina, and the registered office of Vientos Neuquinos I S.A. is Román Subiza 1960, City of San Nicolás de los Arroyos, Province of Buenos Aires, Argentina.

September 7, 2023

## **LISTING MEMORANDUM TABLE OF CONTENTS**

|                                                                     |       |
|---------------------------------------------------------------------|-------|
| Exchange Offer Memorandum, dated July 13, 2023 .....                | E-i   |
| Supplement to Exchange Offer Memorandum, dated August 8, 2023 ..... | S-i   |
| Press Release, dated July 26, 2023 .....                            | P-i   |
| Press Release, dated August 10, 2023 .....                          | P-ii  |
| Press Release, dated August 17, 2023 .....                          | P-iii |
| Press Release, dated August 21, 2023 .....                          | P-iv  |



## AES Argentina Generación S.A.

### Offer to Exchange any and all of our outstanding 7.750% Senior Notes due 2024 (the “Old Notes”) for the applicable amount of 9.50% Notes due 2027 (the “New Notes”) and Cash (as applicable)

| Description of the Old Notes                      | CUSIP/ISIN/<br>Common Code<br>Nos.                                                | Principal<br>Amount<br>Outstanding | Exchange Consideration <sup>(1)</sup>                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                        |                                                                       |                                                                       |
|---------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|
|                                                   |                                                                                   |                                    | Option A                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                            | OR                                                                                     | Option B                                                              |                                                                       |
|                                                   |                                                                                   |                                    | Early A Consideration <sup>(2)</sup>                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                        | Early B                                                               | Late Exchange                                                         |
|                                                   |                                                                                   |                                    | Early A New<br>Notes<br>Consideration<br>(Principal<br>Amount of New<br>Notes)                                                                              | Early A Pro-<br>Rata Cash<br>Consideration                                                                                                                                                                                                                                                                                                                                                 | Late Exchange<br>Consideration<br>(Principal<br>Amount of New<br>Notes) <sup>(3)</sup> | Consideration<br>(Principal<br>Amount of<br>New Notes) <sup>(4)</sup> | Consideration<br>(Principal<br>Amount of<br>New Notes) <sup>(3)</sup> |
| 7.750%<br>Senior Notes<br>due 2024 <sup>(5)</sup> | CUSIP: 00107V<br>AA1/P1000C<br>AA2<br><br>ISIN:<br>US00107VAA17 /<br>USP1000CAA29 | U.S.\$274,500,000                  | New Notes in a principal amount resulting from multiplying (i) the difference between U.S.\$1,000 and the Early A Pro-Rata Cash Consideration, by (ii) 1.02 | Amount in cash equal to the pro rata share of the lesser of (i) U.S.\$30,500,000, (ii) 20% of the aggregate principal amount of Old Notes validly tendered and accepted for exchange in the Exchange Offer, and (iii) the principal amount of Old Notes validly tendered and accepted for exchange under Option A at or prior to the Early Participation Date, payable on a pro rata basis | U.S.\$1,000                                                                            | U.S.\$1,050                                                           | U.S.\$1,000                                                           |

- (1) Per U.S.\$1,000 principal amount of Old Notes validly tendered and accepted for exchange. The Exchange Consideration does not include the Accrued Interest Payment (as defined below), which shall be paid together with the applicable Exchange Consideration as described herein.
- (2) Eligible Holders (as defined below) of Old Notes validly submitting tenders at or prior to the Early Participation Date (as defined below) in exchange for the Early A Consideration (as defined below) will receive a combination of the Early A Pro-Rata Cash Consideration (as defined below) and Early A New Notes Consideration (as defined below), or solely the Early A Pro-Rata Cash Consideration depending on the amount of Old Notes tendered in the Exchange Offer and pursuant to Option A at or prior to the Early Participation Date (the “Early A Consideration”). The aggregate cash consideration payable to Eligible Holders whose Old Notes are accepted for exchange under Option A at or prior to the Early Participation Date will be an amount in cash equal to the lesser of (i) U.S.\$30,500,000, (ii) 20% of the aggregate principal amount of Old Notes validly tendered and accepted for exchange in the Exchange Offer, up to a maximum amount of U.S.\$30,500,000, the “Total Cash Consideration”, and (iii) the aggregate principal amount of Old Notes validly tendered and accepted for exchange under Option A at or prior to the Early Participation date (the “Aggregate Early A Cash Consideration”), payable on a pro rata basis to Eligible Holders of Old Notes, validly submitting tender orders in exchange for Early A Consideration (the “Early A Pro-Rata Cash Consideration”). At the Expiration Date, the Early A Pro-Rata Cash Consideration and Early A New Notes Consideration will be determined based on the principal amount of Old Notes validly tendered and accepted in the Exchange Offer. For the avoidance of doubt, Eligible Holders submitting tenders after the Early Participation Date will not receive any cash consideration.
- (3) The Late Exchange Consideration will be U.S.\$1,000 principal amount of New Notes per U.S.\$1,000 principal amount of Old Notes validly tendered and accepted for exchange after the Early Participation Date but at or prior to the Expiration Date. The Late Exchange Consideration will only consist of New Notes and will be the same either under Option A or Option B, as described herein.
- (4) In the event that less than 20% of the aggregate principal amount of Old Notes that are validly tendered and accepted for exchange in the Exchange Offer are tendered under Option A at or prior to the Early Participation Date, the difference between the Total Cash Consideration and the Aggregate Early A Cash Consideration (such difference, the “Aggregate Early B Cash Consideration”), will be paid to Eligible Holders whose Old Notes are accepted for exchange under Option B at or prior to the Early Participation Date, pro rata to the principal amount of their Old Notes accepted for exchange (the “Early B Pro-Rata Cash Consideration”), and ratably reducing the principal amount of New Notes that comprise the Early B Consideration.

(5) The Old Notes are currently listed on the Luxembourg Stock Exchange and traded on its Euro MTF Market and are listed on the BYMA (as defined below) and are traded on the MAE (as defined below).

**The Exchange Offer (as defined below) will expire at 5:00 p.m. (New York City time) on August 10, 2023 (such date and time, as the same may be extended, the “Expiration Date”). In order to be eligible to receive the Early Exchange Consideration (as defined below), Eligible Holders of Old Notes (as defined below) must validly tender their Old Notes, on or prior to 5:00 p.m., New York City time, on July 26, 2023 (such date and time, as the same may be extended, the “Early Participation Date”). Eligible Holders of Old Notes who validly tender their Old Notes after the Early Participation Date, but on or prior to the Expiration Date will be eligible to receive only the Late Exchange Consideration (as defined below). Old Notes validly tendered may be validly withdrawn at any time prior to 5:00 p.m., New York City time on July 26, 2023 unless extended by us in our sole discretion (such date and time, as the same may be extended, the “Withdrawal Date”), but not thereafter.**

AES Argentina Generación S.A. (“AES Argentina”, the “Company” or the “Issuer”), a corporation (*sociedad anónima*) organized under the laws of Argentina hereby offers to Eligible Holders to exchange any and all of our outstanding Old Notes for the consideration set forth in the table above (the “Exchange Offer”) upon the terms and subject to the conditions set forth in this Exchange Offer Memorandum (as it may be amended or supplemented from time to time, the “Exchange Offer Memorandum”), and the electronic eligibility letter related to this Exchange Offer Memorandum (the “Eligibility Letter” and, together with this Exchange Offer Memorandum, the “Exchange Offer Documents”). Copies of the Exchange Offer Documents are available for Eligible Holders at the following website operated by the Information and Exchange Agent for the purpose of the Exchange Offer: <https://projects.morrowsodali.com/AES>.

**You should consider the risk factors beginning on page 49 of this Exchange Offer Memorandum before you decide whether to participate in the Exchange Offer and invest in the New Notes.**

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”); and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore otherwise offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

We have not registered the New Notes under the Securities Act of 1933, as amended (the “Securities Act”), or any state securities law. The New Notes are being offered for exchange only (1) to holders of Old Notes that are

“qualified institutional buyers” as defined in Rule 144A under the Securities Act (“QIBs”), in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (2) outside the United States, to holders of Old Notes other than “U.S. persons” (as defined in Rule 902 under the Securities Act, “U.S. Persons”) and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in reliance on Regulation S under the Securities Act. **Only holders of beneficial interests in the Old Notes who have electronically submitted a duly completed Eligibility Letter certifying that they are within one of the categories described in the immediately preceding sentence are authorized to receive and review this Exchange Offer Memorandum and to participate in the Exchange Offer (such holders, “Eligible Holders”).**

We intend to apply to have the New Notes listed and admitted for trading on Bolsas y Mercados Argentinos S.A. (“BYMA”) through the Buenos Aires Stock Exchange and admitted to trading on the Mercado Abierto Electrónico S.A. (“MAE”), and to list the New Notes on the Official List of the Luxembourg Stock Exchange and to trade them on the Euro MTF Market of such exchange. There can be no assurance that these applications will be accepted.

This Exchange Offer Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration for the Exchange Offer and an investment in the New Notes only (i) to holders of Old Notes that are QIBs, in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (ii) outside the United States, to holders of Old Notes other than U.S. persons and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in reliance on Regulation S under the Securities Act, and who are Non-U.S. qualified offerees (as defined under “Transfer Restrictions”), *provided, however* that in Argentina, the Argentine Offering Memorandum (as defined below) will be published and available in our website, the CNV’s, BYMA’s and MAE’s website (as defined below). For a description of certain restrictions on resale and transfer of the New Notes, see “Transfer Restrictions” in this Exchange Offer Memorandum.

**Delivery of the New Notes is expected to be made in book-entry form through the facilities of The Depository Trust Company (“DTC”) and its direct and indirect participants, including Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream”).**

*The Dealer Managers are:*

**Citigroup**

**HSBC**

**J.P. Morgan**

**Santander**

Exchange Offer Memorandum dated July 13, 2023.

## **The Exchange Offer**

Upon the terms and subject to the conditions set forth in the Exchange Offer Documents, Eligible Holders who validly tender their Old Notes on or prior to the Early Participation Date will be eligible to receive for each U.S.\$1,000 principal amount of Old Notes so tendered, the Early Exchange Consideration (as defined below). Eligible Holders who validly tender Old Notes after the Early Participation Date but on or prior to the Expiration Date will be eligible to receive the Late Exchange Consideration (as defined below).

### ***Exchange Consideration – Option A***

Tenders of Old Notes submitted under Option A at or prior to the Early Participation Date will receive a combination of the Early A Pro-Rata Cash Consideration and the applicable Early A New Notes Consideration (together, the “Early A Consideration”), or solely the Early A Pro-Rata Cash Consideration, depending on the amount of Old Notes tendered in the Exchange Offer and pursuant to Option A at or prior to the Early Participation Date. Tenders of Old Notes submitted under Option A after the Early Participation Date but at or prior to the Expiration Date will receive the Late Exchange Consideration.

The Early A Consideration and the Early B Consideration (as defined below), together are referred to as the “Early Exchange Consideration.” The Early Exchange Consideration and the Late Exchange Consideration together are referred to as the “Exchange Consideration.”

The aggregate cash consideration payable to Eligible Holders whose Old Notes are accepted for exchange under Option A at or prior to the Early Participation Date will be an amount in cash equal to the lesser of (i) U.S.\$30,500,000, (ii) 20% of the aggregate principal amount of Old Notes validly tendered and accepted for exchange in the Exchange Offer, up to a maximum amount of U.S.\$30,500,000, and (iii) the aggregate principal amount of Old Notes validly tendered and accepted for exchange under Option A at or prior to the Early Participation Date (the “Aggregate Early A Cash Consideration”). The Early A Pro-Rata Cash Consideration is the Aggregate Early A Cash Consideration, payable on a pro rata basis to Eligible Holders of Old Notes validly submitting tender orders in exchange for Early A Consideration (the “Early A Pro-Rata Cash Consideration”).

The Early A New Notes Consideration for each Eligible Holder whose Old Notes are accepted for exchange under Option A at or prior to the Early Participation Date will be New Notes in a principal amount resulting from multiplying (i) the difference between U.S.\$1,000 and the Early A Pro-Rata Cash Consideration, by (ii) 1.02 (the “Early A New Notes Consideration”).

At the Expiration Date, the Early A Pro-Rata Cash Consideration and Early A New Notes Consideration will be determined based on the principal amount of Old Notes validly tendered and accepted in the Exchange Offer.

Accordingly, the actual amounts of Early A New Notes Consideration and Early A Pro-Rata Cash Consideration comprising the Early A Consideration to be received by each Eligible Holder whose Old Notes are accepted in the Exchange Offer under Option A at or prior to the Early Participation Date (and, in the event that less than all of the Total Cash Consideration is paid out pursuant to Option A, the actual amount of Early B Pro-Rata Cash Consideration, if any, and New Notes to be received by Eligible Holders whose Old Notes are accepted in the Exchange Offer under Option B at or prior to the Early Participation Date), will depend on the actual participation by Eligible Holders in the Exchange Offer and their selection between Option A and Option B.

In addition, the combinations described may vary if the Minimum Participation Condition (as defined below) is waived by us, as we may do in our sole discretion.

Eligible Holders of Old Notes who validly submit a tender order after the Early Participation Date but at or prior to the Expiration Date will be eligible to receive, for each U.S.\$1,000 principal amount of Old Notes, U.S.\$1,000 of New Notes (the “Late Exchange Consideration”). For the avoidance of doubt, Eligible Holders submitting tenders after the Early Participation Date will not receive any cash consideration.

### ***Exchange Consideration – Option B***

Tenders of Old Notes submitted under Option B at or prior to the Early Participation Date will receive U.S.\$1,050 principal amount of New Notes for each U.S.\$1,000 principal amount of Old Notes validly tendered and

accepted for exchange (the “Early B Consideration”). Tenders of Old Notes submitted under Option B after the Early Participation Date but at or prior to the Expiration Date will receive the Late Exchange Consideration.

In the event that less than 20% of the aggregate principal amount of Old Notes that are validly tendered and accepted for exchange in the Exchange Offer are tendered under Option A at or prior to the Early Participation Date, the Aggregate Early B Cash Consideration will be paid to Eligible Holders whose Old Notes are validly tendered and accepted for exchange under Option B at or prior to the Early Participation Date (and accepted for exchange), pro rata to the principal amount of their Old Notes accepted for exchange (the “Early B Pro-Rata Cash Consideration”), and ratably reducing the principal amount of New Notes that comprise the Early B Consideration.

### ***General Terms***

Eligible Holders whose Old Notes are accepted for exchange in the Exchange Offer will also receive accrued and unpaid interest in cash in respect of such exchanged Old Notes from the last interest payment date to, but not including, the Settlement Date (as defined below) (such payment, the “Accrued Interest Payment”).

The consummation of the Exchange Offer is conditioned upon, among other conditions, the valid tender of U.S.\$192,150,000 or more of the aggregate principal amount outstanding of Old Notes in the Exchange Offer (the “Minimum Participation Condition”). We have the right to waive or reduce such Minimum Participation Condition.

The consummation of the Exchange Offer is subject to certain conditions. We may waive, in our sole discretion, any of the conditions to consummation of the Exchange Offer subject to applicable law. See “Description of the Exchange Offer—Conditions to the Exchange Offer.” If any of the conditions to consummation of the Exchange Offer, including, but not limited to access to the foreign exchange market and the Minimum Participation Condition, has not been satisfied or waived, we will promptly cause the return of your Old Notes to you.

The New Notes will be our general, unsecured and unsubordinated obligations, ranking equally without any preference among themselves and with all of our other present and future unsecured and unsubordinated indebtedness from time to time outstanding, except as otherwise provided by law. The New Notes will be subordinated to all of our existing and future secured obligations to the extent of the value of the assets securing such obligations, and to all of the existing and future obligations of our subsidiaries.

This Exchange Offer Memorandum describes the terms and conditions applicable to our U.S.\$500,000,000 (or its equivalent in other currencies or units of value) short, medium and long term note program (the “Program”). Under the Program, we will offer the New Notes under the Program.

We may issue notes in one or more series (each, a “Series”), and each Series can comprise one or more classes of notes (each, a “Class”) with fixed or floating interest rates, or issued exclusively with a discount over its par value (cero coupon), or any other compensation mechanism or combination of compensation mechanisms over the amount that we decide at the issuance of each Class or Series, including compensation to be determined by reference to any type of indexes or assets with minimum and maximum amortization periods as permitted by applicable laws, denominated in U.S. dollars or any other currency or unit values permitted under applicable law, with or without adjustment or reference clauses to any such permitted indexes.

In July 2023, we offered our Series 1 notes to the public in Argentina through a prospectus and pricing supplement in Spanish prepared in accordance with CNV regulations (the “Argentine Series 1 Notes”). The New Notes will constitute our Series 2 notes issued under the Program, and will be our direct, unsecured and unsubordinated obligations and will rank *pari passu* with our existing and future unsecured and unsubordinated indebtedness, other than obligations given preferential or senior ranking by statute or by operation of law. The New Notes will constitute non-convertible negotiable obligations (*obligaciones negociables*) under, and will be issued pursuant to, and in compliance with all the requirements of, the Argentine Negotiable Obligations Law No. 23,576, as amended by Argentine Laws No. 23,962, No. 27,264, No. 27,430 and No. 27,440, as amended (the “Negotiable Obligations Law”), will be entitled to the benefits set forth therein and subject to the procedural requirements established therein and will be placed in Argentina in accordance with the Argentine Capital Markets Law No. 26,831, as amended by Argentine Law No. 27,440 (the “Capital Markets Law”) and the rules issued by the Comisión Nacional de Valores (the “CNV”) pursuant to General Resolution No. 622/2013 of the CNV, as amended from time to time, and any other applicable laws and regulations of the Republic of Argentina. The creation of the



Program has been authorized by Resolution No. RESFC-2022-21990-APN-DIR#CNV dated as of October 19, 2022. The CNV authorization means only that the information contained in the Argentine prospectus relating to the public offering of the New Notes complies with the information requirements of the CNV. The CNV has not rendered and will not render any opinion with respect to the accuracy of the information contained in the Argentine Offering Memorandum. The CNV has not rendered and will not render any opinion with respect to information contained in this Exchange Offer Memorandum. The accuracy of all the information contained herein is our responsibility. To the best of our knowledge, the information contained herein is true and correct in all material respects and is not misleading and it does not omit facts the omission of which makes this Exchange Offer Memorandum as a whole misleading.

The Old Notes were issued pursuant to our old program authorized by means of Resolution No. 18,389 of the CNV, dated December 1, 2016.

We have elected not to rate the Program. The decision to rate a Series will be made on a series-by-series basis, as set forth in the applicable pricing supplement. See “Ratings” in this Exchange Offer Memorandum.

In the terms of article 12 of section IV of title XI of the CNV Rules, our Board of Directors declares, as a sworn statement, that the Issuer, its final beneficiaries and the human and legal persons who have at least 10% of our capital or voting rights or who by other means exercise final, direct or indirect control over it, do not register convictions for crimes of money laundering and/or financing of terrorism and do not appear on the lists of terrorists and terrorist organizations issued by the Security Council of the United Nations, taking into account the creation of the Public Registry of Persons and Entities Linked to Acts of Terrorism and their Financing provided for by Decree No. United Nations, taking into account the creation of the Public Registry of Persons and Entities Linked to Acts of Terrorism and their Financing provided for by Decree No. 489/2019.

During the course of this Exchange Offer, on or about August 8, 2023, we expect to issue unaudited interim condensed consolidated financial statements as of June 30, 2023, which we expect to incorporate into this Exchange Offer Memorandum by means of a supplement hereto.

## IMPORTANT INFORMATION

This Exchange Offer Memorandum contains important information that Eligible Holders are urged to read before any decision is made with respect to the Exchange Offer. Any questions regarding procedures for tendering Old Notes or requests for additional copies of the Exchange Offer Documents should be directed to the Information and Exchange Agent (as defined below). Copies of this Exchange Offer Memorandum are available for Eligible Holders at the following website: <https://projects.morrowsodali.com/AES>.

AES Argentina hereby invites all Eligible Holders of outstanding Old Notes to exchange, upon the terms and subject to the conditions set forth in the Exchange Offer Documents, any and all of its Old Notes for New Notes and cash, as applicable, all as described below under “Description of the Exchange Offer—Exchange Consideration.”

Subject to applicable law, the Exchange Offer may be amended, extended or, upon failure of a condition to be satisfied or waived prior to the Expiration Date, terminated individually.

Old Notes may be tendered and will be accepted for exchange only in principal amounts equal to minimum denominations of U.S.\$150,000 and integral multiples of U.S.\$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. The New Notes will be issued in minimum denominations of U.S.\$1.00 and integral multiples of U.S.\$1.00 in excess thereof. The amount of New Notes to be issued to any Eligible Holder will be rounded down to the nearest U.S.\$1.00. No cash will be paid in lieu of New Notes not received as a result of rounding down.

Subject to the terms and conditions of the Exchange Offer, including the Minimum Participation Condition being satisfied or waived, and to our right to extend, amend, terminate or withdraw the Exchange Offer, we will accept for exchange all Old Notes validly tendered at or before the Expiration Date and not validly withdrawn at or before the Withdrawal Date. We will pay the applicable Exchange Consideration and the Accrued Interest Payment for Old Notes accepted for exchange on the Settlement Date.

Unless the context indicates otherwise, all references to a valid tender of Old Notes in this Exchange Offer Memorandum shall mean that such Old Notes have been validly tendered, at or prior to the Early Participation Date or Expiration Date, and such tender has not been validly withdrawn at or prior to the Withdrawal Date.

### Compliance with “Short Tendering” Rule

It is a violation of Rule 14e-4 promulgated under the Securities Exchange Act of 1934 (as amended, the “Exchange Act”) for a person, directly or indirectly, to tender Old Notes for its own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the Old Notes being tendered and (b) will cause such Old Notes to be delivered in accordance with the terms of the Exchange Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Old Notes in the Exchange Offer under any of the procedures described below and the acceptance thereof by the Issuer will constitute a binding agreement between the tendering Eligible Holder and us with respect to the Exchange Offer upon the terms and subject to the conditions of the Exchange Offer, including the tendering Eligible Holder’s acceptance of the terms and conditions of the Exchange Offer, as well as the tendering Eligible Holder’s representation and warranty that (a) such Eligible Holder has a net long position in the Old Notes being tendered pursuant to the Exchange Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Old Notes complies with Rule 14e-4.

### Processing Fee

To reimburse the time and cost of processing the tender of Old Notes in the Exchange Offer, the Issuer will, subject to foreign exchange regulations in force in Argentina, pay a processing fee to brokers in Argentina acting on behalf of certain Eligible Holders. In Argentina, the processing fee will be payable to direct participants in Caja de Valores S.A.’s (“Caja de Valores”) depository system acting on behalf of beneficial owners of Old Notes in Argentina who are individuals tendering, through Caja de Valores, Old Notes for exchange in the Exchange Offer with respect to individual tenders of up to U.S.\$250,000 aggregate principal amount of Old Notes per each Eligible Holder that are accepted for exchange and will be in an amount equal to 0.25% of the principal amount of such tendered Old Notes that are accepted for exchange. This processing fee will be payable in Argentine pesos at the

Communication “A” 3500 exchange rate published by the BCRA on the Argentine business day prior to the Settlement Date. No such fee shall be payable to brokers outside of Argentina. See “Description of the Exchange Offer—Processing Fee” for more information regarding eligibility requirements and the process brokers must follow to obtain the processing fee.

## IMPORTANT DATES AND TIMES

Please take note of the following important dates and times in connection with the Exchange Offer.

| <b>Date</b>                                                                                                                           | <b>Time and Calendar Date</b>                                                                                              | <b>Event</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commencement of the Exchange Offer                                                                                                    | July 13, 2023                                                                                                              | The Exchange Offer is announced and this Exchange Offer Memorandum is made available to Eligible Holders who have electronically submitted a duly completed Eligibility Letter.<br><br>Publication of the Argentine prospectus supplement in CNV's website.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Withdrawal Date                                                                                                                       | 5:00 p.m. (New York City time) on July 26, 2023, unless extended or earlier terminated by the Company.                     | The deadline for Eligible Holders who have tendered their Old Notes prior to such date to withdraw all or a portion of such tendered Old Notes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Early Participation Date                                                                                                              | 5:00 p.m., New York City time, on July 26, 2023 unless extended or earlier terminated by the Company.                      | The deadline for Eligible Holders to validly tender Old Notes for exchange in order to be eligible to receive the Early Exchange Consideration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Publication of unaudited interim condensed consolidated financial statements as of, and for the six-month period ended, June 30, 2023 | On or about August 8, 2023                                                                                                 | We expect to issue our unaudited interim condensed consolidated financial statements as of June 30, 2023, on or about August 8, 2023, which we expect to incorporate into this Exchange Offer Memorandum by means of a supplement hereto.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Expiration Date                                                                                                                       | 5:00 p.m., New York City time, on August 10, 2023, unless extended or earlier terminated by the Company.                   | The deadline for Eligible Holders to validly tender Old Notes for exchange in order to be eligible to receive the Late Exchange Consideration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Settlement Date                                                                                                                       | Unless the Exchange Offer is extended, the Settlement Date is expected to be four business days after the Expiration Date. | We issue the New Notes and pay cash, as applicable, and pay the Accrued Interest Payment, to each Eligible Holder whose Old Notes are accepted for exchange in the amount of the Early Exchange Consideration or the Late Exchange Consideration, as applicable, and deposit the amount of cash necessary to pay to each such Eligible Holder the Accrued Interest Payment in respect of such Old Notes, the Early A Pro-Rata Cash Consideration and, if applicable, the Early B Pro-Rata Cash Consideration. In the event the Settlement Date is extended, the issue date, interest payment dates, record dates, principal payment dates, optional redemption and other related dates under the New Notes set forth herein will be adjusted to reflect such extension. |

The above times and dates are subject to our right to extend, amend and/or terminate the Exchange Offer. Eligible Holders of Old Notes are advised to check with any bank, securities broker or other intermediary through which they hold Old Notes as to when such intermediary would need to receive instructions from an Eligible Holder

in order for that Eligible Holder to be able to participate in, or withdraw their instruction to participate in, the Exchange Offer before the deadlines specified in this Exchange Offer Memorandum. The deadlines set by any such intermediary and DTC for the submission of tender instructions will be earlier than the relevant deadlines specified above.

## TABLE OF CONTENTS

---

|                                                                                                     | <u>PAGE</u> |
|-----------------------------------------------------------------------------------------------------|-------------|
| PRESENTATION OF FINANCIAL AND OTHER INFORMATION .....                                               | 7           |
| ENFORCEMENT OF CIVIL LIABILITIES .....                                                              | 13          |
| TECHNICAL AND REGULATORY TERMS .....                                                                | 14          |
| SUMMARY .....                                                                                       | 17          |
| SUMMARY CONSOLIDATED FINANCIAL INFORMATION .....                                                    | 31          |
| SUMMARY OF THE EXCHANGE OFFER .....                                                                 | 36          |
| TERMS AND CONDITIONS OF THE NEW NOTES .....                                                         | 44          |
| RISK FACTORS .....                                                                                  | 49          |
| USE OF PROCEEDS .....                                                                               | 91          |
| EXCHANGE RATE INFORMATION AND EXCHANGE CONTROLS .....                                               | 92          |
| DESCRIPTION OF THE EXCHANGE OFFER .....                                                             | 106         |
| CAPITALIZATION .....                                                                                | 122         |
| SUMMARY COMPARISON OF DIFFERENCES BETWEEN THE CURRENT TERMS OF OLD NOTES<br>AND THE NEW NOTES ..... | 123         |
| SELECTED CONSOLIDATED FINANCIAL INFORMATION .....                                                   | 164         |
| DESCRIPTION OF THE NEW NOTES .....                                                                  | 167         |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF<br>OPERATIONS .....      | 224         |
| OUR BUSINESS .....                                                                                  | 253         |
| THE ARGENTINE ELECTRICITY INDUSTRY AND REGULATION .....                                             | 281         |
| BOARD OF DIRECTORS AND MANAGEMENT .....                                                             | 338         |
| MAJOR SHAREHOLDERS AND RELATED PARTIES .....                                                        | 345         |
| DESCRIPTION OF OUR CAPITAL STOCK .....                                                              | 346         |
| RATINGS .....                                                                                       | 347         |
| TRANSFER RESTRICTIONS .....                                                                         | 348         |
| TAXATION .....                                                                                      | 353         |
| NOTICE TO CERTAIN NON-U.S. HOLDERS .....                                                            | 372         |
| LEGAL MATTERS .....                                                                                 | 378         |
| INDEPENDENT AUDITORS .....                                                                          | 379         |
| GENERAL INFORMATION .....                                                                           | 380         |
| INDEX TO FINANCIAL STATEMENTS .....                                                                 | F-1         |

## **ABOUT THIS EXCHANGE OFFER MEMORANDUM**

In this Exchange Offer Memorandum, unless the context otherwise requires or as otherwise indicated, references to the “Issuer,” “AES Argentina” and the “Company” mean AES Argentina Generación S.A. Terms such as “we,” “us” and “our” generally refer to the Issuer and its consolidated subsidiaries, unless the context requires otherwise or as otherwise indicated.

References herein to “U.S. dollars” or “U.S.\$” are to the lawful currency of the United States. References herein to “pesos,” or “Ps.” are to the lawful currency of Argentina.

This Exchange Offer Memorandum does not constitute an offer or an invitation by, or on behalf of, us or by, or on behalf of, the Dealer Managers to participate in the Exchange Offer in any jurisdiction in which it is unlawful to make such an offer in such jurisdiction. The distribution of this Exchange Offer Memorandum and the offering of the New Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Exchange Offer Memorandum comes are required by us and the Dealer Managers to inform themselves about and to observe any such restrictions. This Exchange Offer Memorandum may not be used for or in connection with an offer by anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer. See “Notice to Certain Non-U.S. Holders.”

This Exchange Offer Memorandum is intended solely for distribution and use outside of Argentina, and is being distributed or used by us and the Dealer Managers or the Information and Exchange Agent solely outside of Argentina. In Argentina, the New Notes are being offered to the holders of the Old Notes solely pursuant to the Argentine prospectus and the Argentine prospectus supplement (together, the “Argentine Offering Memorandum”). This Exchange Offer Memorandum contains summaries of certain documents which we believe are accurate, and includes substantially the same information that is included in the Argentine Offering Memorandum other than with respect to the description of United States securities and tax laws that are relevant to the Old Notes and New Notes.

None of us or the Dealer Managers, nor any of our and their respective representatives, is making any representations to any offeree of the New Notes described herein regarding the legality of an investment therein by such offeree under applicable legal investment or similar laws or regulations.

Citibank, N.A., as trustee for the Old Notes (the “Old Notes Trustee”) and Citibank, N.A., as trustee for the New Notes (the “New Notes Trustee”, and, together with the Old Notes Trustee, the “Trustees”) assume no responsibility for the accuracy or completeness of the information contained in this Exchange Offer Memorandum or the related documents (all of which are the responsibility of the Company) or for any failure by the Company or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information.

You may not copy or distribute this Exchange Offer Memorandum in whole or in part to anyone without our prior consent or the prior consent of the Dealer Managers. This Exchange Offer Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration for the Exchange Offer and an investment in the New Notes only (i) to holders of Old Notes that are QIBs, in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (ii) outside the United States, to holders of Old Notes other than U.S. persons and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in reliance on Regulation S under the Securities Act, and who are Non-U.S. qualified offerees (as defined under “Transfer Restrictions”). Its use for any other purpose is not authorized. Distribution of this Exchange Offer Memorandum to any person other than the offeree and any person retained to advise such offeree with respect to its participation in the Exchange Offer is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective participant in the Exchange Offer, by accepting delivery of this Exchange Offer Memorandum, agrees to the foregoing and to make no copies or reproductions of this Exchange Offer Memorandum or any documents referred to in this Exchange Offer Memorandum in whole or in part (other than publicly available documents).

In making an investment decision regarding the New Notes, you must rely on your own examination of us, the terms of the Exchange Offer and the terms of the New Notes, including the merits and risks involved. You should

not consider any information in this Exchange Offer Memorandum to be legal, business or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of participating in the Exchange Offer.

We are relying on exemptions from registration under the Securities Act for offers of the New Notes that do not involve a public offering. Because the New Notes have not been registered under the Securities Act, they are subject to certain restrictions on transfer. You should read the information contained under “Transfer Restrictions” in this Exchange Offer Memorandum for a description of the restrictions on transfers of beneficial interests in the New Notes. By tendering your Old Notes and accepting the New Notes in the Exchange Offer and by electronically submitting the Eligibility Letter, you will be agreeing with certain statements, and you will be making certain acknowledgements, representations and agreements, described under “Transfer Restrictions” in this Exchange Offer Memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

None of the Securities and Exchange Commission (“SEC”), the CNV, or any other regulatory body has registered, recommended or approved of these securities or passed upon the accuracy or adequacy of this Exchange Offer Memorandum. Any representation to the contrary is a criminal offense. The CNV authorization means only that the information contained in the Argentine prospectus relating to the public offering of the New Notes complies with the information requirements of the CNV. The CNV has not rendered and will not render any opinion with respect to the accuracy of the information contained in the Argentine Offering Memorandum.

Questions concerning tender procedures and requests for additional copies of this Exchange Offer Memorandum should be directed to the Information and Exchange Agent at its email address or telephone numbers listed on the back cover page of this Exchange Offer Memorandum.

You should contact the Dealer Managers with any questions about the terms of the Exchange Offer.

Notwithstanding anything herein to the contrary, except as reasonably necessary to comply with applicable securities laws, investors (and each employee, representative or other agent of the investors) may disclose to any and all persons, without limitation of any kind, the United States federal and state income tax treatment and structure of the Exchange Offer and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure. For this purpose, “tax structure” is limited to facts relevant to the United States federal and state income tax treatment of the Exchange Offer and does not include information relating to our identity or that of our affiliates, agents or advisors.

None of the Company, the Dealer Managers, the Trustees or the Information and Exchange Agent makes any recommendation as to whether or not Eligible Holders of the Old Notes should exchange their Old Notes in the Exchange Offer.

You should read this entire Exchange Offer Memorandum and related documents and any amendments or supplements carefully before making your decision to participate in the Exchange Offer.

Eligible Holders must tender their Old Notes in accordance with the procedures described under “Description of the Exchange Offer—Procedures for Tendering Old Notes.”

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Exchange Offer Memorandum, and, if given or made, such information or representation may not be relied upon as having been authorized by the Company, the Information and Exchange Agent, any Dealer Manager or the Trustees. Neither the delivery of this Exchange Offer Memorandum nor any exchange hereunder will, under any circumstance, create any implication that the information herein is current as of any time subsequent to the date hereof, or that there has been no change in the affairs of the Company as of such date.

The Company or its affiliates may from time to time acquire additional Old Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or the Issuer may redeem Old Notes pursuant to the terms of the indenture governing the Old Notes entered into by and among the Company, as



issuer, the Old Notes Trustee and La Sucursal de Citibank, N.A. establecida en la República Argentina (as successor of Citibank N.A., Argentine Branch), as registrar, Argentine paying agent, Argentine paying agent, Argentine transfer agent and representative of the Old Notes Trustee in Argentina, and Banque Internationale à Luxembourg S.A., as Luxembourg listing agent and Luxembourg transfer agent, dated as of February 2, 2017 (as amended and/or supplemented from time to time, the “Old Notes Indenture”). In Argentina, the Old Notes were issued under our old program authorized by means of Resolution No. 18,389 of the CNV, dated December 1, 2016.

## **FORWARD-LOOKING STATEMENTS**

This Exchange Offer Memorandum contains certain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Certain information included in this Exchange Offer Memorandum contains information that is forward-looking, including but not limited to:

- our expectations for future events and changes related to matters affecting our business;
- our expectations for our future performance, revenues, income, capital expenditures, dividends, liquidity and capital structure; and
- the impact of inflation and currency volatility on our financial condition and results of operations.

Forward-looking statements may also be identified by words such as “may,” “will,” “believe,” “expect,” “anticipate,” “project,” “intend,” “should,” “seek,” “estimate,” “future” or similar expressions. These statements discuss future expectations, contain projections of results of operations or of financial conditions or state other forward-looking information. Forward-looking statements are subject to various risks and uncertainties. When considering forward-looking statements, you should keep in mind the factors described in “Risk Factors” and other cautionary statements appearing in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” below. These “Risk Factors” and other statements describe circumstances that could cause results to differ materially from those contained in any forward-looking statement. The risks and uncertainties include, but are not limited to:

- uncertainties relating to political (including those related to the escalation of conflicts among states), financial, commercial, legal, social and economic conditions in Argentina or in other jurisdictions that could affect our results of operations;
- changes in general economic, business, political or other conditions in Argentina or changes in general economic or business conditions in other Latin American countries;
- inflation and exchange rate risks, including fluctuations in the value of the peso or other currencies that could affect our results of operations;
- elections in Argentina and uncertainties relating to future government approvals or legal actions, such as provisional remedies, that could affect our tariffs;
- foreign exchange restrictions applicable to payments of our debt and import restrictions on consumables that are key for the maintenance of our assets;
- the impact of competition in the markets in which we operate;
- the impact of regulatory reform and changes in the laws and regulations applicable to the energy sector in Argentina, including changes to the current regulatory framework, changes to current incentive programs for investment in generation capacity and reduction of government subsidies to consumers;
- changes in environmental regulations, including exposure to risks related to business activities;
- changes in the level of precipitations and accumulated water;

- risks inherent to the demand for and sale of energy;
- operational risks related to the generation, as well as the transmission and distribution of electricity;
- credit risks arising from agreements with CAMMESA;
- impact of high rates of inflation on our costs;
- our ability to implement our business strategy, including the ability to identify and execute investment opportunities;
- our ability to retain key members of our front-line management and key technical employees;
- our relationships with our employees;
- increases in financing costs or the inability to obtain additional financing on attractive terms, which could limit our ability to finance new investments;
- changes in the price and currency of payment of power and other related services;
- changes in the price of gas, coal, fossil fuels and their derivatives;
- the failure of governmental authorities to approve proposed measures or transactions described in the documents incorporated into this Exchange Offer Memorandum;
- risks related with cybersecurity events, including potential cyberattacks;
- the risks associated with climate change and severe weather events;
- electricity shortages;
- changes in the capital markets in general that may affect the policies or positions towards the granting of financing or the implementation of investments in Argentina or in Argentine companies, including volatility in the local and international financial markets;
- restrictions on the ability to exchange pesos into foreign currencies or to transfer funds abroad, including more severe restrictions on the ability to exchange Pesos into foreign currencies or to transfer funds abroad;
- governmental intervention, including measures that result in changes to the labor market, exchange market or the Argentine tax system;
- the impact of actions taken by third parties, including courts and other governmental authorities;
- the impact of epidemics, pandemics such as the one generated by the virus SARS CoV-2 and any other kind of sanitary crisis, and any subsequent mandatory regulatory restrictions or containment measures imposed in response thereto;
- the impact and uncertainties related to increased costs and inflation controls in Argentina; and
- additional matters identified in “Risk Factors.”

Our actual results may differ materially from the results discussed in these forward-looking statements because such statements, by their nature, involve estimates, assumptions and uncertainties. The forward-looking statements contained in this Exchange Offer Memorandum speak only as of the date of this Exchange Offer Memorandum, and we do not undertake any obligation to update any forward-looking statement or other information to reflect events or

circumstances occurring after the date of this Exchange Offer Memorandum or to reflect the occurrence of unanticipated events.

### **MARKET AND INDUSTRY DATA**

This Exchange Offer Memorandum includes market share, ranking, industry data and forecasts that we obtained from industry publications and surveys, public filings, and internal company sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information.

We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position and ranking are based on market data currently available to us, management's estimates and assumptions we have made regarding the size of our markets within our industry. We believe data regarding the size of our markets and market share are inherently imprecise, but generally indicate size and position and market share within our markets. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section titled "Risk Factors." Neither we nor the Dealer Managers can guarantee the accuracy or completeness of such information contained in this Exchange Offer Memorandum. Accordingly, investors should not place undue reliance on the market and industry data included in this Exchange Offer Memorandum.

### **AVAILABLE INFORMATION**

To permit compliance with Rule 144A in connection with the resale of New Notes that are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will furnish, upon the request of a holder or beneficial owner of a New Note or a prospective purchaser designated by such holder, the information required to be delivered by Rule 144A(d)(4) under the Securities Act unless, at the time of such request, we are either a reporting company under Section 13 or Section 15(d) of the Exchange Act, or are furnishing to the SEC the information required by Rule 12g3-2(b) under the Exchange Act.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

### **Financial Statements**

This Exchange Offer Memorandum includes our audited consolidated financial statements as of December 31, 2022, 2021 and 2020 and for the years then ended (the “Annual Consolidated Financial Statements”) and our unaudited interim condensed consolidated financial statements as of March 31, 2023 and for the three-month periods ended March 31, 2023 and 2022 (the “Interim Condensed Consolidated Financial Statements” and, together with the Annual Consolidated Financial Statements, the “Consolidated Financial Statements”). This information should be read in conjunction with the sections titled “Presentation of Financial Information,” “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Exchange Offer Memorandum.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and represent the comprehensive, explicit and unreserved adoption of these international standards.

Our Annual Consolidated Financial Statements have been audited by Pistrelli, Henry Martin y Asociados S.R.L., independent auditors, whose report dated March 28, 2023 is included in this Exchange Offer Memorandum. With respect to our Unaudited Interim Condensed Consolidated Financial Statements, Pistrelli, Henry Martin y Asociados S.R.L. has performed the procedures specified for a review of interim financial information as described in the International Standard for Review Engagements No. 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410) and issued a review report thereon dated June 29, 2023.

In this Exchange Offer Memorandum, references to “peso,” “pesos,” and “Ps.” are to Argentine pesos, the legal currency in Argentina; references to “dollars,” “U.S. dollars” or “U.S.\$” are to United States dollars; and references to “euros” are to the currency of each Member State of the European Union which participates at the relevant time in the Economic and Monetary Union.

The summary of the interim condensed consolidated financial information related to the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows for the three-month period ended March 31, 2023 and 2022, are measured in terms of current Argentine pesos as of March 31, 2023. The annual consolidated financial information for the years ended December 31, 2022, 2021 and 2020 has been derived from the consolidated financial statements as of December 31, 2022, 2021 and 2020, and such financial information has thereafter been restated to measure them in terms of current Argentine pesos as of December 31, 2022.

In addition, our Annual Consolidated Financial Statements and our unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with the provisions in force of the CNV, which approved General Resolution (RG) No. 562 adopting Technical Resolution No. 26 (as amended by Technical Resolution No. 29) of the Argentine Federation of Professional Councils in Economic Sciences (*Federación Argentina de Consejos Profesionales de Ciencias Económicas* or “FACPCE”), which establishes that entities issuing equity securities and/or negotiable fixed income securities, with certain exceptions, are required to prepare their financial statements in accordance with IFRS, as issued by IASB. Our unaudited Interim Condensed Consolidated Financial Statements as of March 31, 2023 have been prepared in accordance with IAS 34.

Based on the standards set out in IAS 21 (“The Effects of Changes in Foreign Exchange Rates”), we have established the Argentine peso as our functional currency expressed in constant currency as of the end of the reporting fiscal year. Such definition has been adopted since February 1, 2020, as a consequence of the provisions of Resolution No. 31/2020, which changed, since the beginning of February 2020, the currency for the recognition of income from U.S. dollars to Argentine pesos.

Previously, from February 1, 2017 to January 31, 2020, the U.S. dollar was the currency of the main economic environment in which the Company operated under the terms of Resolution No. 19/2017 issued by the Secretary of Electric Power, as amended by Resolution 1/2019.

The subsidiaries Energética Argentina S.A. and Vientos Neuquinos I S.A. maintain the U.S. dollar as their functional currency, since they are not covered by Resolution 31/2020, and restate the figures converted to the presentation currency in the year-end currency of the reporting period according to the provisions of the “Practical Application Guide of Accounting and Auditing Issues in Companies under the Scope of Public Offerings No. 1 – 2019” (the “Practical Guide”).

The assets, liabilities and results of subsidiaries and other companies are expressed in their respective functional currencies, and whenever they are other than the Argentine pesos, and the effects on their translations are recognized in “Other Comprehensive Income” within the statement of comprehensive income.

IAS 29 Financial Information in Hyperinflationary Economies (“IAS 29”) requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy should be stated in terms of the measuring unit current at the end of the reporting period. This applies to AES Argentina Generación as from February 1, 2020.

However, neither IAS 21 nor IAS 29 explain how to report in constant currency in those cases where the functional currency is that of a stable economy, and the presentation currency is that of a hyperinflationary economy. This was the case for the Company until January 31, 2020 and continues to be the case for the subsidiaries Energética Argentina S.A. and Vientos Neuquinos I S.A., which have a functional currency other than the peso. Therefore, since 2019, those companies have applied as accounting policy the guidelines of the Practical Guide concerning the conversion into presentation currency and the restatement set forth in this guide, as detailed in the following paragraphs. This was discontinued for AAG on January 31, 2020 to begin applying IAS 29.

The literal application of IAS 21 requires no restatement of the financial statements figures once they are translated to the presentation currency (Pesos). Nevertheless, the Practical Guide considered that this gives rise to the presentation of information in Pesos that would be expressed in a currency of different purchasing power, given that the comparative information, initial shareholders’ equity and its variations, the statement of cash flows, evolutionary disclosures, and the results of the entity will not be expressed in a currency of the same purchasing power due to the fact that the presentation currency is that of a hyperinflationary economy (Pesos).

In order to mitigate this distortion, the Practical Guide sets out that it would be acceptable for an entity to restate at year-end currency all the information expressed in a currency other than year-end currency, namely: the contributions of the owners, the reserves, the retained earnings, and each of the items that make up the results of the reporting period. The effect of the restatement should be recognized in the translation reserve within Other Comprehensive Income, so that the balance of the reserve is expressed in real terms. Moreover, the above-mentioned restatement is consistent with the restatement mechanism provided for in IAS 29 and FACPCE Technical Resolution 6.

#### **Certain circumstances affecting the comparability of financial information**

Prior to the entry into force of Resolution No. 31/2020, from February 1, 2017 to January 31, 2020, the U.S. dollar was the currency of the main economic environment in which we operated under the terms of Resolution No. 19/2017 of the Secretary of Electric Power, as amended by Resolution No. 1/2019.

The main effects affecting comparability in the financial statements as from the change from the functional currency to the peso expressed in constant currency are as follows:

- Until January 31, 2020, non-monetary assets were valued at their acquisition cost in U.S. dollars, which was then translated at the closing exchange rate of each corresponding fiscal year/period. As of February 1, 2020, nonmonetary assets existing at that date are valued considering their valuation as of January 31, 2020, as previously indicated, and those amounts are restated for inflation until the closing date of the corresponding fiscal year/period. Acquisitions of non-monetary assets as from the date of change of

functional currency to the Argentine peso are valued at the end of the period at their cost of acquisition restated for inflation until the closing date of the corresponding fiscal year/period.

- The exchange difference recognized in net income for the period is generated by net monetary positions in foreign currency. Previously, the exchange difference was generated by the net monetary position in pesos.
- Beginning February 1, 2020, the financial results include the concept of loss on net monetary position (“RECPAM” for its Spanish acronym) generated by the monetary position in pesos exposed to the effects of changes in the purchasing power of the currency. This item is not recognized when the functional currency is not that of a high-inflation environment.
- Exchange differences from translation to the presentation currency are not recognized because the functional currency is the presentation currency.

### **Financial information in hyperinflationary economies**

As detailed above, we have changed our functional currency since February 1, 2020.

IAS 29 requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy, regardless of whether they are based on the historical or current cost method, should be stated in terms of the measuring unit current at the end of the reporting fiscal year. For the purpose of arriving at a conclusion on the existence of a hyperinflationary economy, the standard details a number of factors to be considered, including a cumulative inflation rate over three years that approaches or exceeds 100%.

Cumulative inflation over the past three years is above 100%. Likewise, both the Argentine government’s projections and other available projections indicate that this trend will not be reversed in the short term.

In order to assess the above-mentioned quantitative condition and restate the financial statements, the CNV has set forth that the series of indices to be used in the enforcement of IAS 29 is as determined by FACPCE. This series combines the National Consumer Price Index (CPI) as from January 2017 (baseline month: December 2016) with the Wholesale Domestic Price Index (IPIM, for its acronym in Spanish), both as published by the National Statistics Bureau (INDEC) until that date, computing for the months of November and December 2015, for which INDEC has no information with respect to changes in the IPIM, and the variation in the CPI of the Autonomous City of Buenos Aires. This index is published every month by the FACPCE.

Considering the above index, annual inflation was 94.8%, 50.9% and 36.14% for the years ended December 31, 2022, 2021 and 2020, respectively, and 104.3% for the twelve month period ended March 31, 2023 and 20.3% for the three-month period ended March 31, 2023.

The main procedures for the adjustment for inflation mentioned above are as follows:

- Restatement of the statement of financial position:
  - Monetary items (i.e., those with a fixed nominal value in local currency) are not restated because they are already stated in terms of the measuring unit current at the end of the reporting period. In a period of inflation, an entity holding monetary assets loses purchasing power and an entity holding monetary liabilities gains purchasing power to the extent that such items are not subject to an adjustment mechanism that may otherwise offset these effects. Monetary gain or loss is accounted for as profit or loss for the reporting period.
  - Non-monetary assets and liabilities carried at amounts current at the end of the reporting fiscal year are not restated for presentation purposes in the statement of financial position. Nevertheless, the adjustment process should be completed to establish, in terms of homogeneous measuring unit, the gains or losses resulting from holding those non-monetary items.

- Non-monetary items measured at historical cost or at the amount current at a date prior to the end of the reporting fiscal year are restated by applying coefficients reflecting the changes in the general price level since the date of acquisition or revaluation through the end date. Subsequently, the restated amounts of such assets are compared to the corresponding recoverable amounts.
- The restatement of non-monetary assets in terms of the measuring units current at the end of the reporting period with no equivalent adjustment for tax purposes gives rise to a taxable temporary difference and the recognition of deferred tax liabilities in profit or loss for the year. For the end of the next period, deferred tax items are adjusted for inflation to reassess the charge to income for the next period.
- When borrowing costs are capitalized in non-monetary assets pursuant to IAS 23 Borrowing Costs (“IAS 23”), the components of those costs compensating the creditor for the effects of inflation are not capitalized.
- Restatement of the income statement:
  - Expenses and income (including interest and exchange differences) are restated from the date the items were accounted for, except for those profit or loss items that reflect or include in their determination the consumption of assets measured at the currency purchasing power from a date prior to the date on which the consumption was recorded, which is restated based on the date of origin of the asset related to the item (e.g. depreciation and other consumption of assets valued at historical cost); and except also for any income or losses arising from comparing two measurements at currency purchasing power of different dates, for which it is necessary to identify the compared amounts, to restate them separately, and to repeat the comparison, but with the amounts already restated.
  - The result from the loss on net monetary position (“RECPAM” for its acronym in Spanish) is presented in a separate line and reflects the effect of inflation on monetary items.
- Restatement of the statement of changes in shareholders’ equity: As from the date of change of functional currency (February 1, 2020), all equity components are restated by applying the general price index as from that date, and each variation of these components is restated from the date of contribution or from the time in which it has otherwise occurred.
- Restatement of the statement of cash flows:
  - IAS 29 requires that all accounts of this statement should be restated in terms of the measuring unit current at the end of the reporting period.
  - The monetary gain or loss generated from cash and cash equivalents is recorded in the statement of cash flows separately from the cash flows from operations, investments and financing activities, as a specific item for the reconciliation between cash and cash equivalents at the beginning and at the end of the fiscal year.

## **Rounding**

Certain figures (including percentage amounts) included in this Exchange Offer Memorandum have been rounded for presentation purposes. Percentage figures and totals included in this Exchange Offer Memorandum have, in some cases, been calculated on the basis of such figures prior to rounding. For this reason, certain percentage and total amounts in this Exchange Offer Memorandum may vary from those obtained by performing the same calculations using the figures in the Annual Consolidated Financial Statements and the unaudited Interim Condensed Consolidated Financial Statement and figures shown as total in certain tables may not be an exact arithmetic aggregate of the other figures in such table.



## Exchange Rates

Solely for the convenience of the reader, certain amounts included herein have been converted from pesos into U.S. dollars using the seller exchange rate reported by *Banco de la Nación Argentina* (the “BNA”) at the relevant date or, as the case may be, for the relevant period. Peso amounts for financial information as of December 31, 2022 and March 31, 2023 have been translated into U.S. dollars at the exchange rate quoted by the BNA on March 31, 2023 of Ps.209.01 to U.S.\$1.00.

These conversions should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate. See “Exchange Rate Information and Exchange Controls” for information regarding historical exchange rates between the peso and the U.S. dollar and exchange controls.

## Non-IFRS Data

The Adjusted EBITDA and other financial ratios calculated using Adjusted EBITDA contained in this Exchange Offer Memorandum are not calculated in accordance with IFRS. Adjusted EBITDA is a financial measure included in this Exchange Offer Memorandum because we believe certain investors may consider it useful as an additional measure of our financial performance and ability to service our debt and fund capital expenditures. We define Adjusted EBITDA as follows: net income for the year/period plus income tax, depreciation and amortization, other income and expenses, financial income, financial expenses, exchange gain (loss), loss on net monetary position (“RECPAM” for its acronym in Spanish), and income from investments in other companies. Our Adjusted EBITDA presented here does not match the definition of Adjusted EBITDA for purposes of the Description of the New Notes and the New Notes Indenture (as defined below), which also includes our collection of FONINVEMEM receivables during the relevant period.

Our Adjusted EBITDA may not be comparable to other similarly titled measures of other companies and has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-IFRS measures, such as Adjusted EBITDA, are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to operating income or net income or any other performance measures derived in accordance with IFRS, or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

Limitations of our Adjusted EBITDA measure include:

- it does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements that would be required for such replacements; and
- other companies in our industry may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.

Because of these limitations, our Adjusted EBITDA measure should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. Accordingly, you should rely primarily on our IFRS results and use this Non-IFRS measure only as supplemental information for your evaluation of our performance.

For a reconciliation of our Adjusted EBITDA, see “Summary Consolidated Financial Information.”

### **Industry and Market Data**

The information set forth in this Exchange Offer Memorandum with respect to the market environment, market developments, growth rates and trends in the markets in which we operate are based on information published by the Argentine federal and local governments through INDEC, the Ministry of Public Works, the Ministry of Economy, the BCRA, CAMMESA, as well as on independent third-party data, statistical information and reports produced by unaffiliated entities, as well as on our own internal estimates.

Market studies are frequently based on information and assumptions that may not be exact or appropriate, and their methodology is by nature forward-looking and speculative. This Exchange Offer Memorandum also contains estimates that we have made based on third-party market data analyzing figures, market data or other information from publicly available sources.

Although we have no reason to believe any of this information or these sources are inaccurate in any material respect, neither we nor the Dealer Managers have verified the figures, market data or other information on which third parties have based their studies, nor have we confirmed that such third parties have verified the external sources on which such estimates are based. Therefore, neither we nor the Dealer Managers guarantee, nor do we or the Dealer Managers assume responsibility for, the accuracy of the information from third-party studies presented in this Exchange Offer Memorandum.

This Exchange Offer Memorandum also contains estimates of market data and information derived therefrom which cannot be gathered from publications by market research institutions or any other independent sources. Such information is based on our internal estimates. In many cases there is no publicly available information on such market data, for example from industry associations, public authorities or other organizations and institutions. We believe that these internal estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which we operate as well as our position within this industry. Although we believe that our internal market observations are reliable, our estimates are not reviewed or verified by any external sources. These may deviate from estimates made by our competitors or future statistics provided by market research institutes or other independent sources. We cannot assure you that our estimates or the assumptions are accurate or correctly reflect the state and development of, or our position in, the industry.

## ENFORCEMENT OF CIVIL LIABILITIES

We are a duly incorporated corporation (*sociedad anónima*) organized under the laws of Argentina. Substantially all of our assets are located in Argentina. The majority of our directors and executive officers reside in Argentina, and all or a substantial portion of their assets are also located in Argentina or elsewhere outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against them or against us judgments predicated upon the civil liability provisions of the federal securities laws of the United States or the laws of other jurisdictions.

We have been advised by our Argentine counsel, Bruchou & Funes de Rioja, that there is doubt as to whether the courts of Argentina would enforce in all respects, to the same extent and in as timely a manner as a U.S. or other non-Argentine court, an original action predicated solely upon the civil liability provisions of the U.S. federal securities laws or other non-Argentine securities laws; and that the enforceability in Argentine courts of judgments of U.S. or other non-Argentine courts predicated upon the civil liability provisions of the U.S. federal securities laws or other non-Argentine securities laws will be subject to compliance with certain requirements under Argentine law, including that any such judgment does not violate Argentine public policy (*orden público argentino*).

Enforcement of foreign judgments would be recognized and enforced by the courts in Argentina *provided* that the requirements of Argentine law (including Articles 517 through 519 of the Argentine Code of Civil and Commercial Procedures if enforcement is sought before Argentine federal courts, or Article 515 of the Civil and Commercial Procedural Code of the Province of Buenos Aires if enforcement is sought before local courts sitting in the Province of Buenos Aires) are met, namely: (i) the judgment, which must be final in the jurisdiction where rendered, was issued by a court competent in accordance with Argentine principles regarding international jurisdiction and resulted from a personal action, or an in rem action with respect to personal property if such property was transferred to Argentine territory during or after the prosecution of the foreign action; (ii) the defendant against whom enforcement of the judgment is sought was personally served with the summons and, in accordance with due process of law, was given an opportunity to defend against such foreign action; (iii) the judgment must be valid in the jurisdiction where rendered and its authenticity must be established in accordance with the requirements of Argentine law; (iv) the judgment does not violate the principles of public policy of Argentine law; and (v) the judgment is not contrary to a prior or simultaneous judgment of an Argentine court. Any document in a language other than Spanish (including, without limitation, the foreign judgment and other documents related thereto) requires filing with the relevant court of a duly legalized translation by a sworn public translator into the Spanish language.

The filing of claims with the Argentine judicial system is subject to the payment of a court tax to be paid by the person filing a claim. Such tax rate varies from one jurisdiction to another (the current court tax in the courts sitting in the City of Buenos Aires is levied at a rate of 3% of the amount claimed, in accordance with Article 2 of Argentine Law No. 23,898). Furthermore, pursuant to Argentine Law No. 26,589 (as amended), certain mediation procedures must be exhausted prior to the initiation of lawsuits in Argentina (with the exception, among others, of bankruptcy and executor proceedings, which executory proceedings include the enforcement of foreign judgments, in which case mediation procedures remain optional for the plaintiff).

Subject to compliance with Article 517 of the Argentine Federal Civil and Commercial Procedure Code described above, a judgment against us or the persons described above and obtained outside Argentina would be enforceable in Argentina without reconsideration of the merits.

We have been further advised by our Argentine counsel that the ability of a judgment creditor or the other persons named above to satisfy a judgment by attaching certain assets of ours, our directors, our executive officers and/or the advisors named in this Exchange Offer Memorandum, respectively, may be limited by provisions of Argentine law.

## TECHNICAL AND REGULATORY TERMS

In this Exchange Offer Memorandum, references to:

- “combined cycle” are to a type of thermoelectric turbine that can use various fuels, including natural gas, biodiesel or diesel, to drive an alternator to generate power, which then uses the heat that escapes from that process to produce steam to generate additional power via a steam turbine;
- “Equivalent Availability Factor (EAF)” are to the percentage of hours a power generation unit is available for generation of electricity in the relevant period, whether or not the unit is actually dispatched or used for generating power;
- “EOH” are to accumulated equivalent operating hours;
- “Hm<sup>3</sup>” are to cubic hectometers;
- “GW” and “GWh” are to gigawatts and gigawatt-hours, respectively;
- “km” are to kilometers;
- “kV” are to kilovolts;
- “kW” and “kWh” are to kilowatts and kilowatt-hours, respectively;
- “MW” and “MWh” are to megawatts and megawatt-hours, respectively;
- “open cycle” are to a type of thermoelectric turbine that can use various fuels, including natural gas or diesel, to drive an alternator to generate power. As opposed to the combined-cycle gas turbines, the open-cycle gas turbine has only one power cycle;
- “PPAs” are to power purchase agreements; and
- “Tn” are to tons.

Unless otherwise indicated, statistics provided throughout this Exchange Offer Memorandum with respect to power generation units are expressed in MW, in the case of the installed capacity of such power generation units, and in GWh, in the case of the aggregate electricity production of such power generation units. One GW is equal to 1,000 MW and one MW is equal to 1,000 kW. Statistics relating to aggregate annual electricity production are expressed in GWh and are based on a year of 8,760 hours.

In this Exchange Offer Memorandum, references to:

- “AES” or “AES Corporation” are to The AES Corporation;
- “AES Argentina” are to AES Argentina Generación S.A.;
- “AES Paraná” are to AES Paraná, our thermoelectric power plant located in the province of Buenos Aires, which became fully operational in 2001;
- “Alicura” are to Alicura, our hydroelectric power plant located in the province of Neuquén, which we acquired in 2000;
- “BCRA” are to the Argentine Central Bank;

- “CAMMESA” are to *Compañía Administradora del Mercado Mayorista Eléctrico S.A.*, the government entity in charge of the management of the MEM and the dispatch of electricity into the SADI. CAMMESA is controlled by the Argentine government, which owns 20% of its capital stock, and by four groups of entities each holding 20% of its capital stock, namely, the associations that represent the generation companies, the transmission companies, distribution companies and large users. CAMMESA is in charge of dispatching electricity into the SADI, planning energy capacity needs and optimizing energy use, monitoring the operation of the term market, billing and collecting payments for transactions between MEM agents, purchasing and/or selling electric power from other countries, among others. CAMMESA’s operating costs are financed through mandatory contributions by the MEM agents;
- “Cabra Corral” are to Cabra Corral, our hydroelectric plant located in the province of Salta, that is part of the AES Cabra Corral hydroelectric complex, which we acquired in 1995;
- “Central Sarmiento” are to Central Sarmiento, our thermoelectric power plant located in the province of San Juan, which we acquired in 1996;
- “CTSN” are to Central Térmica San Nicolás, our thermoelectric power plant located in the province of Buenos Aires, which we acquired in 1993;
- “DPPJ” are to the *Dirección Provincial de Personas Jurídicas*;
- “El Tunal” are to El Tunal, our hydroelectric plant located in the province of Salta, that is part of the AES Cabra Corral hydroelectric complex, which we acquired in 1995;
- “Energía Base” are to the regulatory framework under which generators sell their electric power availability to CAMMESA for capacity installed prior to March 17, 2006, which is not subject to specific contractual regimes and/or differential remuneration schemes. The remuneration scheme applicable to these generators is periodically adjusted by the Secretariat of Energy (the latest one as of the date of this Exchange Offer Memorandum being Resolution No. 826/2022). See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Energy Prices Under the Energía Base Framework” and “Our Business—Our Customers—Energía Base Regulatory Framework”;
- “ENRE” are to the Argentine National Electricity Regulator (*Ente Nacional Regulador de la Electricidad*), which is an autonomous supervisory body that operates under the Secretariat of Energy. ENRE supervises the compliance of regulated transmission and distribution companies with established laws, regulations and operating criteria, including quality of service and environmental standards and guidelines against monopolistic behavior in the market. ENRE also undertakes or resolves disputes among the different participants in the sector and protects consumer interests;
- “FONINVEMEM” are to the Fund for Investments Required to Increase the Electric Power Supply (*Fondo para Inversiones Necesarias que Permitan Incrementar la Oferta de Energía Eléctrica en el Mercado Eléctrico Mayorista*);
- “MEM” are to the Argentine Wholesale Electrical Market (*Mercado Eléctrico Mayorista*);
- “SADI” are to the Argentine Interconnected System (*Sistema Argentino de Interconexión*), Argentina’s main interconnected power grid, covering most of Argentina, which is managed by the MEM;
- “Secretariat of Energy” and “SE” are to *Secretaría de Energía*, the Secretariat of Energy of Argentina;
- “Secretariat of Electric Energy” are to the former Secretariat of Electric Energy of Argentina (replaced by the Subsecretariat of Electric Energy);

- “SE Resolution 220/2007” are to Resolution 220/07 of the Secretariat of Energy (*Resolución No. 220/2007 de la Secretaría de Energía*), as amended and complemented, that authorized CAMMESA to enter into PPAs with generators. See “The Argentine Electricity Industry and Regulation—Distributed Energy (*Energía Distribuida*)”;
- “SE Resolution 95/2013” are to Resolution 95/2013 of the Secretariat of Energy (*Resolución No. 95/2013 de la Secretaría de Energía*), as amended and complemented by Resolutions SE 529/2014, SE 482/2015, SEE 22/2016, SGE 70/2018, SRRyME 1/2019, MDP 12/2019, SE 31/2020, SE 440/2021, SE 238/2022, and SE 826/2022;
- “SE Resolution 21/2016” are to Resolution 21/2016 of the Secretariat of Electric Energy (*Resolución No. 21/2016 de la Secretaría de Energía Eléctrica*) that called for a public bid process for the installation of new generation capacity. See “The Argentine Electricity Industry and Regulation—Call for Bids for New Thermal Generation Capacity and Associated Electricity Generation”;
- “Sierras del Buendía” are to Macondo, the wind farm that will be developed by Sierras del Buendía S.A. (a subsidiary of the Company), located in the Province of Buenos Aires;
- “TGB” are to FONINVEMEM’s Guillermo Brown thermoelectric power plant located in the Province of Buenos Aires, which commenced commercial operations in 2016;
- “TGB S.A.” are to the company that is in charge of TGB’s operation and maintenance;
- “TJSM” are to FONINVEMEM’s San Martín thermoelectric power plant located in the Province of Santa Fe, which commenced operations in 2010;
- “TJSM S.A.” are to the company that is in charge of TJSM’s operation and maintenance;
- “TMB” are to FONINVEMEM’s Manuel Belgrano thermoelectric power plant located in the Province of Buenos Aires, which commenced operations in 2010;
- “TMB S.A.” are to the company that is in charge of TMB’s operation and maintenance;
- “Ullum” are to Ullum, our hydroelectric power plant located in the province of San Juan, which we acquired in 1996;
- “Vientos Bonaerenses” are to Vientos Bonaerenses, the wind farm owned by Energética Argentina S.A. (a subsidiary of the Company), located in the Province of Buenos Aires; and
- “Vientos Neuquinos” are to Vientos Neuquinos, the wind farm owned by Vientos Neuquinos I S.A. (a subsidiary of the Company), located in the Province of Neuquén.

## SUMMARY

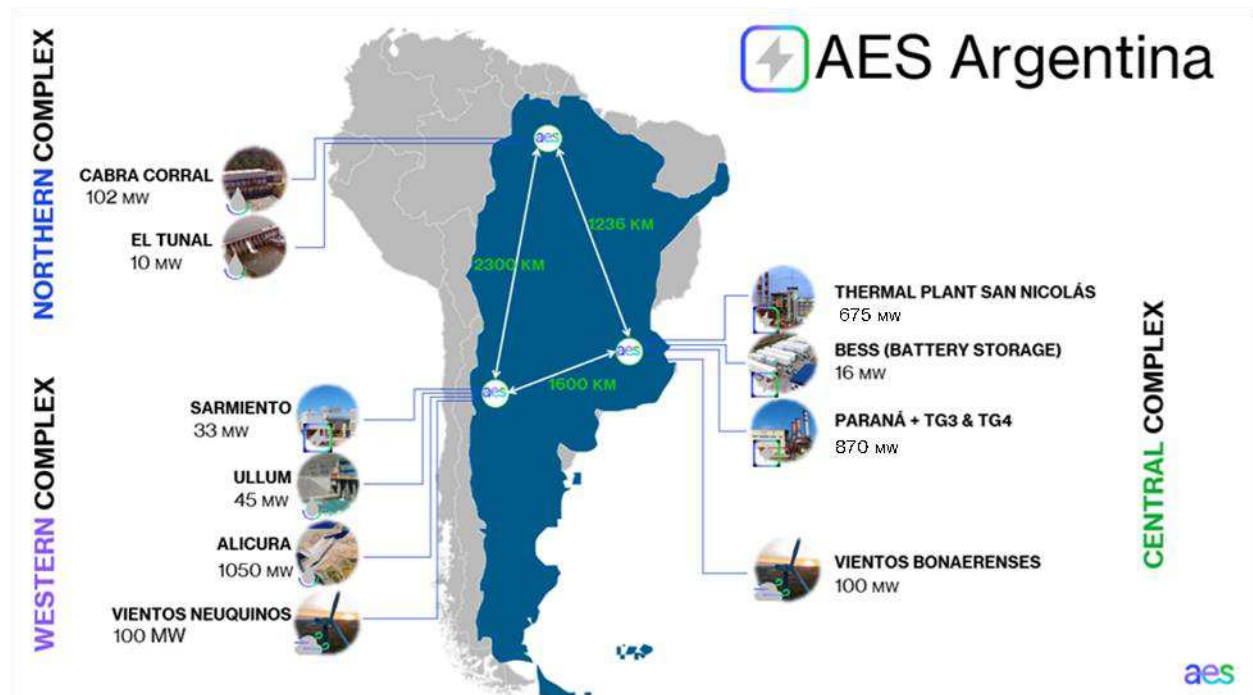
The following summary is provided for your convenience and may not contain all of the information that may be important to you. This entire summary is subject to the detailed information included in other sections of this Exchange Offer Memorandum and must be read in conjunction with them, including the Annual Consolidated Financial Statements and the unaudited Interim Condensed Consolidated Financial Statements and accompanying notes and schedules and the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The references to the Company made in this section include AES Argentina, as well as its subsidiaries, on a consolidated basis except as otherwise indicated therein. Capitalized terms that are not defined in the following summary will have the same meanings as in the section entitled “Our Business.”

### Overview

We are one of the leading private power generation companies in Argentina, with an installed generating capacity of 3,001 MW in our seven generation plants as of the date of this Exchange Offer Memorandum, representing a market share of 7%. In the year ended December 31, 2022, we generated a total of 6,815 net GWh of power, representing approximately 5% of the power generated in the SADI during that period, while we generated 1,836 GWh in the three-month period ended March 31, 2023, representing approximately 5% of the power generated in the SADI during that period.

We have a well-diversified competitive asset portfolio comprised of 1,207 MW in four hydroelectric plants (40.22%), 1,578 MW in three thermoelectric plants (52.58%), 200 MW in two currently operative wind farms (6.66%) and 16 MW (0.53%) in a battery storage system.

We are also diversified by geography and technology, with strategically located plants in sites with access to fuel supply and with access to different connection points on the distribution grid. We are also the only generator in the SADI with the capacity to burn a variety of fuels, including diesel, fuel oil, biodiesel, natural gas and coal. The following map shows where our plants are located within Argentina:



The following table presents a brief description of the plants that we currently own and operate:

| Power Plant               | Location                               | Installed Capacity (MW) | Technology |
|---------------------------|----------------------------------------|-------------------------|------------|
| Cabra Corral .....        | Coronel Moldes, Province of Salta      | 102                     | Hydro      |
| El Tunal .....            | El Tunal, Province of Salta            | 10                      | Hydro      |
| Alicurá.....              | Comahue, Province of Neuquén           | 1,050                   | Hydro      |
| Ullum.....                | Ullum, Province of San Juan            | 45                      | Hydro      |
| CTSN.....                 | San Nicolás, Province of Buenos Aires  | 675                     | Thermal    |
| AES Paraná .....          | San Nicolás, Province of Buenos Aires  | 870                     | Thermal    |
| Central Sarmiento.....    | Aires                                  | 33                      | Thermal    |
| BESS (Renewable).....     | San Juan, Province of San Juan         | 16                      | Batteries  |
| Vientos Bonaerenses ..... | San Nicolás, Province of Buenos Aires  | 100                     | Wind       |
| Vientos Neuquinos .....   | Aires                                  | 100                     | Wind       |
| <b>Total .....</b>        | Bahía Blanca, Province of Buenos Aires | <b>3,001</b>            |            |

In addition to our wind, hydroelectric and thermoelectric power generation assets, and energy storage assets, we also own two facilities for fuel procurement: (i) the CTSN discharge port for coal sourcing, and (ii) the AES Paraná discharge port for liquid fuel sourcing. Each port can handle one ship at a time. The ports are situated next to each other in the district of San Nicolás, Province of Buenos Aires and are strategically located to be able to serve industrial customers.

We sell most of our generated electricity and derive most of our revenues from the electricity we generate at our seven hydro and thermal generation plants to CAMMESA under the Energía Base regulatory framework established under SE Resolution 95/2013, modified by SE Resolution 440/2021 and SE Resolution 238/2022. Under this framework, tariffs are paid by CAMMESA based on a fixed and variable costs system which was determined by the Secretariat of Energy pursuant to SE Resolution 238/2022. Under the Energía Base regulatory framework, CAMMESA supplies us with most of the fuel we need to produce the energy we generate (with the exception of coal used by our CTSN thermoelectric plant, which we procure separately and which is a variable cost that we report to CAMMESA every 15 days). See “The Argentine Electricity Industry and Regulation.”

In relation to our wind farms, Phase 1 of wind farm Vientos Bonaerenses (20 MW) and wind farm Vientos Neuquinos (100 MW) sell the energy generated to industrial customers under the “Mercado a Término” regulatory framework (“MATER”) established by the former Ministry of Energy and Mining by means of Resolution 281/2017. Under this framework, we negotiate sales conditions directly with customers. Phase 2 of wind farm Vientos Bonaerenses (80 MW) sells its energy to CAMMESA under the regulatory framework RenovAr 2.

In addition, we participate in a fund known as the *Fondo para Inversiones Necesarias que Permitan Incrementar la Oferta de Energía Eléctrica en el Mercado Eléctrico Mayorista* (Fund for Investments Required to Increase the Electric Power Supply, or “FONINVEMEM”) managed by CAMMESA at the direction of the Ministry of Energy. The insufficient financing of the MEM for more than a decade resulted in significant debt with power generation companies for the sale of electric power from 2004 through 2011. In response, the Argentine government created the FONINVEMEM in order to (i) fund the construction of new power plants and (ii) commit itself to the repayment of accounts receivables owed to power generators with equity in the companies that would operate such new plants in the future. In 2004, the first FONINVEMEM fund was created, and power generation companies with outstanding receivables contributed their outstanding receivables from electric power sales to CAMMESA, while CAMMESA committed itself to repaying those contributions in U.S. dollars over a period of 10 years, beginning when the relevant new power plants became operational. Upon full repayment of the receivables, power generation companies received equity interests in the companies that operated FONINVEMEM’s new power plants. As of the date of this Exchange Offer Memorandum, we have contributed U.S.\$518 million in outstanding receivables (net of value added tax (“VAT”)) from electric power sales from January 2004 through January 2013 into the FONINVEMEM funds. Repayment for our contributions began, as scheduled, in March 2010 when the first and



second FONINVEMEM plants (TJSM and TMB) became operational, and in relation to such plants, we have received full repayment of our contributions. In December 2016, we began receiving repayment for our contributions to the third FONINVEMEM plant (TGB), which became operational in April 2016. We have received payments of U.S.\$277 million, related to accrued and unpaid monthly installments for the period between March 2010 and March 2023. For more information on FONINVEMEM, see “Our Business—Investments in FONINVEMEM.” On May 4 and 8, 2020, the Special Shareholders’ Meeting of TMB S.A. and TJSM S.A. were held, respectively, in order to fulfill the condition precedent established in Article 1.01 of the Trust Agreement (the “Agreement”). Articles 1.01 and 7.03 of the Agreement provide that once the termination date has occurred, the generating company will become the trustee upon verifying that the necessary acts have been carried out to allow the Argentine government to receive the shares of TJSM S.A. and TMB S.A. in accordance with the guidelines established in the “Final Agreement for the MEM Reconversion,” as executed on October 17, 2005 by various MEM generators and the Argentine government.

The respective Shareholders’ Meetings resolved to make capital increases in TMB S.A. and TJSM S.A. in the proportion necessary in each entity so that the Argentine government may subscribe shares and become the owner of 65.006% of the shares of TMB S.A. and 68.826% of the shares of TJSM S.A. Capital increases were performed without the exercise of any preemptive or accretion rights by the previous shareholders with respect to the shares to be issued in favor of the Argentine government and will be paid in through capitalization of the capital adjustment account.

As a result, the capital increases were subscribed by the Argentine government through the Secretary of Energy. On March 11 and March 28, 2021, TMB S.A. and TJSM S.A., respectively, registered the new interest of the Argentine government in their respective share ledgers, thus reducing our equity interest in TMB S.A. and TJSM S.A. to 7.2% and 6.4%, respectively. As from the effectiveness of this change in the participating interests, the resulting gains or losses ceased to be recognized according to the equity method and started to be accounted for at their cost plus dividends.

On June 16, 2021, Executive Decree No. 389/2021 was published in the Official Gazette, whereby, among other things, the shares issued in favor of the Argentine government in the generating companies TMB S.A. and TJSM S.A. were assigned to Integración Energética Argentina S.A. (“IEASA”). On June 22, 2021, the managing companies received a notice from IEASA pursuant to Art. 215 of the Commercial Companies Law, whereby they were informed of the provisions of Art. 6 of Executive Decree No. 389/2021 and requested to consider that the change of ownership has become effective and to record such change in their respective Share Ledgers.

On August 24, 2021, the Common Shareholders’ Meetings of TMB S.A. and TJSM S.A. were held to appoint new directors based on the new stock ownership.

Our stake in TGB will be reduced upon fulfilment of the aforementioned conditions. We currently hold interests in the companies that operate the following FONINVEMEM thermal power plants as follows:

| Power Plant                 | Location                               | Installed Capacity (MW) | Technology                                             | % Approximate Equity Interest |
|-----------------------------|----------------------------------------|-------------------------|--------------------------------------------------------|-------------------------------|
| San Martín (TJSM) .....     | Timbúes, Province of Santa Fe          | 865                     | Combined cycle plant, which became operational in 2010 | 6% <sup>(1)</sup>             |
| Manuel Belgrano (TMB) ..... | Campana, Province of Buenos Aires      | 873                     | Combined cycle plant, which became operational in 2010 | 7% <sup>(1)</sup>             |
| Guillermo Brown (TGB) ..... | Bahía Blanca, Province of Buenos Aires | 576                     | Open cycle plant, which became operational in 2016     | 60% <sup>(2)</sup>            |

- (1) On May 4 and 8, 2020, Extraordinary General Shareholders’ Meetings of TMB and TJSM were held, respectively, in order to carry out the necessary actions to comply with the condition precedent of the Argentine government becoming a shareholder of such companies. In such meetings, it was stated for the record that differences had arisen among the shareholders and the Argentine government with respect to the relevant shareholding percentages in TMB and TJSM that would correspond to the Argentine government. The shareholders resolved to carry out capital increases in each of TMB and

TJSM in the necessary proportion so that the Argentine government may subscribe shares and become the owner of 65.006% of the shares of TMB and 68.826% of the shares of TJSM. The capital increases are to be effected without preemptive or accretion rights of the current shareholders with respect to the shares to be issued in favor of the Argentine government and will be paid through the capitalization of the capital adjustment account. On March 11, 2021, by means of private letters, the Argentine government informed to TMB and TJSM its acceptance to subscribe the relevant shares. Subsequently, on June 15, 2021, by way of the enacting of Decree No. 389/2021, ENARSA was assigned the shares issued in favor of the Argentine government in TMB and TJSM and, as a result, our stakes in such companies have decreased to 6.372% and 7.17%, respectively.

- (2) We expect that once the Argentine government becomes a shareholder of TGB, our stake in TGB will be up to 30%.

We have invested in growth opportunities in the renewable energy sector for a total of 200 MW of wind energy for both the “RenovAr” program (80 MW) and the private-to-private renewable term market “MATER” (120 MW). In addition, we continue to evaluate solar and wind generation projects in line with our commitment to a decarbonization strategy and which would increase our technological diversification. For more information, see “— Our Business Strategy and Objectives.”

On October 11, 2019, CAMMESA granted the commercial authorization for the Vientos Bonaerenses I wind farm (operated through our subsidiary Energética Argentina S.A.), corresponding to the installation of six wind turbines in the south of the Province of Buenos Aires, and on February 6, 2020 granted the commercial authorization of the second stage of the Vientos Bonaerenses wind farm, corresponding to 24 additional wind turbines, within the framework of the growth projects we are developing and which are described elsewhere in this Exchange Offer Memorandum. We also developed another wind farm of 100 MW of capacity through our subsidiary Vientos Neuquinos I S.A., which has received commercial authorization for 29 wind turbines in 2020.

On November 1, 2019, we obtained commercial authorization for an energy storage system through a 9.6 MW battery bank in the San Nicolás power plant, the first of its kind in Argentina. In addition, we have developed a project consisting of four lithium battery modules with the capacity to store 16Mwtot/15min (i.e., 4Mwtot/15min per independent module). The purpose of this project is to regulate primary frequency in unit No. 5 of the San Nicolás plant. Given the benefits that this system offers to SADI, in 2019, CAMMESA granted commercial authorization to use this service to provide regulation of primary frequency to the system, even when unit No. 5 is out of service.

On May 26, 2022, we executed a purchase option over the totality of the shares of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW wind farm (e.g., environmental impact studies, land use rights, easement agreements, etc.). Likewise, our Sierras del Buendía wind farm is registered with the Argentine Renewable Energy Projects (*Registro de Proyectos de Energía Renovable*) and will be able to participate in future tenders once fully developed. Our Sierras del Buendía wind farm is currently under development and not in operation.

On October 11, 2022, we acquired a 10% shareholding in the company Green Valley Solar S.A., which is engaged in the development and marketing of energy generation and storage systems for agricultural irrigation through solar panels.

In 2022, we had gross profit of Ps.15,940,219 thousand (U.S.\$76,265 thousand), net income of Ps.2,286,901 thousand (U.S.\$10,942 thousand) and Adjusted EBITDA of Ps.13,836,815 thousand (U.S.\$66,202 thousand).

We are controlled by AES Corporation, a Fortune 500 global energy company with a diversified portfolio across four different continents with an installed capacity of over 32.33 GW.

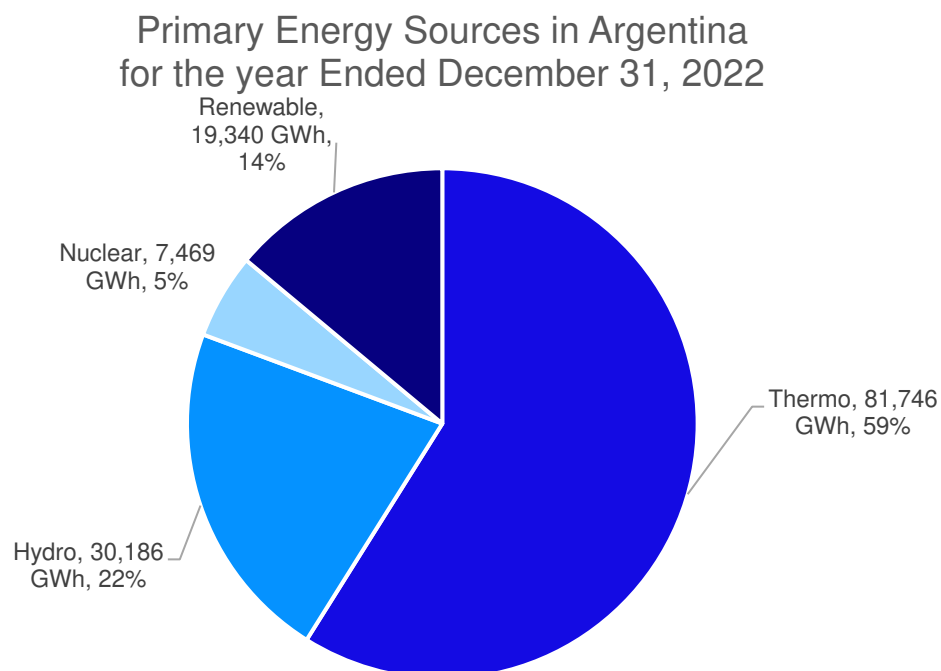
### **Argentine Power Sector**

Over recent decades, the Argentine government (spanning administrations with different ideological orientations) has favored the use of thermoelectric generating units, as these units require smaller capital investments and take less time to deploy compared to other types of generating units. Although these new power plants have increased the dependency on hydrocarbons, the Argentine government does not consider this a disadvantage as the required fuels are produced in Argentina, and the production has always been predictable and growing. However, the constant use of thermoelectric generation has increased the demand for fossil fuels,

particularly those based on natural gas, and has led to shortages and the imposition of certain restrictions on providing locally produced fuels to thermal generators.

The structure of electric energy consumption in Argentina is strongly dependent on hydrocarbons, at approximately 59% in 2022, compared to 64% in 2021, 61% in 2020, 61% in 2019 and 64% in 2018. Argentina imports large amounts of natural gas, liquefied natural gas and gas oil in order to try to satisfy demand. During 2019 such imports decreased, mainly due to an increase in domestic production of natural gas. However, demand for natural gas is usually unmet during the winter in both the industrial segment and in the thermoelectric generation segment. In certain instances, the Argentine government has imposed restrictions on consumption in order to supply gas to other segments that do not have the capacity to replace natural gas with other fuels (among others, propane, butane and fuel).

Although current energy consumption in Argentina signals a dependence on hydrocarbons, we believe that Argentina is currently undergoing an important shift to a more modern and diversified energy mix arising from the inclusion of renewable energy into the mix, in accordance with the requirements set forth in Law No. 27,191 of 2015. See “The Argentine Electricity Industry and Regulation—Structure of the Industry—Renewable Energy Program”.

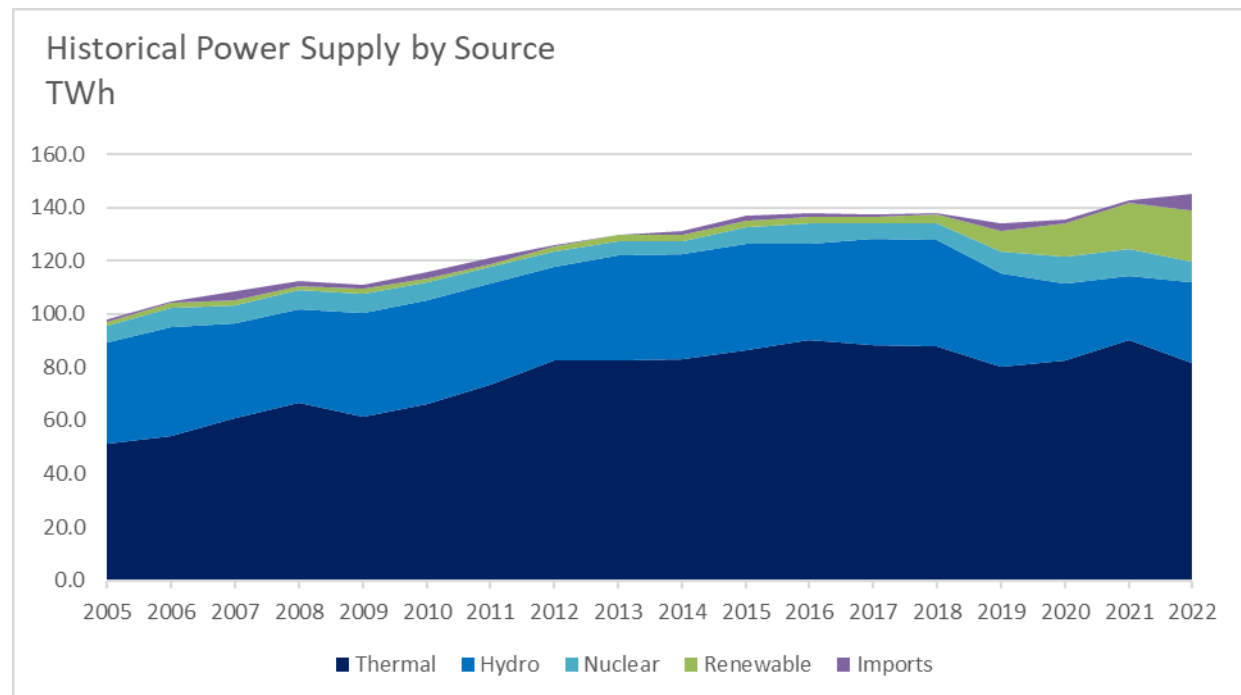


Source: CAMMESA

Nominal installed capacity in Argentina was reported by CAMMESA to be 42,927 MW as of December 31, 2022 and 43,278 as of March 31, 2023. However, operational electric power generation capacity effectively available at any given time was estimated by CAMMESA at around 33,138 MW as an average of 2022. Availability estimated by CAMMESA for thermal units is approximately 75% due to the lack of proper fuel supply, difficulties in achieving nominal efficiency and unavailability of several generating units under maintenance. Moreover, generation supply depends heavily on liquid fuel use, which diminishes capacity availability, and certain transmission restrictions exist which also diminishes capacity availability.

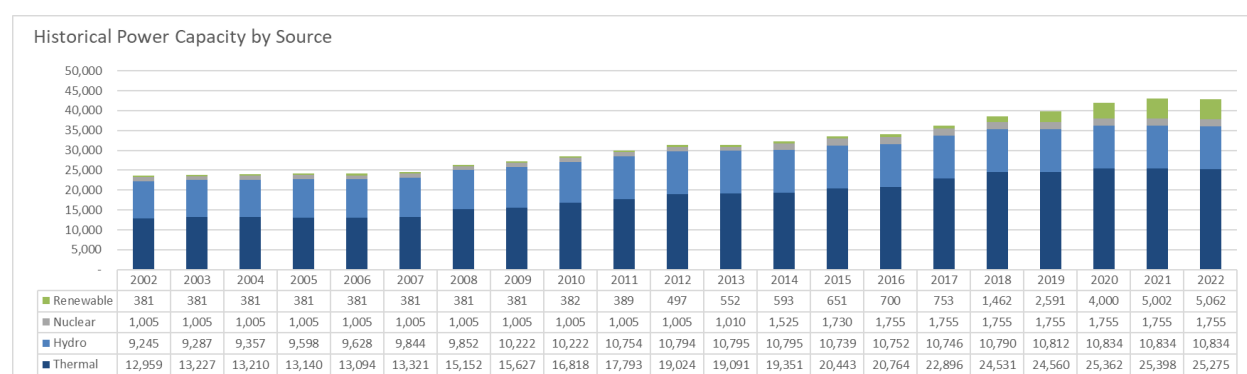
Nominal power generation capacity is dominated by thermoelectric generation. A considerable number of thermoelectric power units experience high levels of unavailability, especially during the winter, due to fuel provision restrictions.

The following chart shows the evolution of electric power generation by type of source:



Source: CAMMESA

The following chart shows the evolution of electric power generation capacity by type of source:

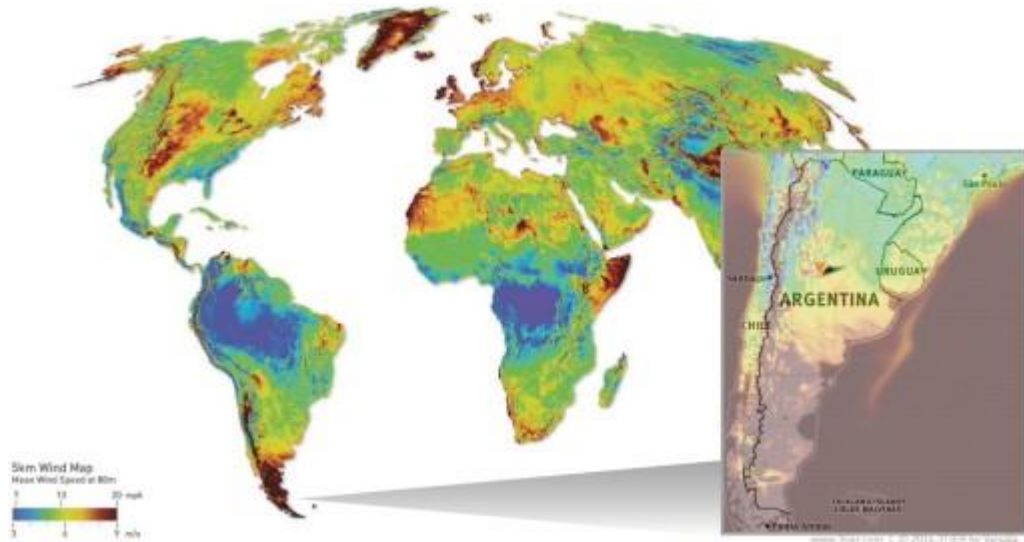


Source: CAMMESA

## Renewable Energy Generation in Argentina

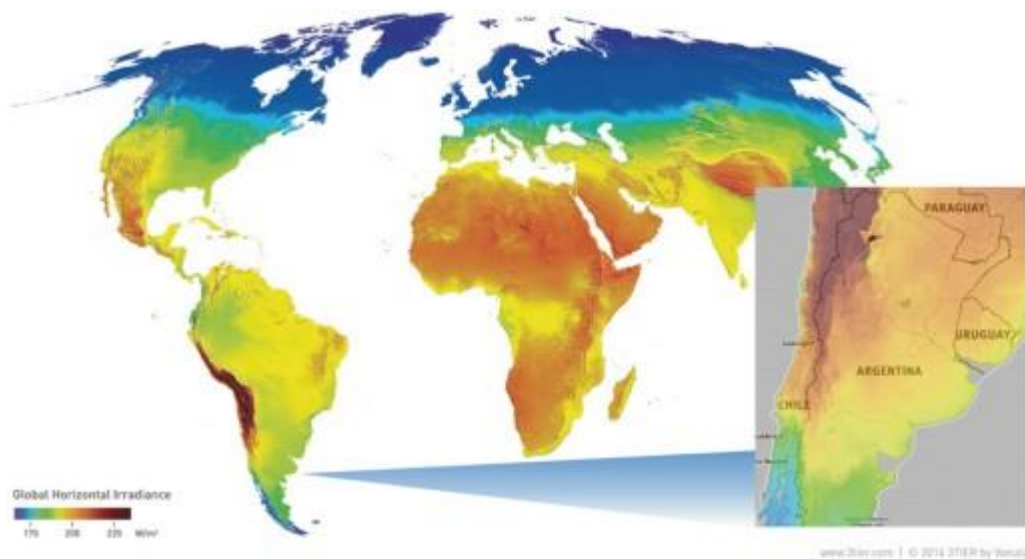
Certain regions of Argentina benefit from levels of wind or sunlight that provide a strong potential for renewable energy generation. The maps below show the mean wind speed at 80 meters of elevation and the average global horizontal irradiance in Argentina, respectively.

### Average Wind Speeds



Source: Vaisala – 3Tier

### Average Global Horizontal Solar Irradiance (GHI)



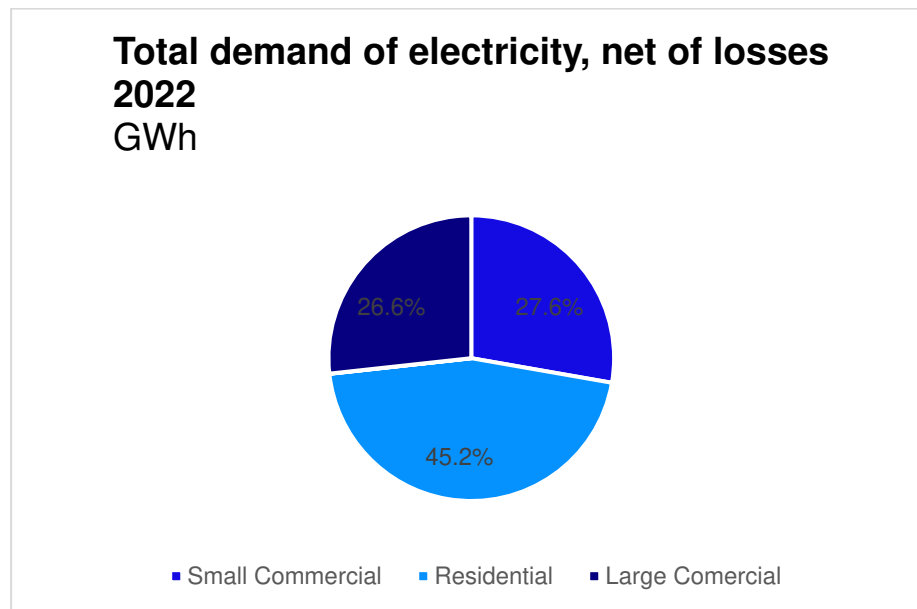
Source: Vaisala – 3Tier

### The Structure of Electric Power Demand in Argentina

Electric power demand depends to a significant extent on economic and political conditions in Argentina, as well as seasonal factors. In general, the demand for electric power varies depending on the performance of the Argentine economy, as businesses and individuals generally consume more energy and are better able to pay their bills during periods of economic stability or growth. As a result, electric power demand is affected by Argentine

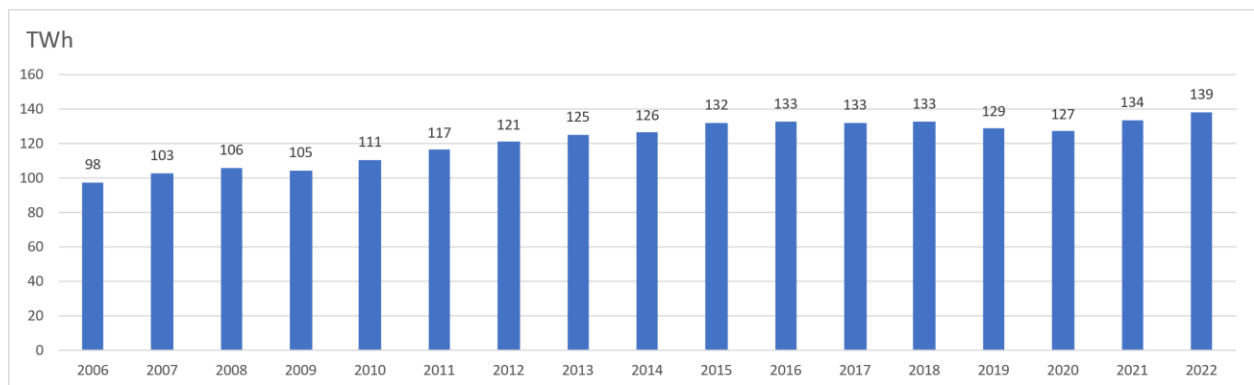
governmental actions concerning the economy, including with respect to inflation, interest rates, price controls, foreign exchange controls, taxes and energy tariffs.

The following chart shows the demand for electric power in 2022 by customer type:



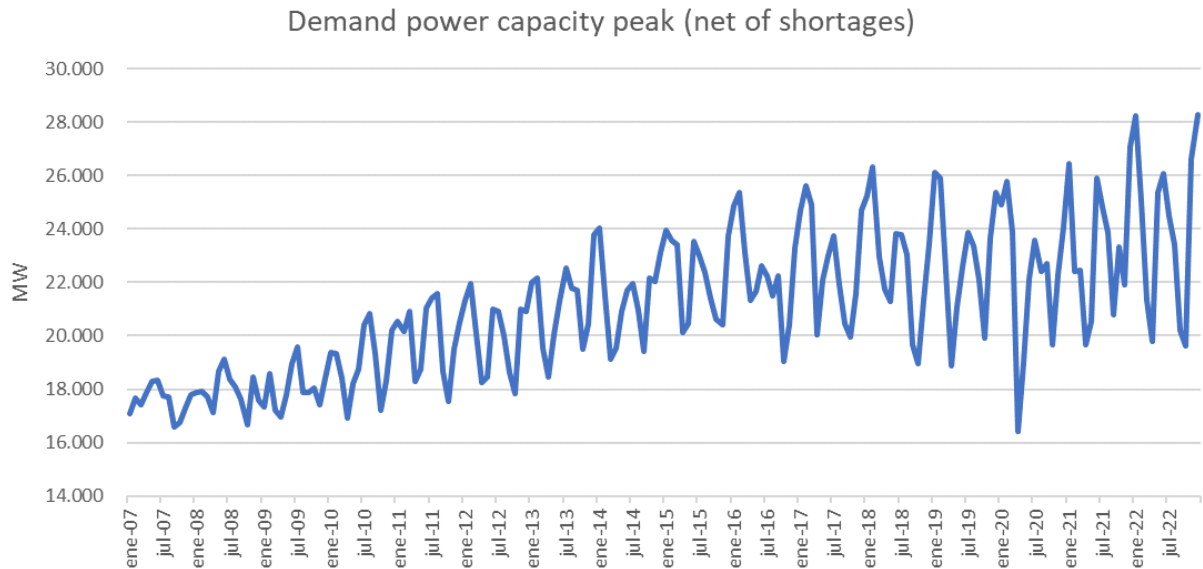
Source: CAMMESA

The following chart shows the evolution of the demand for electric power over the last several years:



Source: CAMMESA

The following chart shows the power demand from January 2007 to July 2022:

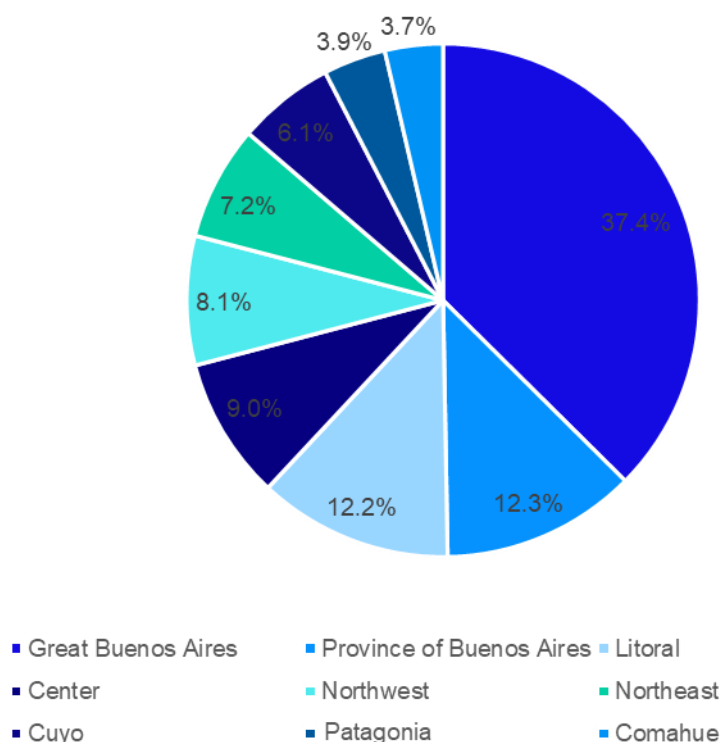


CAMMESA divides Argentina into regions that have similar characteristics in terms of demand, socio-economic characteristics and electric subsystems. Such regions are: (i) the City of Buenos Aires and its suburbs, (ii) the Province of Buenos Aires, (iii) Santa Fe and Northwest Buenos Aires, (iv) the Center, (v) the Northwest, (vi) Cuyo, (vii) the Northeast, (viii) Comahue, and (ix) Patagonia.

Demand is significantly concentrated in the areas of the City of Buenos Aires, the Province of Buenos Aires, Santa Fe and Northwest Buenos Aires, which together comprise approximately 50% of the demand. Changes to the concentration of the demand structure are not substantial over the period of measurement.

The chart below shows electricity demand by region for 2022:

## Demand of electricity net of losses 2022 [GWh]



Source: CAMMESA

Seasonality also has a significant impact on the demand for electric power, with electric power consumption peaks in summer and winter. The impact of seasonal changes in demand is registered primarily among residential and small commercial customers. Seasonal changes in demand are attributable to the impact of various climate factors, including weather and the amount of daylight time, on the usage of lights, heating systems and air conditioners.

The impact of seasonality on industrial demand for electric power is less pronounced than on the residential and commercial sectors for several reasons. First, different types of industrial activity by their nature have different seasonal peaks, such that the effect of climate factors on them is more varied. Second, industrial activity levels tend to be more significantly affected by the economy and with different intensity levels depending on the industrial sector.

Energy demand throughout the hours of each month grew in 2006, reflecting a sharp increase in industrial activity and mass consumption in the economy. Such demand declined due to restrictions on industrial power consumption in the winter of 2007, and the international crisis at the end of 2008 and early 2009. However, such decline in consumption reversed between mid-2011 and 2016 due to a growth in demand. Between 2016 and 2018, electricity demand remained stable, and it decreased in 2019 due to a general decrease of the economic activity in Argentina. For 2020, electricity demand continued to decrease due to a decline in economic activity and the impact of COVID-19. In 2021, electricity demand recovered from the previous year, mainly due to an increase in industrial demand. In 2022, electricity demand grew 3.6%.



For further information, see “The Argentine Electricity Industry and Regulation.”

### **Our Competitive Strengths**

We believe that we have achieved a strong competitive position in the Argentine power generation sector primarily as a result of the following strengths:

***High-quality and diversified generation asset portfolio.*** We have a well-diversified competitive asset portfolio, with our hydroelectric and thermoelectric plants representing 40% and 53% of our asset mix, respectively, while wind farms represent 7% of our asset mix. Our portfolio is also geographically and technologically diversified. Our footprint covers both eastern and western Argentina. All of our plants are strategically located in sites with access to fuel supply and to the energy grid at different connections points. Furthermore, we are the only generator in the SADI with the capacity to burn a variety of fuels at our thermal plants, including diesel, fuel oil, biodiesel, natural gas and coal. In addition, we have been pioneers in adopting advanced plant technology. For example, our AES Paraná plant was the first generation plant to introduce the use of a biodiesel and fogging system. Our thermoelectric plants have also had the highest operational performance record among leading generation companies in Argentina based on our internal calculations derived from information published by CAMMESA since 2013.

***Leader in the Argentine market, with a strong growth potential.*** We are a leading Argentine power generation company with a market share of 7% of the total installed capacity in the SADI, as of March 31, 2023. Additionally, we are the only generator that has invested in TGB through the FONINVEMEM funds, giving us the unique position of being the only private investor in that generation plant. Our size within the Argentine market makes us well-positioned to take advantage of the developments in the sector through making new investments in the Argentine power generation industry.

***Successful project development and construction and attractive development portfolio.*** We have a proven track record of successfully developing and constructing power generation projects. For example, we successfully developed and constructed the AES Paraná plant, which has an installed capacity of 870 MW, began operations in 2001 and was the first power generation plant in Argentina to introduce the use of a biodiesel and fogging system. We are the sole Argentine power generation company invested in TGB. In addition, we successfully completed the construction of two wind power plants of 100 MW each, for a total of 200 MW, Vientos Bonaerenses (operated through our subsidiary Energética Argentina S.A.) in the province of Buenos Aires and Vientos Neuquinos (operated through our subsidiary Vientos Neuquinos I S.A.) in the province of Neuquén. Further, in May 2022, we acquired the totality of the shares of Sierras del Buendía S.A., a company through which we are currently developing our Macondo wind farm, and in October 2022, we acquired a 10% shareholding in the company Green Valley Solar S.A., which is engaged in the development and marketing of energy generation and storage systems for agricultural irrigation through solar panels. In addition, we are the only electric power generating company in Argentina that has a battery bank system for frequency regulation, which we have installed at our San Nicolás power plant. We are evaluating additional renewable energy projects, particularly wind and solar projects to add to our portfolio.

***Benefits from our relationship with AES, a worldwide and experienced operator with a strong presence in Latin America.*** AES is one of the largest U.S. private investors in the energy sector in Argentina and one of the largest private investors in the power sector in Latin America. AES began to make investments in Argentina in 1993 and now operates more than 12,900 MW in South America. We benefit from the operational and technical expertise and best practices of AES in optimizing our operational performance and improving our margins. Of the other AES companies within South America, AES Andes S.A. (“AES Andes”) (with whom we share the same senior leadership team) owns a 643 MW combined cycle thermoelectric power plant in the province of Salta called TermoAndes. In addition, AES Andes, through its subsidiary InterAndes S.A., owns the only transmission line between Argentina and Chile, a 268 km single circuit line operating at 345 kV. Through AES Servicios America S.R.L., AES also provides back-office services to various AES companies around the world, with a financial service center located in the City of Buenos Aires. As part of the AES network, we are able to access greater scale and leverage during commercial negotiations with suppliers, regulators and creditors. Further, coal supply for the San Nicolás Thermal Power Plant is managed jointly by AES South America businesses, which allows us to manage our coal supply effectively and efficiently.

***Experienced management.*** Our management team has extensive industry experience and proven expertise in business strategy, operations, engineering, project management, construction, fuel and equipment purchasing and risk management. The majority of our management team has more than 10 years of experience in the Argentine power market. In particular, AES has operated in Argentina since 1993 and thus our management team has accumulated extensive expertise operating under challenging market conditions. Our management team is also able to further leverage the AES network for best practices.

## **Our Business Strategy and Objectives**

Our goal is to provide reliable and sustainable electricity in the markets in which we operate by leveraging our operational, commercial and financial excellence:

***Commercial excellence.*** We primarily sell the energy we generate to the wholesale market in which prices are determined by CAMMESA. As the regulator reimburses us for portions of both our fixed and variable costs, an important component of our business strategy is our commitment to cost efficiency in order to maximize margins. We plan to continue to accomplish this goal by taking advantage of our synergies within AES and optimizing the procurement and logistics of our CTSN and AES Paraná discharge ports, in coordination with CAMMESA.

***Operational excellence.*** We focus on comprehensive operational excellence, which includes safety, operational efficiency, community cooperation and environmental management, in order to achieve sustainable long-term electricity generation. Given no access to long-term PPAs in the market, we aim to increase plant availability in order to maximize our variable margin when operating under the Energía Base framework for spot energy sales. In order to achieve this operational efficiency, we focus on minimizing forced outages and optimizing reservoir management in our hydroelectric assets, as well as negotiating our maintenance plans to reduce the impact of maintenance outages on our capacity payments. Through this we seek to guarantee the long-term commercial availability of our generation assets and are aided by our extensive operating expertise and continuous maintenance and operational enhancements.

***Financial excellence.*** Our financial policy focuses on profitability, stability and liquidity in order to maintain and develop our business. Our principal financial objectives include balancing our capital structure, maintaining adequate minimum liquidity, managing our debt amortization schedule and actively mitigating risks to prevent cash flow and earnings volatility. Our financial risk management aims to balance U.S. dollar denominated debt with revenues tied to the U.S. dollar.

***Expansion projects.*** We are always ready to analyze new projects in order to maximize our potential. Planned investments in renewable energy generation, including pursuant to new regulations requiring large users to source certain minimum percentages of their power consumption from renewable sources, will allow us to expand our footprint within the Argentine market and thereby increase our installed capacity and revenues while at the same time improving the efficiency of the Argentine electricity system.

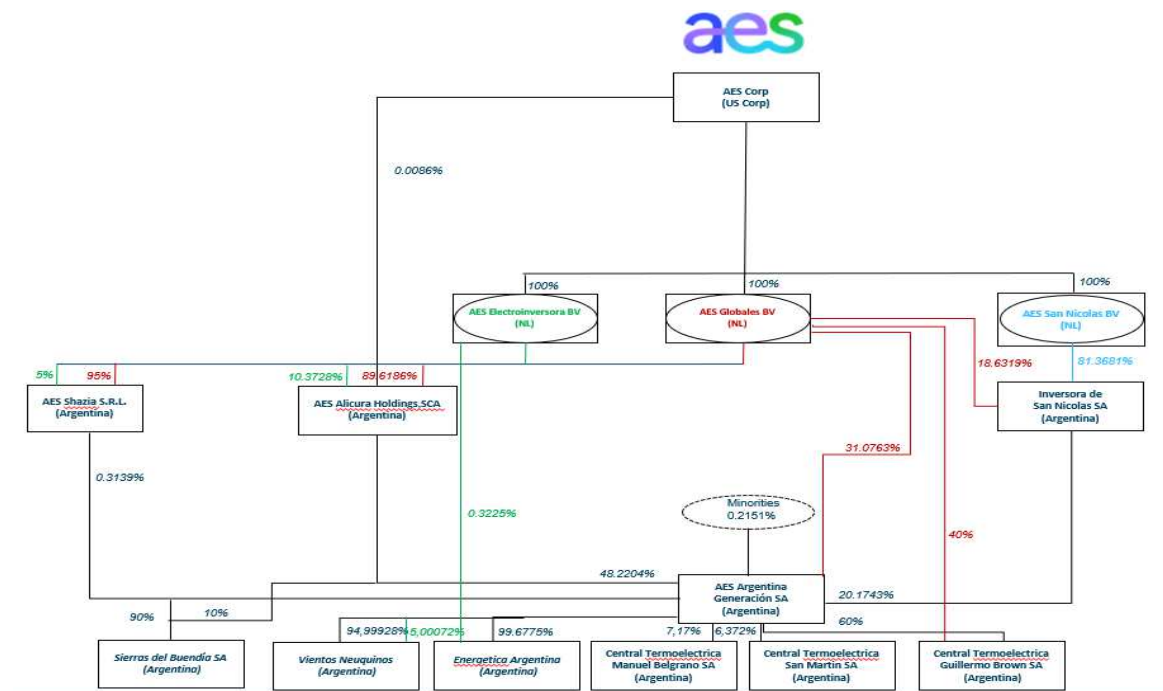
***Focus on Safety, Corporate Responsibility and Environment Management.*** Safety is our top corporate value. To this end, a world-class safety program has been implemented to safeguard our employees, our contractors and the communities where our operations are located and our employees and contractors have all been granted “stop-work” authority. Corporate social responsibility is also one of our priorities and we interact with the communities where our assets are located, striving to establish permanent relationships through the creation of social responsibility initiatives and development programs, such as our infant malnutrition control program in Salta. We also apply integrated environmental management in order to ensure full compliance with regulatory requirements and identify environmental improvements.

## **Corporate Information**

The Company was created by means of Decree No. 287/93 of the National Executive Power, on February 22, 1993, in the context of the reorganization and privatization process of Hidronor S.A., Hidroeléctrica Norpatagónica S.A., registered initially with Registro Público de Comercio on July 6, 1993 under Registration No. 5,980 of book 113, page A of Corporations (Sociedades Anónimas). The Company is currently registered with the Dirección

Provincial de Personas Jurídicas of the Buenos Aires Province under File No. 01/137419, Register No. 78.035. The Company has a duration of 99 years, from the date of its initial registration with the Registro Público de Comercio. Our corporate headquarters are located at Román Subiza 1960, San Nicolás de los Arroyos, C2900, Provincia de Buenos Aires, Argentina. Our website address is [www.aesargentina.com.ar](http://www.aesargentina.com.ar). The information included in, or referred to by, our website is not included nor incorporated by reference into this Exchange Offer Memorandum. Our investor relations email is [rrii@aes.com](mailto:rrii@aes.com).

The following chart presents our corporate structure as of the date of this Exchange Offer Memorandum.



## Recent Developments

### *Argentine Series 1 Notes*

On July 6, 2023, we launched the offer of our Argentine Series 1 Notes for an aggregate principal amount of U.S.\$60,000,000, which we expect to settle on or about July 14, 2023 for an aggregate principal amount of U.S.\$30,513,915. We will use the proceeds from the Argentine Series 1 Notes offering to, among others, pay for the cash component of the Exchange Offer, pursuant to the authorization given by the BCRA on July 6, 2023.

### *Market Context*

During the second quarter of 2023, the SADI saw a change in operational conditions (compared to the first quarter of 2023, and also compared to the second quarter of 2022) driven by a fall season with higher temperatures. As an example, the month of May saw above-average historical temperatures, approximately 2 degrees Celsius warmer than the same period in 2022. This resulted in lower electricity demand in the second quarter of 2023 compared to the same period last year (with total system demand decreasing by 7.8% in May, and residential demand decreasing by 13%. Therefore, energy generation was also negatively impacted, with lower hydro-generation resulting from lower inflows, and lower thermal dispatch as well to respond to the decrease in demand.

According to publicly available data from CAMMESA, our generation in April and May was:

| Generation (MWh)          | April – May    |                |                  |                |
|---------------------------|----------------|----------------|------------------|----------------|
|                           | 2023           | 2022           | Var              | Var(%)         |
| Paraná.....               | 265,498        | 346,321        | (80,822)         | (23.3)%        |
| San Nicolas.....          | 141,462        | 309,247        | (167,785)        | (54.3)%        |
| Alicura.....              | 158            | 63,888         | (63,730)         | (99.8)%        |
| Cabra Corral .....        | 16,825         | 27,688         | (10,863)         | (39.2)%        |
| El Tunal.....             | 6,108          | 6,907          | (799)            | (11.6)%        |
| Ullum.....                | 17,634         | 6,607          | 11,027           | 166.9%         |
| Sarmiento .....           | 290            | 77             | 213              | 276.8%         |
| Vientos Bonaerenses ..... | 64,683         | 72,711         | (8,028)          | (11.0)%        |
| Vientos Neuquinos .....   | 45,900         | 58,850         | (12,950)         | (22.0)%        |
| <b>Total</b>              | <b>558,558</b> | <b>892,296</b> | <b>(333,737)</b> | <b>(37.4)%</b> |

Sources: System operation figures are quoted from CAMMESA monthly report as of May 2023. Generation data by plant according to data publicly available in CAMMESA's website

As a result of this lower generation (compared to last year), we expect our results in the second quarter of 2023 to be negatively impacted and to reflect a decrease from the same period in the prior year.

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following tables present our summary consolidated financial data for each of the periods indicated. You should read this information in conjunction with our Annual Consolidated Financial Statements and unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this Exchange Offer Memorandum and related notes, and the information under “Presentation of Financial and Other Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Exchange Offer Memorandum.

The financial consolidated information included herein is prepared and presented in accordance with IFRS, as issued by IASB.

We have derived our summary financial data as of and for the three-month periods ended March 31, 2023 and 2022 and as of and for the years ended December 31, 2022, 2021 and 2020 from our unaudited Interim Condensed Consolidated Financial Statements and our Annual Consolidated Financial Statements, respectively, included in this Exchange Offer Memorandum.

### Consolidated Statement of Comprehensive Income

|                                                                                                              | Three-Month Period Ended March 31,<br>(unaudited) |                                                                    |                             | Year Ended December 31,     |                                                                       |                   |                   |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                              | 2023                                              | 2023                                                               | 2022                        | 2022                        | 2022                                                                  | 2021              | 2020              |
|                                                                                                              | (in thousands of U.S.\$)(1)                       | (in thousands of pesos, in constant currency as of March 31, 2023) | (in thousands of U.S.\$)(1) | (in thousands of U.S.\$)(1) | (in thousands of pesos, in constant currency as of December 31, 2022) |                   |                   |
| Income from ordinary activities                                                                              | U.S.\$118,845                                     | Ps.24,839,778                                                      | Ps.21,432,340               | U.S.\$335,516               | Ps.70,126,231                                                         | Ps.67,052,171     | Ps.54,540,523     |
| Cost of sales .....                                                                                          | (84,656)                                          | (17,693,972)                                                       | (15,421,006)                | (259,251)                   | (54,186,012)                                                          | (44,429,237)      | (29,099,215)      |
| <b>Gross profit .....</b>                                                                                    | <b>34,189</b>                                     | <b>7,145,806</b>                                                   | <b>6,011,334</b>            | <b>76,265</b>               | <b>15,940,219</b>                                                     | <b>22,622,934</b> | <b>25,441,308</b> |
| Administrative expenses .....                                                                                | (5,544)                                           | (1,158,740)                                                        | (1,157,933)                 | (19,573)                    | (4,090,853)                                                           | (4,233,836)       | (4,452,702)       |
| Selling expenses .....                                                                                       | (2,214)                                           | (462,811)                                                          | (352,955)                   | (27,577)                    | (5,763,918)                                                           | (1,935,162)       | (5,721,762)       |
| Other income and expenses .....                                                                              | (140)                                             | (29,249)                                                           | (27,614)                    | (316)                       | (66,117)                                                              | (166,351)         | 479,081           |
| <b>Operating income .....</b>                                                                                | <b>26,291</b>                                     | <b>5,495,006</b>                                                   | <b>4,472,832</b>            | <b>28,799</b>               | <b>6,019,331</b>                                                      | <b>16,287,585</b> | <b>15,745,925</b> |
| Financial income .....                                                                                       | 18,707                                            | 3,909,861                                                          | 3,153,255                   | 56,095                      | 11,724,436                                                            | 10,956,278        | 9,984,720         |
| Financial expenses .....                                                                                     | (13,260)                                          | (2,771,417)                                                        | (2,664,890)                 | (41,361)                    | (8,644,927)                                                           | (12,276,332)      | (10,448,407)      |
| Exchange gain (loss) .....                                                                                   | (6,429)                                           | (1,343,733)                                                        | (150,121)                   | (8,686)                     | (1,815,466)                                                           | 2,013,242         | 817,514           |
| Loss on net monetary position (“RECPAM” for its acronym in Spanish) .....                                    | (23,433)                                          | (4,897,639)                                                        | (4,970,575)                 | (68,990)                    | (14,419,671)                                                          | (11,989,612)      | (5,820,494)       |
| Income from investments in other companies .....                                                             | 216                                               | 45,215                                                             | 124,735                     | 372                         | 77,760                                                                | 171,189           | 224,388           |
| <b>(Loss) Income before tax .....</b>                                                                        | <b>2,092</b>                                      | <b>437,293</b>                                                     | <b>(34,764)</b>             | <b>(33,771)</b>             | <b>(7,058,537)</b>                                                    | <b>5,162,350</b>  | <b>10,503,646</b> |
| Income tax .....                                                                                             | 2,158                                             | 450,907                                                            | 1,230,322                   | 44,713                      | 9,345,438                                                             | (2,177,967)       | (4,392,916)       |
| <b>Net income for the period/year .....</b>                                                                  | <b>4,250</b>                                      | <b>888,200</b>                                                     | <b>1,195,558</b>            | <b>10,942</b>               | <b>2,286,901</b>                                                      | <b>2,984,383</b>  | <b>6,110,730</b>  |
| <b>Income attributable to:</b>                                                                               |                                                   |                                                                    |                             |                             |                                                                       |                   |                   |
| Owners of parent company .....                                                                               | 4,211                                             | 880,180                                                            | 1,187,119                   | 10,210                      | 2,133,987                                                             | 2,997,630         | 6,111,877         |
| Non-controlling interest .....                                                                               | 39                                                | 8,020                                                              | 8,439                       | 732                         | 152,914                                                               | (13,247)          | (1,147)           |
| <b>Net income for the period/year .....</b>                                                                  | <b>4,250</b>                                      | <b>888,200</b>                                                     | <b>1,195,558</b>            | <b>10,942</b>               | <b>2,286,901</b>                                                      | <b>2,984,383</b>  | <b>6,110,730</b>  |
| Net earnings per share for the year:                                                                         |                                                   |                                                                    |                             |                             |                                                                       |                   |                   |
| Basic and diluted, net earnings for the period/year attributable to holders of ordinary equity instruments . | —                                                 | 0.076                                                              | 0.103                       | —                           | 0.185                                                                 | 0.260             | 0.530             |
| <b>Net income for the period/year .....</b>                                                                  | <b>4,250</b>                                      | <b>888,200</b>                                                     | <b>1,195,558</b>            | <b>10,942</b>               | <b>2,286,901</b>                                                      | <b>2,984,383</b>  | <b>6,110,730</b>  |

|                                                                                                | Three-Month Period Ended March 31,<br>(unaudited) |                                                                    |                    | Year Ended December 31,     |                                                                       |                    |                  |
|------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------|--------------------|-----------------------------|-----------------------------------------------------------------------|--------------------|------------------|
|                                                                                                | 2023                                              | 2023                                                               | 2022               | 2022                        | 2022                                                                  | 2021               | 2020             |
|                                                                                                | (in thousands of U.S.\$)(1)                       | (in thousands of pesos, in constant currency as of March 31, 2023) |                    | (in thousands of U.S.\$)(1) | (in thousands of pesos, in constant currency as of December 31, 2022) |                    |                  |
| <b>Other comprehensive income that shall not be reclassified to income in subsequent years</b> |                                                   |                                                                    |                    |                             |                                                                       |                    |                  |
| Exchange difference due to translation .....                                                   | —                                                 | —                                                                  | —                  | —                           | —                                                                     | —                  | (1,314,546)      |
| Actuarial gains (losses) from employee benefits.....                                           | —                                                 | —                                                                  | —                  | (520)                       | (108,668)                                                             | 12,356             | 78,386           |
| Effect of income tax related to employee benefits.....                                         | —                                                 | —                                                                  | —                  | 182                         | 38,032                                                                | —                  | (19,770)         |
| Proceeds from the sale of interest in subsidiaries .....                                       | —                                                 | —                                                                  | —                  | —                           | —                                                                     | (82,501)           | —                |
| <b>Other comprehensive income that shall be reclassified to income in subsequent years</b>     |                                                   |                                                                    |                    |                             |                                                                       |                    |                  |
| Exchange difference due to translation of investments in subsidiaries .....                    | (4,223)                                           | (882,644)                                                          | (1,638,129)        | (9,457)                     | (1,976,511)                                                           | (3,984,810)        | 507,915          |
| Gain (loss) from derivative valuation differences .....                                        | —                                                 | —                                                                  | —                  | —                           | —                                                                     | (262,896)          | 262,896          |
| Effect of Income Tax from derivatives .....                                                    | —                                                 | —                                                                  | —                  | —                           | —                                                                     | 76,442             | (78,869)         |
| <b>Other comprehensive income for the period/year</b>                                          | <b>(4,223)</b>                                    | <b>(882,644)</b>                                                   | <b>(1,638,129)</b> | <b>(9,794)</b>              | <b>(2,047,147)</b>                                                    | <b>(4,241,409)</b> | <b>(563,988)</b> |
| <b>Net comprehensive income for the period/year .....</b>                                      | <b>27</b>                                         | <b>5,556</b>                                                       | <b>(442,571)</b>   | <b>1,147</b>                | <b>239,754</b>                                                        | <b>(1,257,026)</b> | <b>5,546,742</b> |
| Other comprehensive income attributable to:                                                    |                                                   |                                                                    |                    |                             |                                                                       |                    |                  |
| Owners of parent company .....                                                                 | (4,152)                                           | (867,886)                                                          | (1,624,260)        | (9,724)                     | (2,032,471)                                                           | (4,387,699)        | (563,359)        |
| Non-controlling interest .....                                                                 | (71)                                              | (14,758)                                                           | (13,869)           | (70)                        | (14,676)                                                              | 146,290            | (629)            |
| <b>Other comprehensive income for the period/year .....</b>                                    | <b>(4,223)</b>                                    | <b>(882,644)</b>                                                   | <b>(1,638,129)</b> | <b>(9,794)</b>              | <b>(2,047,147)</b>                                                    | <b>(4,241,409)</b> | <b>(563,988)</b> |
| <b>Net comprehensive income attributable to:</b>                                               |                                                   |                                                                    |                    |                             |                                                                       |                    |                  |
| Owners of parent company .....                                                                 | 59                                                | 12,294                                                             | (437,141)          | 486                         | 101,516                                                               | (1,390,069)        | 5,548,517        |
| Non-controlling interest .....                                                                 | (32)                                              | (6,738)                                                            | (5,430)            | 661                         | 138,238                                                               | 133,043            | (1,776)          |
| <b>Net comprehensive income for the period/year .....</b>                                      | <b>27</b>                                         | <b>5,556</b>                                                       | <b>(442,571)</b>   | <b>1,147</b>                | <b>239,754</b>                                                        | <b>(1,257,026)</b> | <b>5,546,741</b> |

- (1) Solely for the convenience of the reader, we have translated peso amounts into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.209.01 per U.S.\$1.00 as of March 31, 2023. We make no representation that the Argentine peso or U.S. dollar amounts actually represent, could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.

## Consolidated Statement of Financial Position

|                                   | As of March 31,<br>(unaudited) |                                                                    |                             | As of December 31,                                                    |             |             |  |  |
|-----------------------------------|--------------------------------|--------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------|-------------|-------------|--|--|
|                                   | 2023                           | 2023                                                               | 2022                        | 2022                                                                  | 2021        | 2020        |  |  |
|                                   | (in thousands of U.S.\$)(1)    | (in thousands of pesos, in constant currency as of March 31, 2023) | (in thousands of U.S.\$)(1) | (in thousands of pesos, in constant currency as of December 31, 2022) |             |             |  |  |
| <b>NON-CURRENT ASSETS</b>         |                                |                                                                    |                             |                                                                       |             |             |  |  |
| Investments in Subsidiaries ..... | U.S.\$ 1,467                   | Ps. 306,618                                                        | U.S.\$ 1,439                | Ps. 300,702                                                           | Ps. 275,295 | Ps. 355,401 |  |  |
| Property, plant and equipment ..  | 428,772                        | 89,617,723                                                         | 365,351                     | 76,361,962                                                            | 85,873,819  | 102,664,203 |  |  |
| Intangible assets .....           | 24,571                         | 5,135,530                                                          | 21,684                      | 4,532,165                                                             | 5,536,957   | 6,421,130   |  |  |
| Inventories .....                 | 11,460                         | 2,395,253                                                          | 9,417                       | 1,968,215                                                             | 1,968,215   | 2,448,704   |  |  |

|                                                             | As of March 31,<br>(unaudited) |                                                                             | As of December 31,             |                                                                          |                    |                    |
|-------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------|--------------------|--------------------|
|                                                             | 2023                           | 2023                                                                        | 2022                           | 2022                                                                     | 2021               | 2020               |
|                                                             | (in thousands of<br>U.S.\$)(1) | (in thousands of<br>pesos, in constant<br>currency as of<br>March 31, 2023) | (in thousands of<br>U.S.\$)(1) | (in thousands of pesos, in constant currency<br>as of December 31, 2022) |                    |                    |
| Accounts receivable from<br>related parties.....            | 48                             | 9,937                                                                       | 40                             | 8,514                                                                    | 11,384             | 9,756              |
| Other financial assets.....                                 | 683                            | 142,731                                                                     | 683                            | 142,731                                                                  | 2,507,443          | —                  |
| Tax assets.....                                             | 18,604                         | 3,888,334                                                                   | 13,669                         | 2,856,881                                                                | 726,679            | 3,111,741          |
| Other non-financial assets .....                            | 2,026                          | 423,532                                                                     | 1,504                          | 314,381                                                                  | 400,006            | 186,394            |
| Trade receivables and other<br>accounts receivable.....     | 88,479                         | 18,493,002                                                                  | 83,751                         | 17,504,764                                                               | 32,728,216         | 54,368,355         |
| Deferred tax assets.....                                    | 31,571                         | 6,598,593                                                                   | 23,926                         | 5,000,847                                                                | 618,643            | 749,289            |
| <b>Total non-current assets .....</b>                       | <b>607,680</b>                 | <b>127,011,253</b>                                                          | <b>521,464</b>                 | <b>108,991,162</b>                                                       | <b>130,646,657</b> | <b>170,314,973</b> |
| <b>CURRENT ASSETS</b>                                       |                                |                                                                             |                                |                                                                          |                    |                    |
| Inventories .....                                           | 70,412                         | 14,716,760                                                                  | 61,641                         | 12,883,568                                                               | 8,837,739          | 1,446,306          |
| Accounts receivable from<br>related parties.....            | 682                            | 142,535                                                                     | 374                            | 78,417                                                                   | 115,501            | 64,775             |
| Tax assets.....                                             | 9,457                          | 1,976,588                                                                   | 15,426                         | 3,224,206                                                                | 5,999,162          | 4,419,459          |
| Other financial assets.....                                 | 12,100                         | 2,529,005                                                                   | 10,256                         | 2,143,622                                                                | —                  | 4,965,625          |
| Other non-financial assets .....                            | 1,451                          | 303,334                                                                     | 1,095                          | 228,763                                                                  | 330,903            | 3,069,534          |
| Trade receivables and other<br>accounts receivable.....     | 191,254                        | 39,973,919                                                                  | 97,845                         | 20,450,523                                                               | 21,122,985         | 23,927,515         |
| Cash and Cash Equivalents .....                             | 38,566                         | 8,060,753                                                                   | 55,839                         | 11,670,847                                                               | 9,543,880          | 8,182,013          |
| <b>Total current assets .....</b>                           | <b>323,922</b>                 | <b>67,702,894</b>                                                           | <b>242,476</b>                 | <b>50,679,946</b>                                                        | <b>45,950,170</b>  | <b>46,075,227</b>  |
| <b>TOTAL ASSETS .....</b>                                   | <b>931,602</b>                 | <b>194,714,147</b>                                                          | <b>763,940</b>                 | <b>159,671,108</b>                                                       | <b>176,596,827</b> | <b>216,390,200</b> |
| <b>SHAREHOLDERS' EQUITY</b>                                 |                                |                                                                             |                                |                                                                          |                    |                    |
| Issued Capital .....                                        | 5,514                          | 1,152,527                                                                   | 5,514                          | 1,152,527                                                                | 1,152,527          | 1,152,527          |
| Capital adjustment .....                                    | 69,862                         | 14,601,915                                                                  | 56,424                         | 11,793,134                                                               | 11,793,134         | 11,793,134         |
| Irrevocable contributions.....                              | 1,872                          | 391,200                                                                     | 1,538                          | 321,455                                                                  | 321,455            | 321,455            |
| Additional paid-in capital.....                             | 18,160                         | 3,795,540                                                                   | 14,922                         | 3,118,852                                                                | 3,118,852          | 3,118,852          |
| Legal Reserve .....                                         | 18,707                         | 3,909,998                                                                   | 15,372                         | 3,212,904                                                                | 3,212,904          | 3,212,904          |
| IFRS Special Reserve.....                                   | 43,059                         | 8,999,705                                                                   | 35,382                         | 7,395,192                                                                | 7,395,192          | 7,395,192          |
| Optional reserve.....                                       | 227,934                        | 47,640,380                                                                  | 187,296                        | 39,146,813                                                               | 36,394,542         | 30,464,964         |
| Other reserves.....                                         | 133,704                        | 27,945,416                                                                  | 113,278                        | 23,676,322                                                               | 25,708,793         | 30,096,492         |
| Retained earnings .....                                     | 16,636                         | 3,477,172                                                                   | 10,210                         | 2,133,987                                                                | 2,997,630          | 6,111,876          |
| <b>Shareholders' Equity</b>                                 |                                |                                                                             |                                |                                                                          |                    |                    |
| Attributable to<br>Controlling Group .....                  | <b>535,447</b>                 | <b>111,913,853</b>                                                          | <b>439,936</b>                 | <b>91,951,186</b>                                                        | <b>92,095,029</b>  | <b>93,667,396</b>  |
| <b>Shareholders' Equity</b>                                 |                                |                                                                             |                                |                                                                          |                    |                    |
| Attributable to Non-<br>Controlling Third Parties .....     | <b>1,879</b>                   | <b>392,768</b>                                                              | <b>1,571</b>                   | <b>328,280</b>                                                           | <b>190,042</b>     | <b>56,999</b>      |
| <b>TOTAL SHAREHOLDERS' EQUITY .....</b>                     | <b>537,327</b>                 | <b>112,306,621</b>                                                          | <b>441,507</b>                 | <b>92,279,466</b>                                                        | <b>92,285,071</b>  | <b>93,724,395</b>  |
| <b>NON-CURRENT LIABILITIES</b>                              |                                |                                                                             |                                |                                                                          |                    |                    |
| Liabilities for employee<br>compensations and benefits..... | 3,726                          | 778,808                                                                     | 2,856                          | 596,897                                                                  | 578,386            | 552,629            |
| Tax liabilities.....                                        | 1,903                          | 397,815                                                                     | 1,924                          | 402,034                                                                  | 826,095            | 1,401,386          |
| Deferred tax liabilities .....                              | 6,963                          | 1,455,402                                                                   | 4,871                          | 1,018,120                                                                | 6,429,440          | 8,488,343          |
| Provisions .....                                            | 2,361                          | 493,385                                                                     | 2,057                          | 429,984                                                                  | 489,865            | 521,372            |
| Accounts payable to related<br>parties .....                | 1,374                          | 287,104                                                                     | 1,344                          | 280,895                                                                  | 69,148             | 91,035             |
| Financial Liabilities .....                                 | —                              | —                                                                           | 231,860                        | 48,461,097                                                               | 61,478,139         | 88,372,623         |
| <b>Total non-current liabilities...</b>                     | <b>16,327</b>                  | <b>3,412,514</b>                                                            | <b>244,912</b>                 | <b>51,189,027</b>                                                        | <b>69,871,073</b>  | <b>99,427,388</b>  |
| <b>CURRENT LIABILITIES</b>                                  |                                |                                                                             |                                |                                                                          |                    |                    |
| Liabilities for employee<br>compensations and benefits..... | 6,150                          | 1,285,368                                                                   | 7,530                          | 1,573,794                                                                | 1,609,284          | 1,735,917          |
| Tax liabilities.....                                        | 1,743                          | 364,279                                                                     | 1,742                          | 364,156                                                                  | 338,051            | 1,011,634          |
| Accounts payable to related<br>parties .....                | 13,831                         | 2,890,859                                                                   | 11,186                         | 2,337,933                                                                | 1,850,497          | 2,805,125          |
| Financial Liabilities .....                                 | 334,671                        | 69,949,516                                                                  | 34,790                         | 7,271,410                                                                | 6,057,059          | 14,940,336         |
| Trade creditors and other<br>accounts payable.....          | 21,554                         | 4,504,990                                                                   | 22,273                         | 4,655,322                                                                | 4,585,792          | 2,745,405          |
| <b>Total current liabilities .....</b>                      | <b>377,948</b>                 | <b>78,995,012</b>                                                           | <b>77,521</b>                  | <b>16,202,615</b>                                                        | <b>14,440,683</b>  | <b>23,238,417</b>  |
| <b>TOTAL LIABILITIES .....</b>                              | <b>394,276</b>                 | <b>82,407,526</b>                                                           | <b>322,433</b>                 | <b>67,391,642</b>                                                        | <b>84,311,756</b>  | <b>122,665,805</b> |

|                                                        | As of March 31,<br>(unaudited) |                                                                    | As of December 31,          |                                                                       |                    |                    |
|--------------------------------------------------------|--------------------------------|--------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------|--------------------|--------------------|
|                                                        | 2023                           | 2023                                                               | 2022                        | 2022                                                                  | 2021               | 2020               |
|                                                        | (in thousands of U.S.\$)(1)    | (in thousands of pesos, in constant currency as of March 31, 2023) | (in thousands of U.S.\$)(1) | (in thousands of pesos, in constant currency as of December 31, 2022) |                    |                    |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES.....</b> | <b>931,602</b>                 | <b>194,714,147</b>                                                 | <b>763,940</b>              | <b>159,671,108</b>                                                    | <b>176,596,827</b> | <b>216,390,200</b> |

- (1) Solely for the convenience of the reader, we have translated peso amounts into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.209.01 per U.S.\$1.00 as of March 31, 2023. We make no representation that the Argentine peso or U.S. dollar amounts actually represent, could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.

## Non-IFRS Information

The following table reconciles our Adjusted EBITDA with our net income under IFRS for the periods indicated:

|                                                 | Three-Month Period Ended March 31,<br>(unaudited) |                                                                    |                             | Year Ended December 31,                                               |                   |                   |                   |
|-------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------|-------------------|-------------------|-------------------|
|                                                 | 2023                                              | 2023(2)                                                            | 2022(2)                     | 2022                                                                  | 2022(1)           | 2021(1)           | 2020(1)           |
|                                                 | (in thousands of U.S.\$)(3)                       | (in thousands of pesos, in constant currency as of March 31, 2023) | (in thousands of U.S.\$)(3) | (in thousands of pesos, in constant currency as of December 31, 2022) |                   |                   |                   |
| <b>Net income for the period/year</b>           | <b>4,250</b>                                      | <b>888,200</b>                                                     | <b>1,195,558</b>            | <b>10,942</b>                                                         | <b>2,286,901</b>  | <b>2,984,383</b>  | <b>6,110,730</b>  |
| Income tax .....                                | (2,157)                                           | (450,907)                                                          | (1,230,322)                 | (44,713)                                                              | (9,345,438)       | 2,177,967         | 4,392,916         |
| Other income and expenses .....                 | 140                                               | 29,249                                                             | 27,614                      | 316                                                                   | 66,117            | 166,351           | (479,081)         |
| Income from investments in other companies..... | (216)                                             | (45,215)                                                           | (124,735)                   | (372)                                                                 | (77,760)          | (171,189)         | (224,388)         |
| Financial income.....                           | (18,707)                                          | (3,909,861)                                                        | (3,153,255)                 | (56,095)                                                              | (11,724,436)      | (10,956,278)      | (9,984,720)       |
| Financial expenses.....                         | 13,260                                            | 2,771,417                                                          | 2,664,890                   | 41,361                                                                | 8,644,927         | 12,276,332        | 10,448,407        |
| Exchange gain (loss).....                       | 6,429                                             | 1,343,733                                                          | 150,121                     | 8,686                                                                 | 1,815,466         | (2,013,242)       | (817,514)         |
| RECPAM.....                                     | 23,433                                            | 4,897,639                                                          | 4,970,575                   | 68,990                                                                | 14,419,671        | 11,989,612        | 5,820,494         |
| Depreciation and amortization.....              | 11,815                                            | 2,469,453                                                          | 2,733,429                   | 37,086                                                                | 7,751,367         | 8,836,989         | 8,775,425         |
| <b>Adjusted EBITDA(4).....</b>                  | <b>38,247</b>                                     | <b>7,993,708</b>                                                   | <b>7,233,875</b>            | <b>66,201</b>                                                         | <b>13,836,815</b> | <b>25,290,925</b> | <b>24,042,268</b> |

- (1) Income information has been extracted from the audited Annual Consolidated Financial Statements as of December 31, 2022 as well as from comparative information arising from such financial statements (expressed in constant currency as of December 31, 2022).
- (2) Income information for the period ended March 31, 2023 and 2022 has been extracted from the unaudited Interim Condensed Consolidated Financial Statements as of March 31, 2023 (expressed in constant currency as of March 31, 2023).
- (3) Solely for the convenience of the reader, we have translated peso amounts into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.209.01 per U.S.\$1.00 as of March 31, 2023. We make no representation that the Argentine peso or U.S. dollar amounts actually represent, could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.
- (4) Adjusted EBITDA is a non-IFRS measure, which we calculate as “Net income for the period/year” plus “income tax”, “Other income and expenses”, “Income from investment in other companies”, “Financial income”, “Financial Expenses”, “exchange gain (loss)”, “RECPAM” and “depreciation and amortization”. Our Adjusted EBITDA presented here does not match the definition of Adjusted EBITDA for purposes of the Description of the New Notes and the New Notes Indenture (as defined below), which also includes our collection of FONINVEMEM receivables during the relevant period.

## Ratios

|                                                           | Three-Month Period Ended<br>March 31, (1)<br>(unaudited) |      | Year Ended December 31, (2) |      |      |
|-----------------------------------------------------------|----------------------------------------------------------|------|-----------------------------|------|------|
|                                                           | 2023                                                     | 2022 | 2022                        | 2021 | 2020 |
|                                                           |                                                          |      |                             |      |      |
| Adjusted EBITDA /Income from ordinary activities(3) ..... | 0.32                                                     | 0.34 | 0.20                        | 0.38 | 0.44 |
| Financial indebtedness to Adjusted EBITDA ratio(4) .....  | —                                                        | —    | 4.03                        | 2.67 | 4.30 |
| Adjusted EBITDA to financial expenses ratio(5) .....      | 2.88                                                     | 2.71 | 1.60                        | 2.06 | 2.30 |



|                                                                                                                | Three-Month Period Ended<br>March 31, (1) |      | Year Ended December 31, (2) |      |      |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------|------|-----------------------------|------|------|
|                                                                                                                | (unaudited)                               |      |                             |      |      |
|                                                                                                                | 2023                                      | 2022 | 2022                        | 2021 | 2020 |
| Liquidity ratio (Current assets /Current liabilities) ....                                                     | 0.86                                      | 3.13 | 3.13                        | 3.18 | 1.98 |
| Solvency ratio (Shareholders' equity /<br>Total liabilities) .....                                             | 1.36                                      | 1.37 | 1.37                        | 1.09 | 0.76 |
| Immobilization of capital (Non-current assets /<br>Total Assets).....                                          | 0.65                                      | 0.68 | 0.68                        | 0.74 | 0.79 |
| Profitability ratio (net-income (loss) for the<br>period/year / average equity for the<br>period/year)(6)..... | 0.01                                      | 0.01 | 0.02                        | 0.03 | 0.07 |

- (1) Calculated based on financial and earnings information from the unaudited interim condensed consolidated financial statements for the three-months period ended March 31, 2023 and 2022, respectively (expressed in constant currency as of March 31, 2023).
- (2) Calculated based on financial and earnings information from the audited consolidated financial statements for the years ended December 31, 2022, 2021 and 2020, respectively (expressed in constant currency as of December 31, 2022).
- (3) Calculated as Adjusted EBITDA divided by Income from ordinary activities.
- (4) Calculated as financial indebtedness divided by Adjusted EBITDA. Financial indebtedness is calculated as follows:

|                                     | Three-Month Period Ended March<br>31, (a) (unaudited)                 | Year Ended December 31, (b)                                              |                   |                    |
|-------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------|--------------------|
|                                     | 2023                                                                  | 2022                                                                     | 2021              | 2020               |
|                                     | (in thousands of pesos, in constant<br>currency as of March 31, 2023) | (in thousands of pesos, in constant currency as of<br>December 31, 2022) |                   |                    |
| <b>Financial indebtedness</b>       |                                                                       |                                                                          |                   |                    |
| Notes .....                         | 57,954,161                                                            | 50,031,454                                                               | 57,005,391        | 76,083,636         |
| Bank loans.....                     | 11,988,080                                                            | 5,692,696                                                                | 10,520,894        | 22,210,546         |
| Loan with CAMMESA.....              | —                                                                     | —                                                                        | —                 | 4,823,562          |
| Derivative instruments.....         | —                                                                     | —                                                                        | —                 | 185,504            |
| Financial leases.....               | 7,275                                                                 | 8,357                                                                    | 8,913             | 9,711              |
| <b>Total Financial Indebtedness</b> | <b>69,949,516</b>                                                     | <b>55,732,507</b>                                                        | <b>67,535,198</b> | <b>103,312,959</b> |

- (a) Financial information from the unaudited interim condensed consolidated financial statements for the three-month periods ended March 31, 2023 and 2022 (in constant currency as of March 31, 2023).
- (b) Financial information from the audited consolidated financial statements for the years ended December 31, 2022, 2021 and 2020 (in constant currency as of December 31, 2022 currency).
- (5) Calculated as Adjusted EBITDA divided by financial expense.
- (6) Calculated as Profitability ratio (net-income (loss) for the period/year divided by the average equity for the period/year) (average is calculated considering current period/year and previous year/period).

## SUMMARY OF THE EXCHANGE OFFER

The following is a brief summary of certain terms of this Exchange Offer. For a more complete description of the terms of the Exchange Offer, see “Description of the Exchange Offer” in this Exchange Offer Memorandum.

|                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Exchange Offer .....                              | <p>The Issuer, in compliance with BCRA’s regulations, hereby invites all Eligible Holders of Old Notes to exchange, upon the terms and subject to the conditions set forth in the Exchange Offer Documents, any and all of their Old Notes for New Notes and cash, as applicable, all as described below under “Description of the Exchange Offer—Exchange Consideration.”</p> <p>As of the date of this Exchange Offer Memorandum, the aggregate outstanding principal amount of the Old Notes subject to the Exchange Offer is U.S.\$274,500,000.</p>                                                                                                                                                    |
| Eligibility to Participate in the Exchange Offer..... | <p>We have not registered the Exchange Offer or the issuance of the New Notes under the Securities Act or any other laws. <b>Subject to the laws of the jurisdictions in which Eligible Holders reside, only Eligible Holders who have electronically submitted a duly completed Eligibility Letter certifying that they are</b> (i) QIBs, (ii) if outside the United States, holders of Old Notes other than U.S. persons and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in reliance upon Regulation S under the Securities Act, <b>are authorized to receive this Exchange Offer Memorandum and to participate in the Exchange Offer.</b></p> |
| The New Notes .....                                   | <p>For a description of the New Notes, see “Description of the New Notes” herein.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| The Offer; Exchange Consideration .....               | <p>Upon the terms and subject to the conditions set forth in this Exchange Offer Memorandum, Eligible Holders who validly tender Old Notes, and whose Old Notes are accepted for exchange by us, will receive the Exchange Consideration, as described below (subject to any tax withholdings applicable to the Argentine Entity Offerees or to Non-Cooperating Jurisdiction Offerees).</p> <p>In each case, Eligible Holders will also receive the Accrued Interest Payment on the Settlement Date, as described below.</p>                                                                                                                                                                               |
| <i>Option A</i> .....                                 | <p>Tenders of Old Notes submitted under Option A at or prior to the Early Participation Date will receive the Early A Consideration. Tenders of Old Notes submitted under Option A after the Early Participation</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

Date but at or prior to the Expiration Date will receive the Late Exchange Consideration.

The Early A Consideration and the Early B Consideration together are referred to as the “Early Exchange Consideration.” The Early Exchange Consideration and the Late Exchange Consideration together are referred to as the “Exchange Consideration.”

Tenders of Old Notes submitted under Option A at or prior to the Early Participation Date will receive a combination of the Early A Pro-Rata Cash Consideration and the applicable Early A New Notes Consideration, or solely the Early A Pro-Rata Cash Consideration, depending on the amount of Old Notes tendered in the Exchange Offer and pursuant to Option A at or prior to the Early Participation Date.

The Aggregate Early A Cash Consideration is an aggregate amount in cash equal to the lesser of (i) U.S.\$30,500,000, (ii) 20% of the aggregate principal amount of Old Notes validly tendered and accepted for exchange in the Exchange Offer, up to a maximum amount of U.S.\$30,500,000, and (iii) the aggregate principal amount of Old Notes validly tendered and accepted for exchange under Option A at or prior to the Early Participation Date. The Early A Pro Rata Cash Consideration is the Aggregate Early A Cash Consideration payable on a pro rata basis to Eligible Holders of Old Notes validly submitting tender orders in exchange for Early A Consideration.

The Early A New Notes Consideration for each Eligible Holder whose Old Notes are accepted for exchange under Option A at or prior to the Early Participation Date will be New Notes in a principal amount equal to the Early A New Notes Consideration.

At the Expiration Date, the Early A Pro-Rata Cash Consideration and Early A New Notes Consideration will be determined based on the principal amount of Old Notes validly tendered and accepted in the Exchange Offer.

Accordingly, the actual amounts of Early A New Notes Consideration and Early A Pro-Rata Cash Consideration comprising the Early A Consideration to be received by each Eligible Holder whose Old Notes are accepted in the Exchange Offer under Option A at or prior to the Early Participation Date (and, in the event that less than all of the Total Cash Consideration is paid out pursuant to Option A, the actual amount of Early B Pro-Rata Cash Consideration, if any, and New Notes to be received by Eligible Holders whose Old

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | <p>Notes are accepted in the Exchange Offer under Option B at or prior to the Early Participation Date), will depend on the actual participation by Eligible Holders in the Exchange Offer and their selection between Option A and Option B.</p> <p>In addition, the combinations described may vary if the Minimum Participation Condition is waived by us, as we may do in our sole discretion.</p> <p>Eligible Holders of Old Notes who validly submit a tender order after the Early Participation Date but at or prior to the Expiration Date will be eligible to receive the Late Exchange Consideration. For the avoidance of doubt, Eligible Holders submitting tenders after the Early Participation Date will not receive any cash consideration.</p>                                                                   |
| Option B .....                           | <p>Tenders of Old Notes submitted under Option B at or prior to the Early Participation Date will receive the Early B Consideration. Tenders of Old Notes submitted under Option B after the Early Participation Date but at or prior to the Expiration Date will receive the Late Exchange Consideration.</p> <p>In the event that less than 20% of the aggregate principal amount of Old Notes that are validly tendered and accepted for exchange in the Exchange Offer are tendered under Option A at or prior to the Early Participation Date, the Early B Pro-Rata Cash Consideration will be paid to Eligible Holders whose Old Notes are accepted for exchange under Option B at or prior to the Early Participation Date, ratably reducing the principal amount of New Notes that comprise the Early B Consideration.</p> |
| Accrued Interest Payment.....            | <p>In addition to the applicable Exchange Consideration, Eligible Holders whose Old Notes are accepted for exchange in the Exchange Offer will also receive, in cash, the “Accrued Interest Payment” consisting of accrued and unpaid interest (rounded down to the nearest cent U.S.\$0.01) from, and including, the last interest payment date for the Old Notes to, but not including, the Settlement Date, subject to any tax withholdings applicable to the Argentine Entity Offerees or to Non-Cooperating Jurisdiction Offerees. Interest will cease to accrue on the Settlement Date for all Old Notes accepted in the Exchange Offer. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Eligible Holders by DTC or any other clearing system.</p>                  |
| Denominations; Cash Rounding Amount..... | <p>The New Notes will be issued in minimum denominations of U.S.\$1.00 and integral multiples of U.S.\$1.00 in excess thereof. The amount of New Notes</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        | to be issued to any Eligible Holder will be rounded down to the nearest U.S.\$1.00. No cash will be paid in lieu of New Notes not received as a result of rounding down.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Early Participation Date .....         | 5:00 p.m. (New York City time) on July 26, 2023 with respect to the Exchange Offer (as the same may be extended or earlier terminated with respect to the Exchange Offer).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Withdrawal Date.....                   | 5:00 p.m. (New York City time) on July 26, 2023 (as the same may be extended or earlier terminated).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Expiration Date.....                   | 5:00 p.m. (New York City time) on August 10, 2023 (as the same may be extended or earlier terminated).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Settlement Date .....                  | Unless the Exchange Offer is extended, the Settlement Date for the Exchange Offer is expected to be on the fourth business day following the Expiration Date (the “Settlement Date”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Minimum Participation Condition .....  | The consummation of the Exchange Offer is conditioned upon the valid tender of U.S.\$192,150,000 or more of the aggregate principal amount outstanding of Old Notes in the Exchange Offer. We have the right to waive or reduce the Minimum Participation Condition.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Conditions to the Exchange Offer ..... | <p>Our obligation to accept Old Notes tendered in the Exchange Offer is subject to the satisfaction of the Minimum Participation Condition and certain customary conditions, including having obtained all governmental approvals that we, in our reasonable judgment, consider necessary for the completion of the Exchange Offer, and all such approvals shall remain in effect. We will not be obligated to consummate the Exchange Offer upon the occurrence of an event or events or the likely occurrence of an event or events that would or might reasonably be expected to prohibit, restrict or delay the consummation of the Exchange Offer, or materially impair the contemplated benefits to us of such Exchange Offer, including lack of effective access to the foreign exchange market for purposes of paying the Early A Pro-Rata Cash Consideration.</p> <p>Subject to applicable law and limitations described elsewhere in this Exchange Offer, we may waive any of these conditions in our sole discretion.</p> <p>See “Description of the Exchange Offer—Conditions to the Exchange Offer.”</p> |
| Withdrawal of Tendered Old Notes.....  | Old Notes tendered in the Exchange Offer may be validly withdrawn at any time at or prior to the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | <p>Withdrawal Date. Old Notes tendered after the Withdrawal Date may not be withdrawn, except in limited circumstances. After the Withdrawal Date tendered Old Notes may not be validly withdrawn unless we amend or otherwise change the Exchange Offer in a manner material to tendering Eligible Holders or as otherwise required by law to permit withdrawal (as determined by us in our reasonable discretion). See “Description of the Exchange Offer—Withdrawal of Tendered Old Notes.”</p>                                                                                                                                                                                                                                                                                                     |
| Acceptance of Tenders .....              | <p>We reserve the right not to accept tenders of Old Notes in our sole discretion. For purposes of the Exchange Offer, tendered Old Notes will be deemed to have been accepted for exchange if and when we give written notice thereof to the Information and Exchange Agent.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Issuance of New Notes .....              | <p>Assuming the conditions to the Exchange Offer are satisfied or waived, we will issue the New Notes in book-entry form on the Settlement Date in exchange for Old Notes that are validly tendered and accepted in the Exchange Offer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Right to Amend or Terminate.....         | <p>Subject to applicable law, the Exchange Offer may be amended in any respect, extended or, upon failure of a condition to be satisfied or waived prior to the applicable Expiration Date or Settlement Date, as the case may be, terminated, at any time and for any reason.</p> <p>Although we have no present plans or arrangements to do so, we reserve the right to amend, at any time, the terms of the Exchange Offer in accordance with applicable law. We will give Eligible Holders written notice of any amendments and will extend the Expiration Date if required by applicable law.</p>                                                                                                                                                                                                 |
| Procedures for Tendering Old Notes ..... | <p>For an Eligible Holder to validly tender Old Notes pursuant to the Exchange Offer, an Agent’s Message (as defined below) must be received by the Information and Exchange Agent at or prior to the Early Participation Date or Expiration Date, as applicable. <b>There is no separate letter of transmittal in connection with this Exchange Offer Memorandum.</b></p> <p>We have not provided guaranteed delivery procedures in connection with the Exchange Offer.</p> <p>For further information, Eligible Holders should contact any of the Dealer Managers or the Information and Exchange Agent at their respective telephone numbers and addresses set forth on the back cover of this Exchange Offer Memorandum or consult a broker, dealer, commercial bank, trust company or nominee</p> |

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     | <p>for assistance. See “Description of the Exchange Offer—Procedures for Tendering Old Notes.”</p> <p>In order to participate in the Exchange Offer, Eligible Holders will be required to make certain acknowledgments, representations, warranties and undertakings to the Company, the Dealer Managers and the Information and Exchange Agent. See “Description of the Exchange Offer—Other Matters.” Old Notes validly tendered and accepted will be cancelled upon consummation of the Exchange Offer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Tax Considerations .....            | <p>For a summary of certain U.S. federal income tax and Argentine tax considerations of the Exchange Offer to Eligible Holders of Old Notes, including the Argentine tax treatment of Argentine Entity Offerees and Non-Cooperating Jurisdiction Offerees, see “Taxation.”</p> <p>As used in this Exchange Offer Memorandum (i) “Argentine Entity Offerees” means holders of beneficial interests in the Old Notes who are Argentine Entities and (ii) “Non-Cooperating Jurisdiction Offeree” means holders of beneficial interests in the Old Notes who are foreign beneficiaries and (a) are residents of any jurisdiction other than a cooperating jurisdiction (<i>jurisdicción cooperante</i>) or any jurisdiction that has otherwise been designated as a non-cooperating jurisdiction (<i>jurisdicción no cooperante</i>), or (b) whose funds invested were originated or connected to a jurisdiction other than a cooperating jurisdiction (<i>jurisdicción cooperante</i>) or otherwise designated as a non-cooperating jurisdiction (<i>jurisdicción no cooperante</i>), in each case as determined under applicable Argentine law or regulation. See “Taxation—Certain Argentine Tax Considerations—Income Tax.”</p> |
| Use of Proceeds .....               | <p>We will not receive any cash proceeds from the Exchange Offer. The issuance of the New Notes is made to refinance our debt pursuant to Section 36 of the Negotiable Obligations Law. See “Use of Proceeds.”</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Resale of New Notes .....           | <p>The offering and issuance of the New Notes described in this Exchange Offer Memorandum have not been registered under the Securities Act or the securities laws of any jurisdiction. Any sale by holders of the New Notes must comply with the restrictions contained under “Transfer Restrictions.”</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Information and Exchange Agent..... | <p>Morrow Sodali International LLC is the information and exchange agent (the “Information and Exchange Agent”) for the Exchange Offer. The address and telephone numbers of the Information and Exchange</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      | Agent are listed on the back cover page of this Exchange Offer Memorandum.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Dealer Managers.....                 | Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Santander US Capital Markets LLC are the Dealer Managers for the Exchange Offer (the “Dealer Managers”). The addresses and telephone numbers of the Dealer Managers are listed on the back cover of this Exchange Offer Memorandum.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Local Placement Agents .....         | Banco Santander Argentina S.A., Banco Itaú Argentina S.A., Itaú Valores S.A. and Industrial and Commercial Bank of China (Argentina) S.A.U. are the Local Placement Agents for the Exchange Offer (the “Local Placement Agents”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Processing Fee .....                 | To reimburse the time and cost of processing the tender of Old Notes in the Exchange Offer, the Issuer will, subject to foreign exchange regulations in force in Argentina, pay a processing fee to brokers in Argentina acting on behalf of certain Eligible Holders. In Argentina, the processing fee will be payable to direct participants in Caja de Valores’ depositary system acting on behalf of beneficial owners of Old Notes in Argentina who are individuals tendering, through Caja de Valores, Old Notes for exchange in the Exchange Offer with respect to individual tenders of up to U.S.\$250,000 aggregate principal amount of Old Notes per each Eligible Holder that are accepted for exchange and will be in an amount equal to 0.25% of the principal amount of such tendered Old Notes that are accepted for exchange. This processing fee will be payable in Argentine pesos at the Communication “A” 3500 exchange rate published by the BCRA on the Argentine business day prior to the Settlement Date. See “Description of the Exchange Offer—Processing Fee” for more information regarding eligibility requirements and the process brokers must follow to obtain the processing fee. No such fee shall be payable to brokers outside of Argentina. |
| Purpose of the Exchange Offer.....   | The purpose of the Exchange Offer is to exchange the Old Notes for cash and the New Notes, as applicable, which will extend the maturity of the debt obligations associated with the Old Notes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Risk Factors.....                    | Before making any decision with respect to the Exchange Offer, Eligible Holders should consider carefully the information under “Forward-Looking Statements” and “Risk Factors.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Further Information; Questions ..... | Questions concerning tender procedures and requests for additional copies of this Exchange Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



Memorandum should be directed to the Information and Exchange Agent at its address or telephone numbers listed on the back cover page of this Exchange Offer Memorandum. Any questions concerning the terms of the Exchange Offer should be directed to any of the Dealer Managers at the telephone numbers listed on the back cover page of this Exchange Offer Memorandum.

## TERMS AND CONDITIONS OF THE NEW NOTES

The following items under this heading “Terms and Conditions of the New Notes” are the particular terms and conditions which relate to the New Notes offered hereby and should be read in conjunction with “Description of the New Notes.” In the event the Settlement Date of the Exchange Offer is extended, the issue date, interest payment dates, record dates, principal payment dates, optional redemption and other related dates under the New Notes set forth herein will be adjusted to reflect such extension.

1. Issuer: ..... AES Argentina Generación S.A.
2. Series No.: ..... 2 under the Indenture (as defined below) (“Class 2” for purposes of the Program authorized by the CNV in Argentina)
3. Title: ..... 9.50% Notes due 2027
4. Indenture: ..... The New Notes are being issued under an indenture to be dated on or about the issue date of the New Notes (the “New Notes Indenture”), among us, Energética Argentina S.A. and Vientos Neuquinos I S.A., as subsidiary guarantors, Citibank, N.A., as Trustee, Co-Registrar, Transfer Agent and Paying Agent, and La Sucursal de Citibank, N.A. establecida en la República Argentina, as Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina.
5. Issue Date: ..... August 16, 2023
6. Specified Currency: ..... U.S. dollars
7. Maturity Date: ..... The final maturity of the New Notes will be August 16, 2027, at par, but see “Optional Redemption” below.  
  
The principal amount of the New Notes will be payable in four consecutive semi-annual installments, starting on February 16, 2026, on the payment dates and in the principal amounts set forth in the table under “Description of the New Notes—General.”
8. Global Ratings: ..... We expect the New Notes to be rated “CCC-” by Standard & Poor’s International Ratings Ltd. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency without prior notice. See “Ratings” in this Exchange Offer Memorandum.
9. Minimum Denominations: ..... U.S.\$1.00 and integral multiples of U.S.\$ 1.00 in excess thereof.
10. Fixed Interest Rate: .....
  - (i) Interest Rate: ..... 9.50% per annum

|                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (ii) Interest Payment Dates:.....                                                           | Semi-annually in arrears on February 16 and August 16 of each year, commencing on February 16, 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (iii) Regular Record Dates: .....                                                           | The calendar day (whether or not a Business Day) immediately preceding the relevant Interest Payment Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| (iv) Day Count Basis:.....                                                                  | 30/360.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 11. Relevant Business Day:.....                                                             | New York and Buenos Aires.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 12. Optional Redemption: .....                                                              | Prior to February 16, 2026, we may redeem the New Notes, in whole or in part, at a redemption price based on a “make-whole” premium. On or after February 16, 2026, we may also redeem some or all of the New Notes at any time at the redemption prices set forth in “Description of the New Notes—Optional Redemption.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 13. Additional Amounts; Redemption at the Option of the Company for Taxation Reasons: ..... | To the extent provided herein, we will make our payments in respect of the New Notes without withholding or deduction for or on account of any Argentine taxes. In the event that such deductions or withholdings are required, we shall pay such Additional Amounts (as defined in the “Description of the New Notes”) as will result in your receipt of the amounts that you would otherwise have received in respect of payments on your New Notes in the absence of such withholdings or deductions, subject to certain exceptions. In the event of certain changes in Argentine tax law that result in the payment of Additional Amounts, we may be permitted to redeem the Notes. See “Description of the New Notes—Additional Amounts.”                                                                             |
| 14. Negative Covenants: .....                                                               | <p>The New Notes will contain covenants that will limit our and our subsidiaries’ ability to:</p> <ul style="list-style-type: none"> <li>• incur or guarantee additional indebtedness;</li> <li>• pay dividends or make other distributions or repurchase or redeem our capital stock;</li> <li>• make loans and investments; and</li> <li>• sell assets.</li> </ul> <p>These covenants are subject to a number of important qualifications and exceptions. Many of these covenants will not apply to us or our restricted subsidiaries during any period in which the New Notes are rated investment grade by at least two rating agencies. For more information, see “Description of the New Notes.”</p> <p>In addition, upon the occurrence of a change of control, we will be obligated to offer to repurchase the</p> |

|                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                | New Notes for 101% of their principal amount, plus accrued and unpaid interest. See “Description of the New Notes—Change of Control.”                                                                                                                                                                                                                                                                                                                                                                       |
| 15. Listing: .....                                                                                                             | We intend to apply to have the New Notes listed on the Official List of the Luxembourg Stock Exchange to trade on the Euro MTF Market of such exchange. The New Notes are expected to be listed on the BYMA, admitted to trading and on the MAE, listed in the Official List of the Luxembourg Stock Exchange and admitted to trade on the Euro MTF Market of such exchange.                                                                                                                                |
| 16. Argentine Registrar, Argentine Paying Agent, Argentine Transfer Agent and Representative of the Trustee in Argentina:..... | La Sucursal de Citibank, N.A. establecida en la República Argentina, acting in such capacity as provided pursuant to the Indenture.                                                                                                                                                                                                                                                                                                                                                                         |
| 17. Further Issues: .....                                                                                                      | Subject to the authorization of the CNV, we may from time to time, under the Program, and without the consent of the Holders of any outstanding New Notes appertaining thereto, create and issue further New Notes having the same terms and conditions as such outstanding New Notes or that are the same in all respects (except for their issue dates, interest commencement dates and/or issue prices) so that the same shall be consolidated and form a single Series with such outstanding New Notes. |
| 18. Syndicated: .....                                                                                                          | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 19. Joint Lead Managers: .....                                                                                                 | Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Santander US Capital Markets LLC.                                                                                                                                                                                                                                                                                                                                                                                 |
| 20. Local Placement Agents:.....                                                                                               | Banco Santander Argentina S.A., Banco Itaú Argentina S.A., Itaú Valores S.A. and Industrial and Commercial Bank of China (Argentina) S.A.U. are the Local Placement Agents for the Exchange Offer.                                                                                                                                                                                                                                                                                                          |
| 21. Form of Notes: .....                                                                                                       | New Notes will be issued in fully registered form without interest coupons attached. See “Description of the New Notes—Form and Denomination” in this Exchange Offer Memorandum.                                                                                                                                                                                                                                                                                                                            |
| 22. Codes:.....                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (i) CUSIP Numbers:.....                                                                                                        | Rule 144A: To be made available prior to settlement of the Exchange Offer.<br><br>Regulation S: To be made available prior to settlement of the Exchange Offer.                                                                                                                                                                                                                                                                                                                                             |
| (ii) ISIN:.....                                                                                                                | Rule 144A: To be made available prior to settlement of the Exchange Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                  |

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | Regulation S: To be made available prior to settlement of the Exchange Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (iii) Common Code Numbers: .....                            | Rule 144A: To be made available prior to settlement of the Exchange Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                             | Regulation S: To be made available prior to settlement of the Exchange Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 23. Clearing System: .....                                  | DTC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 24. Use of Proceeds: .....                                  | We will not receive any cash proceeds from the Exchange Offer. The issuance of the New Notes is made to refinance our debt pursuant to Section 36 of the Negotiable Obligations Law. See “Use of Proceeds.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 25. Events of Default:.....                                 | The events of default are as described in this Exchange Offer Memorandum under “Description of the New Notes—Events of Default.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 26. Transfer Restrictions: .....                            | There are restrictions on the sale and transfer of New Notes and the Exchange Offer Memorandum and any other offering materials. See “Transfer Restrictions.”                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 27. Status and Ranking/Argentine Summary Proceedings: ..... | <p>The New Notes will be our general, unsecured and unsubordinated obligations, ranking equally without any preference among themselves and with all of our other present and future unsecured and unsubordinated indebtedness from time to time outstanding, except as otherwise provided by law. The New Notes will be subordinated to all of our existing and future secured obligations to the extent of the value of the assets securing such obligations, and to all of the existing and future obligations of our subsidiaries.</p> <p>The New Notes will constitute <i>obligaciones negociables no convertibles</i> (non-convertible negotiable obligations) under, and will be issued pursuant to and in compliance with, all of the requirements of the Negotiable Obligations Law and any other applicable Argentine laws and regulations. Pursuant to Article 29 of the Negotiable Obligations Law, New Notes constituting negotiable obligations grant their holders access to summary executive proceedings. If definitive registered notes are not issued, any clearing system accountholder credited with an interest in the relevant Global Note will, pursuant to Article 129 of the Capital Markets Law, need to cause to be issued a certificate to the beneficial owner thereof, which certificate will be sufficient to enable such beneficial owner to institute suit before any competent court in Argentina, including summary</p> |

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | executive proceedings, to obtain any overdue amount under the Notes without any other requirement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 28. Governing Law:.....                       | Our rights and obligations and the rights of the Holders arising out of or in connection with the New Notes Indenture and the New Notes are governed by, and shall be construed in accordance with, the laws of the State of New York without giving effect to the conflict of laws provisions thereof. Notwithstanding the foregoing, all matters relating to the issuance and initial delivery of the New Notes, such as our capacity and corporate authorizations to execute and deliver the New Notes, the authorization of the CNV for the establishment of the Program and the public offering of the New Notes in Argentina, and the requirements to qualify the New Notes as non-convertible <i>obligaciones negociables</i> are governed by, and shall be construed in accordance with, the Negotiable Obligations Law, together with Argentine Law No. 19,550, as amended, and other applicable Argentine laws and regulations without giving effect to the conflict of laws provisions thereof. |
| 29. Trustee:.....                             | Citibank, N.A.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 30. Offer of the New Notes in Argentina ..... | The New Notes will be offered to the public in Argentina by means of the Argentine prospectus and an Argentine prospectus supplement, which will be in accordance with CNV regulations and contain substantially the same information as this Exchange Offer Memorandum other than with respect to the description of U.S. securities and tax laws that are relevant to the notes, but in a different format. The Argentine prospectus and an Argentine prospectus supplement will be available to the general public in Argentina.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 31. Risk Factors:.....                        | See “Risk Factors” for a description of the principal risks involved in making an investment in the New Notes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 32. Original issue discount .....             | The New Notes may be treated as issued with original issue discount for U.S. federal income tax purposes. See “Taxation—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Ownership and Disposition of the New Notes—Original Issue Discount” in this Exchange Offer Memorandum.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## RISK FACTORS

The following risk factors related to the Company, our subsidiaries and affiliates, the industry in which we operate, Argentina and its economy and other risk factors, together with all the information disclosed elsewhere in this Exchange Offer Memorandum should be carefully analyzed prior to participating in the Exchange Offer.

The information in this section includes forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous factors, including those described in “Forward-Looking Statements” above.

### Risks Relating to Argentina

*There are risks involved with investing in an emerging economy such as Argentina.*

Actions by the Argentine government in connection with the Argentine economy, including decisions relating to inflation, interest rates, price controls, tariffs and other utility charges, exchange controls and taxes, have had and may in the future a material adverse effect on Argentina’s private sector. In particular, energy generation activities are subject to political and economic uncertainties, changes in legislation, expropriation of assets, nullification or impairment of contractual rights, revocation of consents or permits, obtaining various permits from regulatory authorities, foreign exchange restrictions, price controls and currency fluctuations.

Investing in emerging economies such as Argentina generally involves certain risks. These risks include political, social and economic instability that may affect Argentina’s economic performance. In the past, instability in Argentina has been triggered by many different factors, including the following:

- adverse external economic events or factors;
- fiscal deficit;
- conflicting fiscal and monetary policies;
- dependence on external financing;
- changes in government economic or tax policies;
- high inflation rates;
- abrupt changes in foreign exchange values;
- high interest rates;
- wage increases and price controls;
- exchange and capital controls;
- political tensions and social unrest;
- fluctuations in BCRA reserves;
- implementation of expropriation measures;
- price controls;
- changes in laws and regulations affecting foreign trade and investment; and
- restrictions on exports and imports.

Any of the foregoing factors, either individually or in the aggregate, could have adverse consequences for the Argentine economy and our business, results of operations and financial condition.

There can be no assurance that the Argentine government will not adopt other policies that may adversely affect the Argentine economy or our business, financial condition or results of operations. Likewise, there can be no assurance that current and future pandemics, and economic, regulatory, social and political developments in Argentina will not affect our business, financial condition or results of operations.

***Political and economic instability in Argentina has adversely affected, and may continue to adversely affect, our business, financial condition and results of operations.***

We are an Argentine corporation (*sociedad anónima*). Substantially all of our assets and operations are located in Argentina. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic, regulatory, social and political conditions prevailing in Argentina. Fluctuations in the Argentine economy, political instability and actions undertaken by the Argentine government have adversely affected, and may continue to adversely affect, Argentine entities, including us. Investors should conduct their own evaluations about Argentina and the prevailing conditions in the country prior to taking a decision to participate in the Exchange Offer.

The Argentine economy has experienced significant volatility in recent decades, including numerous periods of low or negative growth, high inflation and currency devaluation, and the Argentine economy may experience greater volatility in the future. During 2008 and 2009, the Argentine economy saw a slowdown in the economic growth observed between 2003 and 2011 due to local and external factors, including the effects of the global economic crisis and an extensive drought that affected agriculture. Factors affecting economic conditions in Argentina from 2012 to 2015 included the imposition of foreign exchange controls (which began in mid-2011), price controls, increased direct governmental intervention in the economy, changes to laws and regulations that affected foreign trade and foreign direct investment, rising inflation, a growing fiscal deficit, and limitations on Argentina's ability to service its sovereign debt. Between 2016 and 2019, the government of Mauricio Macri promoted a series of measures designed to reorder economic variables. However, high inflation and the depreciation of the currency forced the government to reintroduce exceptional measures, such as the foreign exchange controls that had been eliminated between 2015 and 2016. According to information published by Instituto Nacional de Estadística y Censos ("INDEC"), Argentina's real GDP decreased by 2.3% in 2016, grew by 2.8% in 2017, decreased by 2.6% in 2018, and decreased by 2.0% in 2019. In 2020, Argentina's real GDP declined by 9.9%, mainly due to measures taken by the Argentine government to deal with the effects of the COVID-19 pandemic. In 2021 and 2022, Argentina's real GDP grew by 10.4% and 5.2% year-over-year, respectively. Argentina's recent performance in terms of GDP has been heavily impacted by high prices of commodities, which experience high volatility in the short term, and are less dependent on actions by the Argentine government or the private sector.

There is uncertainty about levels of growth in Argentina and the measures that the Argentine government will implement to attract or retain foreign investment and international financing, which could adversely affect economic growth and, in turn, affect our financial condition and results of operations. Argentina's economy depends on a number of factors, including (but not limited) to: (i) international demand for major exports of Argentina; (ii) international prices for major commodities exported from Argentina; (iii) the stability and competitiveness of the peso relative to other currencies and exchange restrictions; (iv) the level of domestic consumption and investment; (v) external economic changes; (vi) changes in economic or fiscal policies that the government could adopt; (vii) labor disputes and strikes, which can affect various sectors of Argentina's economy; (viii) the level of public spending by the Argentine government and difficulties in reducing fiscal deficit; (ix) unemployment, which affects consumption; (x) political instability; (xi) interest rates and inflation; and (xii) the BCRA's short-term interest rate determinations.

The Argentine economy is particularly sensitive to local political events. Additionally, Argentina's economy is vulnerable to adverse situations that affect its main commercial partners. A significant decline in the economic growth of any of Argentina's major trading partners, such as Brazil (which is currently experiencing heightened negative pressure due to the uncertainties stemming from ongoing political crisis), China and the United States, could have a substantial material adverse impact on Argentina's balance of trade and adversely affect Argentina's economic growth, and thus, it could adversely affect our financial condition and results of operations. On the other hand, a significant depreciation of the currencies of our commercial partners or competitors, especially Brazil, may negatively affect Argentina's competitiveness and thus, negatively affect its economy and our financial condition



and results of operations. A larger devaluation of the Brazilian real may cause a decline of Argentina's exports and an increase of imports to Argentina.

The domestic political and economic situation has quickly deteriorated in the past, and may quickly deteriorate in the future, and we cannot assure you that the Argentine economy will grow to satisfactory levels. The economy may suffer if political and social pressures inhibit the implementation by the Argentine government of policies designed to maintain price stability, generate growth and enhance consumer and investor confidence. Further, certain measures concerning the economy, including those related to inflation, interest rates, price controls, foreign exchange controls and taxes, have had, and might continue to have, a material adverse effect on Argentine entities, including us. Furthermore, global financial instability may affect the Argentine economy and prevent Argentina from returning to the path of growth or worsen the current economic recession, with consequences for Argentina's trade and fiscal balance and the unemployment rate.

We cannot be sure whether international conditions will begin to recover or will continue on their current negative trend. In this sense, the Argentine economy could be negatively affected as a result of lower international demand and lower prices for the products and services that make up our business. Further, a lack of access to international credit, smaller capital inflows, and greater aversion to risk could also adversely affect our activities, results of operations, financial position, and cash flows. We cannot provide any assurances that future economic, social and political developments in Argentina, over which we have no control, will not adversely affect our business, financial condition and results of operations, including our ability to pay our debts at maturity, including the New Notes. In addition, the peso has depreciated significantly in the past and may be subject to significant fluctuations in the future and therefore affect our financial condition and results of operations.

***Argentina could be exposed to negative effects due to the geopolitical conflict between Russia and Ukraine.***

Over a year ago, a military escalation on the border shared by Russia and Ukraine has turned into a special military operation initiated by the Russian government. On February 24, 2022, Russia announced the start of an invasion of Ukrainian territory, thus initiating a major military conflict between the two powers that continues as of the date of this Exchange Offer Memorandum.

In response to the invasion, the international community has applied strong sanctions against various sectors of the Russian economy, companies, individuals, sports and cultural associations. Many countries have announced the closure of airspace to Russian-flagged aircrafts. Likewise, non-governmental organizations and multinational companies have announced divestments or disassociations with Russian counterparts. The development of the military conflict, as well as its expansion to other regions or the addition of new participants and the effects of sanctions on Russia could have a negative impact on the European economy (including, especially, the increase in energy values) and, consequently, have a negative impact on the world economy. As of the date of this Exchange Offer Memorandum, the European Union ("EU") has adopted a number of primarily economic measures, the latter being dated April 8, 2022 and June 3, 2022, whereby imports of coal, iron, steel, fuels, crude oil and refined petroleum products from Russia are prohibited, a ban on access to the Society for Worldwide Interbank Financial Telecommunication ("SWIFT"), suspension of the main broadcasting channels, closure of EU ports to Russian-flagged vessels, a ban on new investments in the Russian energy sector, among others.

The Russian invasion of Ukraine is having a disruptive effect on markets worldwide. Since the start of the conflict, there has been a sharp increase globally in commodity prices, particularly for fuels. Recent increases are putting renewed pressure on markets, which had already experienced historically high prices in the energy and fertilizer sectors in 2021. The war has also created uncertainty about the security of energy supplies. Russia, traditionally one of the EU's main suppliers of fossil fuels, has suspended gas supplies to several EU member states, prompting the EU to react swiftly to secure supplies in all countries. In turn, the war conflict has limited Ukraine's ability to export its agri-food production, thus aggravating the global food crisis.

In this regard, the geopolitical conflict between Russia and Ukraine has had and will probably continue to have a significant impact on international commodity prices, which have risen significantly.

Due to the uncertainties inherent in the scale and duration of these events and their direct and indirect effects, it is not possible to reasonably estimate the impact that this armed conflict will have on the world economy and its financial markets, on the Argentine economy and, consequently, on our business, financial condition and results of operations.

***Political uncertainty regarding measures to be adopted by the Argentine government could affect macroeconomic, political, regulatory, or social conditions in Argentina.***

The current administration faces unique macroeconomic challenges, such as reducing the inflation rate, achieving commercial and fiscal surpluses, accumulating reserves, supporting the peso, refinancing debt owed to private creditors (mainly to the Paris Club), and improving the competitiveness of local industry based on the different variables that affect it (including the invasion of Ukraine by the Russian Federation). It is difficult to predict the impact of measures implemented by the government to date and/or future measures. The uncertainty that exists in relation to measures that the government will have to adopt with respect to the economy could also lead to volatility in valuations of local businesses, including us. As of the date of this Exchange Offer Memorandum, we cannot guarantee the impact that the agreement signed by the Argentine government with the Paris Club will have. See “—Argentina’s ability to stimulate sustained economic growth may depend on access to international financial markets, which has been limited and may continue to be limited in the future;” nor can we guarantee the consequences of the finalized process of restructuring the public debt with bondholders or of the measures adopted by the current Argentine government to contain inflation and support the currency, among others. See “Exchange Rate Information and Exchange Controls.” It is not possible to predict the measures that may be adopted at the national or provincial level, which could have a material adverse effect on the economy or on Argentina’s ability to meet its obligations, which in turn could affect our financial condition and the results of operations.

The Argentine government may implement changes in current policies and regulations or maintain those in place. We cannot guarantee that these events will not affect the economic-financial, regulatory, political, or social conditions of the country and, consequently, that they will not affect our business, the results of our operations, or our financial condition.

***Presidential elections in Argentina may generate uncertainty in the Argentine economy and, consequently, in our business, financial condition and results of operations.***

During 2023, an electoral process will take place at the national, provincial and local levels. In this regard, during 2023 (i) the presidential elections of Argentina will be held; (ii) the head of government of the City of Buenos Aires and the governors of 21 provinces will be elected; (iii) half of the members of Congress will be renewed; (iv) one third of the Senate will be renewed; and (v) there will be elections for the positions of provincial legislators, mayors and municipal councilors.

On October 7, 2022, the International Monetary Fund (“IMF”) published a report warning that Argentina’s economy presents very high risks that will increase with the proximity of the 2023 presidential elections. Such report mentions that persistent inflation and lower growth could exacerbate social unrest and weaken political support, and this would bring difficulties in implementing planned subsidy and welfare reforms and in securing debt rollover rates.

Consequently, the high degree of turnover and/or renewal that could result from the electoral process may influence the ability of Congress and the Argentine government to implement new political and economic measures, and affect those already in place, which could have a negative effect on the Argentine economy and, therefore, result in material adverse effects to our business, financial condition and results of operations.

***The growth and stability of the Argentine economy may be challenged by the outbreak of a new disease.***

The outbreak of a pandemic, disease or similar public health threat, such as the COVID-19 pandemic, which has had and may continue to have material adverse consequences on the global economy, could materially and adversely affect our business, financial condition and results of operations. Some of the negative effects could include: adverse impacts on the financial markets; a reduction in demand for exports and imports and, therefore, our revenues, leading to a reduction in our levels of activity and investment related to our fields of production; a significant drop in the international price of commodities, due to the combined effect of a sharp drop in demand, as well as the inability of producers to reduce supply in an orderly manner, negatively affecting the Argentine economic environment; and substantial changes in business and social behavior and their potential impact on the sale of commodities.

We cannot predict or estimate the future negative impact that a potential epidemic or pandemic may have on our business, financial condition and results of operations, as it will depend on circumstances beyond our control,

including the intensity and duration of the pandemic and the measures taken by the different governments, including the Argentine government, to contain the relevant virus and/or mitigate its economic impact.

***Fluctuations in the value of the peso may adversely affect the Argentine economy and our business, financial condition, results of operations and ability to service our debt, including the New Notes.***

The value of the peso has fluctuated significantly in the past and may do so again in the future. Since the end of U.S. dollar-peso parity in January 2002 under the regime of Law No. 23,928 and Decree No. 529/1991 (together, the “Convertibility Law”), the peso has fluctuated significantly in value. As a result, the BCRA has taken several measures to stabilize the exchange rate and preserve its reserves. The substantial devaluation of the peso in 2002 against the U.S. dollar had a negative impact on the ability of the Argentine government and Argentine companies to honor their foreign currency-denominated debt, led to very high inflation initially and had a negative impact on businesses whose success was and is dependent on domestic market demand.

With the tightening of exchange controls being restated in 2020, in particular with the reintroduction of measures that limited access to foreign currency by private companies and individuals (such as requiring an authorization of tax authorities to access the foreign currency exchange market), the implied exchange rate, as reflected in the quotations for Argentine securities that trade in foreign markets, compared to the corresponding quotations in the local market, increased significantly over the official exchange rate. See “Exchange Rate Information and Exchange Controls.”

According to the exchange rate reported by Communication A 3500 of the BCRA, devaluation of the Argentine peso against the U.S. dollar totaled 21.85% in 2016, 17.46% in 2017, 102.15% in 2018, 58.86% in 2019, 40.51% in 2020, 22.07% in 2021, and 72.47% in 2022. The depreciation of the peso may negatively affect companies whose success depends on domestic demand and could negatively affect the ability of the Argentine government to meet its external debt obligations. A substantial increase in the value of the peso against the dollar poses risks for the domestic economy: it can lead to a deterioration of the balance of the current account and the balance of payments of the country, which can have a negative effect on growth, GDP, and employment. It could also reduce national public sector revenues by reducing tax revenues in real terms, due to its current heavy reliance on export taxes. The depreciation of the peso in real terms may affect the ability of Argentine businesses to honor their debts denominated in foreign currencies. It could also result in very high inflation and a significant fall in real wages. As of March 31, 2023 and December 31, 2022, the seller exchange rate reported by the BNA was Ps.209.01 per U.S. dollar and Ps.177.16 per U.S. dollar, respectively. See “Exchange Rate Information and Exchange Controls.”

Controls on the purchase of foreign exchange were reintroduced in Argentina in September 2019. As a consequence of the reintroduction of exchange rate controls, together with the increase in the monetary base to finance the fiscal deficit, the differential between the official exchange rate and other types of exchange rate that were the implicit result of certain transactions that were commonplace in capital markets (“*dólar MEP*” or “*contado con liquidación*”) has widened significantly, reaching approximately 90.1% above the official exchange rate as of the close of business on March 31, 2023. See “—The exchange controls and transfer restrictions have limited, and we expect they will continue to limit, access to international credit, liquidity in the bonds for Argentine companies and our ability to make payments in foreign currency, including the New Notes” and “Exchange Rate Information and Exchange Controls.”

Since the end of the peso-dollar parity, the BCRA repeatedly intervened in the foreign exchange market to prevent further devaluations of the peso, which decreased the reserves of the BCRA. We cannot predict the future value of the peso with respect to the U.S. dollar or other currencies, nor the monetary policies to be applied to contain devaluation, nor the potential impact of those policies.

If the peso continues to depreciate significantly, all of the negative effects on the Argentine economy related to such devaluation could recur. Conversely, a substantial increase in the value of the peso against the U.S. dollar also presents risks for the Argentine economy as it may lead to a deterioration of the country’s exports, negatively affecting its current account balance and its balance of payments. In either event, this could have adverse consequences to our business, financial condition and results of operations.

Substantially all of our income comes from sales within Argentina and they are in pesos, consequently, a higher devaluation of the peso may have a substantial adverse effect in our ability to pay debt, including the New Notes, which is primarily denominated in foreign currencies. We are unable to predict whether, and to what extent, the

value of the peso may further depreciate or appreciate against the U.S. dollar and how any such fluctuations may affect the demand for our products. Moreover, we cannot assure you that the Argentine government will not make regulatory changes that impose further restrictions, provide for the unfolding and spread of exchange rates, or prevent or limit the offsetting of the risk derived from exposure to the U.S. dollar and, if so, what impact these changes will have on our financial condition and results of our operations.

Any further significant future devaluation of the peso would negatively affect the U.S. dollar value of our revenues while increasing, in peso terms, our expenses and other obligations denominated in foreign currencies, thereby having a material adverse effect on our liquidity and our ability to service our debt, including the New Notes.

***Government intervention may adversely affect the Argentine economy and, as a result, our business and results of operations.***

The Argentine government exercises substantial control over the Argentine economy and may increase its level of intervention in certain areas of the economy, including by regulating market conditions and prices. In 2008, the Fernández de Kirchner administration absorbed and replaced the former private pension system for a public “pay as you go” pension system. As a result, all resources administered by the private pension funds, including significant equity interests in a wide range of listed companies, were transferred to a separate fund (*Fondo de Garantía de Sustentabilidad*, or the “FGS”) to be administered by the National Social Security Administration (*Administración Nacional de la Seguridad Social*, or the “ANSES”). The dissolution of the private pension funds and the transfer of their financial assets to the FGS have had important repercussions on the financing of private sector companies. Debt and equity instruments which previously could be placed with pension fund administrators are now entirely subject to the discretion of the ANSES. Since acquiring equity interests in privately owned companies, through the process of replacing the pension system, the ANSES is entitled to designate representatives of the Argentine government to the boards of directors of those entities. Pursuant to Decree No. 1,278/12, issued by the Argentine government on July 25, 2012, the ANSES’s representatives must report directly to the Ministry of Economy and are subject to a mandatory information-sharing regime, under which, among other obligations, the representatives must immediately inform the Ministry of Economy of the agenda for each board of directors’ meeting and provide related documentation.

In April 2012, the Fernández de Kirchner administration decreed the removal of directors and senior officers of YPF, the country’s largest oil and gas company, which was controlled by the Spanish group Repsol, and submitted a bill to the Argentine Congress to expropriate shares held by Repsol representing 51.0% of the shares of YPF. The Argentine Congress approved the bill in May 2012 through the passage of Law No. 26,741, which declared the production, industrialization, transportation and marketing of hydrocarbons to be activities of public interest and fundamental policies of Argentina and empowered the Argentine government to adopt any measures necessary to achieve self-sufficiency in hydrocarbon supply. In February 2014, the Argentine government and Repsol announced that they had reached an agreement on the terms of the compensation payable to Repsol for the expropriation of the YPF shares. Such compensation totaled U.S.\$5 billion payable by delivery of Argentine sovereign bonds with various maturities. The agreement, which was ratified by Law No. 26,932, settled the claim filed by Repsol with the International Centre for Settlement of Investment Disputes (the “ICSID”).

In September 2014, the Argentine Congress enacted Law No. 26,991, which empowers the national government to intervene in certain markets as long as it considers that any party in the market is attempting to impose price or supply restrictions on the market. This law applies to all economic processes related to goods, facilities and services that, directly or indirectly, satisfy the basic needs of the population (called “goods of the basic basket”), and grants broad powers to the competent enforcement agencies to intervene in such processes. It also empowers the relevant enforcement agency to order the sale, production, distribution and/or delivery of basic basket goods throughout the country in case of shortages.

In February 2015, the government of Fernández de Kirchner submitted to the Argentine Congress a bill to revoke certain railroad concessions, return the national railroad system to state control and grant powers to review all concessions currently in force. This bill was approved on May 20, 2015, through Law No. 27,132.

On September 23, 2015, Law No. 27,181 was approved, which declares of public interest the protection of the Argentine State’s shareholdings comprising the investment portfolio of the FGS and of the shareholdings or equity interests held by the Argentine State or by the Ministry of Finance and the Ministry of Public Finance (currently

under the orbit of the Ministry of Economy) as minority shareholders. Pursuant to this law, except with the written authorization of two thirds of the members of the Argentine Congress, the transfer and/or any other act or action that could limit, modify, eliminate or change the use, ownership, or nature of such shares, the title or the economic rights attached to them or the destination of the latter is prohibited. The shares held by the National Government in YPF are, however, exempted from the scope of Law No. 27,181. Furthermore, Law No. 27,181 created the National Agency of State Participations in Companies, as a decentralized agency under the Argentine government, which is in charge of the implementation of any policy and action concerning the exercise of the rights arising from its shareholdings. Law No. 27,181 has been repealed by Law No. 27,260, called “Law of Fiscal Reconciliation and Historical Reparation to Retirees,” on May 26, 2016.

On June 9, 2020, by means of the Necessity and Urgency Decree No. 522/2020, the administration of Alberto Fernández declared the temporary intervention of Vicentin S.A.I.C. for a term of 60 days, in order to ensure the continuity of the company’s activities, the conservation of jobs and the preservation of its assets and patrimony. In addition, the Argentine government had ordered the submission to the Argentine Congress of a bill to declare the company of public utility and subject to expropriation. However, on July 31, 2020, by means of Decree No. 636/2020, the Argentine government repealed Decree No. 522/2020, which established the temporary intervention of Vicentin S.A.I.C.

On August 21, 2020, by means of Decree of Necessity and Urgency No. 690/2020, the nature of telecommunications services and mobile telephony in all its modalities was declared a public service. Additionally, such Decree established that the prices of these services will be regulated by the National Communications Entity (*Ente Nacional de Comunicaciones*) and froze the tariffs announced from July 31 until December 31, 2020 by the IT licensees, within the framework of the emergency extended by Decree No. 260/2020.

On March 21, 2023, as a result of the massive cuts in the electricity service that occurred in the months of February and March, the administration of Alberto Fernández declared the temporary intervention of EDESUR for a term of 180 days. That intervention was approved by ENRE Resolution No. 307/2023.

The Argentine government could re-establish regulations that lead to greater state intervention. It is widely reported by private economists that expropriations, price controls, exchange controls and other direct involvement by the Argentine government in the economy had an adverse impact on the level of investment in Argentina, the access of Argentine companies to the international capital markets and Argentina’s commercial and diplomatic relations with other countries. Other actions taken by the Argentine government relating to the economy, including decisions regarding interest rates, taxes, price controls, wage increases, provision of employee fringe benefits, exchange controls and potential changes to the foreign exchange market, could continue to have a material adverse effect on Argentina’s economic growth and, consequently, could adversely affect our business, financial condition and results of operations. Moreover, any additional Argentine government policies established to preempt, or in response to, social unrest could adversely and materially affect the economy, and therefore our business, results of operations and financial condition.

***Government measures, as well as pressure from labor unions, could require salary increases or added benefits, all of which could increase our operating costs.***

In the past, the Argentine government has passed laws and regulations forcing privately owned companies to maintain certain wage levels and provide added benefits for their employees. Additionally, both public and private sector employers have been subject to strong pressure from the workforce and trade unions to grant salary increases and certain benefits. See “—Risks Relating to Our Business—We could be affected by material actions taken by the trade unions.”

Labor relations in Argentina are governed by specific legislation, such as labor Law No. 20,744 and Collective Bargaining Law No. 14,250, which, among other things, dictate how salary and other labor negotiations are to be conducted. Most industrial or commercial activities are regulated by a specific collective bargaining agreement that groups companies together according to industry sector and trade union. Although the process of negotiation is standardized, each chamber of industrial or commercial activity separately negotiates the increases of salaries and labor benefits with the relevant trade union of such commercial or industrial activity. Parties are bound by the final decision once it is approved by the labor authority and must observe the established salary increases for all employees that are represented by the respective union and to whom the collective bargaining agreement applies. In

addition, each company is entitled, regardless of union-negotiated mandatory salary increases, to give its employees additional merit increases or the benefits of a variable compensation scheme.

Argentine employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Due to high levels of inflation, both public and private sector employers are experiencing significant pressure from unions and their employees to further increase salaries.

In the future, the Argentine government could take new measures requiring salary increases or additional benefits for workers, and the labor force and labor unions may apply pressure for such measures. Any such increase in wage or worker benefit could result in added costs and reduced results of operations for Argentine companies, including us. Such added costs could adversely affect our financial condition, result of operations and our ability to make payments under the New Notes.

***The Energy and Tariff Emergency decreed by the Solidarity and Productive Reactivation Law within the framework of the Public Emergency and the measures implemented by the government could adversely affect our results of operations.***

On December 20, 2019, the Argentine Congress passed Law No. 27,541, referred to as the Solidarity and Productive Reactivation Law within the framework of Public Emergency, declaring a public emergency in economic, financial, fiscal, administrative, social security, tariff, energy, health and social matters, delegating to the Argentine government broad powers to ensure the sustainability of the public debt, regulate the tariff restructuring of the energy system through a renegotiation of the current comprehensive tariff review and reorganize the regulatory entities of the energy system, among others (the “Solidarity Law”).

In energy matters, the law empowers the Argentine government mainly to:

- Maintain electricity and natural gas tariffs under federal jurisdiction and to “initiate a process of renegotiation of the comprehensive tariff review in force or to initiate an extraordinary review, under the terms of Laws No. 24,065, 24,076 and other concordant regulations,” aiming at a reduction of the real tariff burden on households, businesses and industries by 2020. The tariff freeze was last extended by Decree No. 1020/2020 for 90 additional days from the end of the prior extension, or until the new transitory tariff charts resulting from the transitional tariff regime enter into force.
- Administratively intervene the ENRE and the ENARGAS for a term of 1 year. The intervention of ENRE and ENARGAS was perfected through Decrees No. 277/2020 (ENRE) and 278/2020 (ENARGAS), and was extended through Decrees No. 1020/2020, 871/2021 and 815/2022, respectively. By means of Decree No. 815/2022 the Argentine government extended the intervention of ENRE and ENARGAS as from January 1, 2023 for an additional term of one year or until the new tariff charts resulting from the final renegotiation agreement enter into force, whichever occurs first.
- Re-authorize the Argentine government to fix hydrocarbon export duties.

In tax matters, the main measures are:

- The establishment of a tax obligation regularization plan for small and medium sized enterprises.
- An increase in personal property tax rates, empowering the Argentine government to set higher rates for financial assets located abroad.
- With respect to income tax, among other changes, the following measures were approved: (i) the method of imputation of adjustment for inflation was changed, as from 2020; (ii) the “*Impuesto Cédular*” applicable to income from the placement of securities was repealed, (iii) interest on certain deposits in financial entities has been exempted (excluding interest accrued on deposits with adjustment clause) as from the tax period of 2020; and (iv) the proceeds obtained by resident individuals and undivided estates domiciled in Argentina resulting from the purchase, sale, exchange, swap or disposal of government securities, negotiable obligations and other securities (to the extent that they are listed in stock exchanges or stock markets authorized by the CNV), has been exempted from tax.

- The suspension of the tax rate reduction previously provided for in Law No. 27,430, providing instead for a 30% tax rate, with a 7% tax rate for dividends. Law No. 27,630 determined the application, for tax periods beginning after January 1, 2021, of a progressive tax rate system with rates varying from 25% to 35%, depending on the relevant accumulated net taxable income, and set a 7% rate applicable to dividends. The scales of application are adjusted year by year according to the annual variation in the Consumer Price Index.
- The creation of the tax for an inclusive and solidary Argentina (the so-called “PAIS Tax”) for a term of five fiscal periods applicable to (i) the purchase of foreign currency for hoarding purposes and (ii) the payment for goods or services rendered abroad in foreign currency through credit cards. The PAIS Tax results in the application of an exchange rate of 30%, although there is a reduced rate of 8% applicable to certain situations. Further, General Resolution (AFIP) No. 4815/2020 established a collection system applicable to transactions subject to the PAIS Tax and in connection to transactions carried out by the parties defined in Article 36 of Law No. 27,541 who are residents in Argentina=. Such collection system was modified by General Resolutions (AFIP) No. 5232/2022 and No. 5272/2022, and by means of those resolutions, the applicable percentage currently varies depending on the quality and amount of transactions entered into, resulting in the application of (i) a single rate of 35% for the transactions detailed in subsection (a) of Section 35 of Law No. 27,541; (ii) a single rate of 45% for the transactions listed in items (b), (c), when the relevant amount does not exceed U.S.\$300; and (iii) a 45% rate plus an additional 25% rate for the transactions referred to in items (b) and (c) when the relevant amounts exceed U.S.\$300. The rates set out in (ii) and (iii) also apply to all transactions contemplated in paragraphs (d) and (e) of Article 35 of Law No. 27,541.

In the social security area, and as part of the package of measures aimed at reducing the fiscal deficit, the Solidarity Law suspended the pension adjustment system for 180 days.

The effects of the Solidarity Law continue to be uncertain. The Solidarity Law provides broad powers, so it is unknown and impossible to predict future actions that may be taken by the administration at the national or provincial level on the Argentine economy and on Argentina’s ability to meet its financial obligations, which could adversely affect our business, financial condition and results of operations. In addition, we cannot assure you that economic, regulatory, social and political developments in Argentina will not affect our business, financial condition or results of operations.

***Substantial inflation has occurred since 2002 and could continue in the future, which may have a material adverse effect on our business, financial condition and results of operations.***

In the past, Argentina has experienced periods of high levels of inflation. Inflation has been increasing since 2005 and has remained relatively high since. We cannot guarantee that inflation will not be higher in the future. The INDEC has published a total change in the national consumer price index (national CPI) of 24.8% for 2017, 47.6% for 2018, 53.8% for 2019, 36.1% for 2020, 50.9% for 2021, and 94.8% in 2022. As of May 2023, Argentina has recorded a year-on-year inflation rate of 114.2% (as measured according to the national CPI). The inflation rate recorded for the three-month period ended March 31, 2023 was 20.3%.

Previously, instances of high inflation significantly weakened the economy of Argentina and undermined the capacity of the Argentine government to create the necessary conditions for growth. An environment of high inflation damages the competitiveness abroad for Argentine products by diluting the effects of any devaluation, with negative consequences on the level of economic activity and employment. Inflation remains a challenge for Argentina because of its persistence. If the measures taken by the current administration cannot solve the inflationary problems in Argentina, the current inflationary issues may subsist or even increase. Uncertainty about future inflation and the ability to negotiate and implement price agreements can have a negative effect on economic growth in Argentina and as a result, our business, financial condition and results of operations. Additionally, a portion of the outstanding sovereign debt will be adjusted by reference to CER (*Coficiente de Estabilización de Referencia*), the referential coefficient stabilizer. Consequently, any significant increment of the inflation rates may increase the outstanding sovereign debt, and thus, negatively affect the economic situation of Argentina, negatively affecting the national economic development and our results, financial condition and results of operations.

***The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of the Exchange Offer and/or the market value of the New Notes.***

Since 2007, the INDEC, the sole institution in Argentina with the power to produce official statistics at a national level, underwent institutional and methodological reforms that gave rise to controversy regarding the reliability of the information that it produced, including inflation, GDP and unemployment data. Despite the reforms implemented by the government of former President Macri, the credibility of the CPI and other indexes published by INDEC has been affected, with arguments that the inflation index in Argentina and other indexes calculated by INDEC could be substantially different from those indicated in official reports.

Published reports by the IMF have stated that their staff used alternative measures of inflation for macroeconomic surveillance, including data produced by private sources, which showed inflation rates considerably higher than those published by the INDEC between 2007 and 2015. The IMF also censured Argentina for failing to make sufficient progress, as required under the Articles of Agreement of the IMF, in adopting remedial measures to address the quality of official data, including inflation and GDP data.

On January 7, 2016, based on its determination that the INDEC had failed to produce reliable statistical information, particularly with respect to its CPI, GDP, foreign trade and poverty data, the Macri administration declared the national statistical system and the INDEC in a state of administrative emergency through December 31, 2016. The INDEC suspended publication of certain statistical data until it completed reorganization of its technical and administrative structure to recover its ability to produce sufficient and reliable statistical information. During the first six months of this reorganization period, the INDEC published official CPI figures published by the City of Buenos Aires and the Province of San Luis for reference. Certain foreign trade and balance of payments statistics for the years 2011 through 2015 and the CPI for May and June 2016 was released by the INDEC. Certain revised information regarding foreign trade, balance of payments and GDP data between the years 2011 to 2015 and CPI between May and December 2016 was published by INDEC after the declaration of the state of administrative emergency that took place on January 8, 2016. On November 9, 2016, the IMF Executive Directors lifted the motion of censure arguing that Argentina had resumed the publication of information in a manner consistent with its obligations under the IMF's Articles of Agreement, enabling Argentina to again access IMF loans.

Notwithstanding the new inflation and GDP statistics from the Argentine government, we cannot assure investors that the Argentine government will not modify or introduce new measures that will affect the Argentine statistical system, and consequently the Argentine economy, in particular by deteriorating consumer and investor confidence, which could have a material adverse effect on our business, results of operations and financial condition.

***Our access to international capital markets and the market price of the New Notes is influenced by the perception of risk in Argentina and other emerging economies.***

According to a report dated June 25, 2021, Morgan Stanley Capital Investment decided to downgrade Argentina from emerging market status to standalone status as a consequence of capital controls imposed by the country since September 2019. The new status implies a step down from frontier market classification. As a standalone economy, Argentina will appear on the same list as countries including Bosnia, Bulgaria, Botswana, Jamaica, Trinidad and Tobago and Ukraine. This classification applies to economies with strong restrictions on capital mobility. This reclassification may have a negative impact on the market and generate volatility, as it discourages potential investments that could otherwise have been channeled to Argentine assets had the emerging market classification been maintained or even had it been reclassified as a frontier market.

Economic and market conditions in Argentina and other emerging, frontier or standalone countries, particularly those in Latin America, influence the market for marketable securities issued by companies incorporated in Argentina. Volatility in the markets for marketable securities in Latin America and in other emerging, frontier or standalone markets, as well as any increase in interest rates in the United States or other developed countries, could have an adverse impact on the trading value of the New Notes and other securities that we may issue, as well as on our ability and the terms under which we may access the international capital markets. In addition, although the country risk decreased from 3,000 basis points during much of the first eight months of 2020 to 1,083 basis points as of September 10, 2020, as a result of the restructuring of U.S. dollar-denominated government debt held by private bondholders, it was approximately 1,995 basis points on July 11, 2023. This could affect our ability to access international capital. For further information, See “—Political and economic instability in Argentina has adversely



affected, and may continue to adversely affect, our business, financial condition and results of operations” and “— Argentina’s ability to stimulate sustained economic growth may depend on access to international financial markets, which has been limited and may continue to be limited in the future.” We cannot guarantee that the perception of risk in Argentina and other emerging markets may not have a material adverse effect on our ability to obtain financing, including our ability to refinance our debt at maturity, which would adversely affect our investment plans and consequently our financial condition and results of operation, as well as the trading of our marketable securities, including the New Notes. We cannot guarantee that the aforementioned factors may not affect our financial condition and/or operation results and, therefore, our ability to comply with the covenants set forth in the New Notes.

***The exchange controls and transfer restrictions have limited, and we expect they will continue to limit, access to international credit, liquidity in the bonds for Argentine companies and our ability to make payments in foreign currency, including the New Notes.***

From 2001, Argentina imposed exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments abroad. In this context, on September 1, 2019, the Argentine government issued Decree No. 609/2019 reinstating certain foreign exchange controls mainly in connection with exports of goods and services and the purchase of foreign currency by individuals or legal entities, generally authorizing the Argentine Central Bank to determine in which cases the purchase of foreign currency in the Foreign Exchange Market and the transfer thereof abroad shall require its prior approval. As a result thereof, the BCRA issued several resolutions setting forth the rules for accessing the Foreign Exchange Market, finally issuing a comprehensive text of foreign exchange regulations, currently restated by BCRA Communication “A” 7490.

According to BCRA Communication “A” 6844 (as amended and supplemented), exporters are obliged to repatriate and convert into pesos in the local exchange market all proceeds from their exports of goods and services from September 2, 2019, and the BCRA will return the export proceeds, establishing the rules governing such monitoring process and its exceptions. In addition, according to the current exchange regulations, residents may access the foreign exchange market to exchange foreign currency and transfer it abroad to make payments of profits and dividends to non-resident shareholders, if certain conditions were met or had the prior approval of the BCRA. During 2021, 2022 and 2023, new restrictions were imposed to access the official foreign exchange markets in order to reduce the loss of international reserves generated by an increased demand for U.S. dollars by residents. See “Exchange Rate Information and Exchange Controls.”

BCRA Communication “A” 7490, as amended and supplemented from time to time, (“Communication 7490”), establishes certain requirements for access to the Foreign Exchange Market by the non-financial private sector and financial entities for purposes of repayment of cross-border financial debts, in particular, for the payment of principal balances on loans and securities that have scheduled amortization payments between October 15, 2020 and December 31, 2023, for principal amounts exceeding U.S.\$2.0 million, with certain exceptions specified in the regulations. In particular, the payment of principal amounts corresponding to loans and securities subject to the regulation must be part of a refinancing plan previously filed with the BCRA, which must provide that (i) only 40% of the principal amount due and payable will be paid through the local exchange market on or before December 31, 2023; and (ii) the remaining 60% must be refinanced in such a way that the average life of the debt is increased by a minimum of two years. The loan agreement with Goldman Sachs Bank USA (the “Goldman Sachs Loan Agreement”) does not fall within the limits established by BCRA Communication “A” 7490 and related provisions, and therefore, for the time being, it is not subject to the restrictions imposed by such regulations for their repayment. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness and Contractual Obligations.” There can be no assurance that in the future any notes issued by us or bank loans entered into by us denominated and payable in foreign currency will not be subject to restrictions similar to those set forth in BCRA Communication “A” 7490 and related provisions. There can be no assurance that the term covered by BCRA Communication “A” 7490 will not be extended or reinstated in the future by the BCRA or that other regulations with similar effects will not be issued limiting our ability to access the Foreign Exchange Market to pay our financial obligations in foreign currency when due, which could have a negative impact on our business and operations.

As a consequence of the new exchange control regulations established by the BCRA, a parallel market for the trading of the U.S. dollar was again generated in which, as of the date hereof, the peso-dollar exchange rate differs significantly from the official exchange rate.

As of the date of this Exchange Offer Memorandum, the restrictions described above remain in effect. Such measures may adversely affect Argentina's international competitiveness by discouraging foreign investment and lending by foreign investors or increasing the outflow of foreign capital, which could have an adverse effect on domestic economic activity, which in turn could adversely affect our business and operation results. Any restrictions on the transfer of funds abroad could cause delays or impose restrictions on the ability of non-resident investors to collect principal and interest payments on our negotiable bonds and our bank loans. We also cannot guarantee that the Argentine government and the BCRA will not in the near future impose stricter exchange controls or restrictions on the movement of capital than those currently in effect, as well as modify and adopt other measures that could limit our ability to access the international capital markets.

In the future the Argentine government could impose further exchange controls, transfer restrictions or restrictions on the movement of capital and/or take other measures in response to capital flight or a significant depreciation of the peso, which could limit our ability to access the international capital markets and impair our ability to make interest, principal or dividend payments abroad. Such measures could lead to renewed political and social tensions and undermine the Argentine government's public finances, which could adversely affect Argentina's economy and prospects for economic growth and, consequently, adversely affect our business and results of operations and our ability to make payments under the New Notes.

***The Argentine economy could be adversely affected by economic and political developments in other markets and by more general "contagion" effects and it may affect our capacity to perform payments of our debt in foreign currency, including the New Notes.***

Weak, flat or negative economic growth of any of Argentina's major trading partners could adversely affect Argentina's balance of payments and, consequently, economic growth.

A significant decline in the economic growth of any of Argentina's major trading partners (including Brazil, the European Union, China and the United States) could have a material adverse impact on Argentina's balance of trade and adversely affect Argentina's economic growth. Declining demand for Argentine exports could have a material adverse effect on Argentina's economic growth. In particular, the economy of Brazil, Argentina's largest export market and its principal source of imports, is currently experiencing heightened negative pressure due to the uncertainties stemming from ongoing political crisis.

In addition, financial and securities markets in Argentina have been influenced by economic and market conditions in other markets worldwide. Such was the case in 2008, when the global economic crisis led to a sudden economic decline in Argentina in 2009, accompanied by inflationary pressures, depreciation of the Argentine peso and a drop in consumer and investor confidence. Although economic conditions vary from country to country, investors' perception of the events occurring in one country may substantially affect capital flows into other countries. International investors' reactions to events occurring in one market sometimes demonstrate a "contagion" effect in which an entire region or class of investment is disfavored by international investors.

Argentina could be adversely affected by negative economic or financial developments in other countries, which in turn may have an adverse effect on our financial condition and results of operations. Lower capital inflows and declining securities prices negatively affect the real economy of a country through higher interest rates or currency volatility. Moreover, Argentina may also be affected by other countries that have influence over world economic cycles. In addition to the significant fall of major stock exchanges throughout the world to historical levels, strong fluctuations in the price of oil (which in May 2020 presented historical minimum prices, mainly caused by the lack of demand due to the COVID-19 pandemic, and on July 7, 2023, the barrel of WTI traded at approximately U.S.\$71.95) and a dramatic drop in the price of other commodities could have a negative impact on our results, financial condition and results of operations.

The recurrence of any such events is likely to have a material adverse impact on the Argentine economy and on the price of the securities issued by Argentine entities, including the New Notes. In addition, the global economic downturn and the consequent instability of the international financial system have had and could continue to have a negative effect on Argentina's economy.

The Argentine economy may also be further affected by conditions in developed economies, such as the United States, that are significant trading partners of Argentina or have influence over world economic cycles. If interest rates increase significantly in developed economies, including the United States, Argentina and its developing

economy trading partners, such as Brazil, could find it more difficult and expensive to borrow capital and refinance existing debt, which could adversely affect economic growth in those countries. Decreased growth on the part of Argentina's trading partners could have a material adverse effect on the markets for Argentina's exports and, in turn, adversely affect economic growth. Any of these potential risks to the Argentine economy could have a material adverse effect on our business, financial condition, result of operations and our ability to make payments under the New Notes.

The international economy showed, before the COVID-19 pandemic, contradictory signals of global growth, leading to significant financial uncertainty. In addition, emerging market economies have been affected by the recent change in the U.S. monetary policy, resulting in the unwinding of investments and increased volatility in the value of their currencies. If interest rates rise significantly in developed economies, including the United States, emerging market economies, including Argentina, could find it more difficult and expensive to borrow capital and refinance existing debt, which would negatively affect their economic growth. Inflation is a cross-cutting phenomenon among economies, although the main causes are not always the same. In the United States and the United Kingdom, the main causes have been demand-driven and tight labor markets. In the Eurozone, energy has been the main cause of inflation, accounting for about half of the increase. In several Latin American countries, the main reason is associated with higher energy and food prices. Notwithstanding this, the IMF's World Economic Outlook (WEO) report of October 19, 2022, estimated that the world economy would slow from an estimated 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. This estimate is weaker than predicted in the agency's previous publications and is affected by macroeconomic conditions associated with higher global energy prices, problems related to international trade logistics and their impact on the supply chain, as well as higher and more widespread inflation than expected, especially in the United States and other advanced economies. The war unleashed by the Russian Federation in Ukraine deepens these issues. Moreover, there can be no assurance that unpredictable events will not have international implications that further affect the stability of global financial markets and disrupt economies around the world.

The recent invasion of Ukraine by the Russian Federation has affected (and could continue to affect) other countries, resulting in increases in gas, oil, and wheat prices, inflation, and turbulence in the markets. In addition, although at the moment the conflict is regional, the eventual invasion by the Russian Federation of other neighboring countries that are members of the North Atlantic Treaty Organization ("NATO") could lead to a global conflict.

The policies implemented by the U.S. administration have tended to impose greater restrictions on free trade generally and immigration, creating a generalized uncertainty given its commercial differences with China. Changes in social, political, regulatory and economic conditions in the United States or in laws and policies governing foreign trade could create uncertainty in the international markets and could have a negative impact on emerging market economies, including the Argentine economy, which in turn could have a negative impact on our operations.

Further, actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank failed and was taken into receivership by the Federal Deposit Insurance Corporation; on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership; the following week, a syndicate of U.S. banks infused U.S.\$30 billion in First Republic Bank; and later that same week, the Swiss Central Bank provided \$54 billion in covered loan and short-term liquidity facilities to Credit Suisse Group AG, all in an attempt to reassure depositors and calm fears of a banking contagion. Our ability to effectively run our business could be adversely affected by general conditions in the global economy and in the financial services industry. Various macroeconomic factors could adversely affect our business, including fears concerning the banking sector, changes in inflation, interest rates and overall economic conditions and uncertainties. A severe or prolonged economic downturn could result in a variety of risks, including our ability to raise additional funding on a timely basis or on acceptable terms. A weak or declining economy could also impact third parties upon whom we depend to run our business. Increasing concerns over bank failures and bailouts and their potential broader effects and potential systemic risk on the banking sector generally and on the biotechnology industry and its participants may adversely affect our access to capital and our business and operations more generally. Although we assess our banking relationships as we believe necessary or appropriate, our access to funding sources in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with which we have arrangements directly, or the financial services industry or

economy in general. Currently, we do not have a business relationship with any of the banking institutions mentioned above, and our cash, cash equivalents and short term investments have been unaffected by the turmoil in the financial industry; however, we cannot guaranty that the banking institution with which we do business will not face similar circumstances in the future, or that the third parties with whom we do business will not be negatively affected by such circumstances.

***A continuing decline in international prices for Argentina's main commodity exports could have an adverse effect on Argentina's economic growth.***

High commodity prices have contributed significantly to the increase in Argentine exports since 2002, as well as to government revenues from export taxes. However, this dependence on the export of certain commodities, such as soybeans, has made the Argentine economy more vulnerable to fluctuations in their prices. Since the beginning of 2015, international commodity prices for Argentine exports of primary products have tended to decline, which has had an adverse effect on Argentina's economic growth. However, such trend has been reversed in recent years.

In recent years, Argentina has suffered a series of seasons with below-average rainfall rates, which has led to multiple major regional droughts in Argentina. In turn, the consequences of the droughts have been reinforced by the historic low water levels of the Paraná River (the country's main river) and a large number of fire outbreaks in multiple provinces. The effects that will arise from such environmental disruptions in agriculture caused and will cause significant economic problems in the country as there were significant drops in harvests and cuts in projected results.

Although international commodity prices have seen a recovery, in the event of a return to the downward trend or in the event of any future weather factors (including, but not limited to, droughts) that may have an adverse effect on productive activities in Argentina, and the level of foreign exchange reserves in the BCRA, the Argentine economy could be adversely affected as a whole. In addition, adverse weather conditions may affect the production of commodities by the agricultural sector, which represents a significant portion of Argentina's export revenues. In the second half of 2022, the lack of rainfall aggravated, causing severe damage to the main crops grown in Argentina. For example, the wheat harvest of the current season amounted to 12.4 million tons, 10 million tons less than in the previous cycle, according to the Buenos Aires Grain Exchange (*Bolsa de Cereales de Buenos Aires*). The Rosario Stock Exchange (*Bolsa de Comercio de Rosario*) estimates that if losses born by producers are added to those resulting directly from lower harvest levels (e.g., lower demand for freight, labor, financial services, etc.), total losses for the Argentine economic activity would amount to U.S.\$19,000 million, which is equivalent to 3 points of the estimated Argentine GDP for 2023.

If international prices for agricultural commodities decrease or if output of such commodities is diminished, Argentina's economy could be adversely affected. In addition, such circumstances could have a negative impact on the government's tax revenues, including its ability to repay its debt, and on the availability of foreign currency. Any such developments may adversely affect Argentina's economy and, as a result, our business, results of operations and financial condition.

***High public expenditure could result in long lasting adverse consequences for the Argentine economy.***

In recent years, the Argentine government has substantially increased public expenditures and has regularly resorted to monetary issuances by the BCRA and ANSES transfers to meet part of its financing needs.

In 2020 and 2021, the government reported a primary fiscal deficit of 6.5% and 3% of GDP, according to figures estimated by the former Ministry of Finance (now Ministry of Economy). In 2022, according to the National Ministry of Finance, the primary fiscal deficit decreased to 2.4% of GDP.

Moreover, the primary fiscal balance could be negatively affected in the future if public expenditures continue to increase at a rate higher than revenues due to, for example, social security benefits, financial assistance to provinces with financial problems and increased spending on public works and subsidies, including subsidies to the energy and transportation sectors. A further deterioration in fiscal accounts could negatively affect the government's ability to access the long-term financial markets and could in turn result in more limited access to such markets by Argentine companies. Additionally, a further deterioration in fiscal accounts could affect the Argentine government's ability to continue subsidies for consumers in the energy sector.

As of the date of this Exchange Offer Memorandum, there is uncertainty as to the effects that the policies to be adopted by the administration of Alberto Fernández may have on the Argentine economy and our business, financial condition and results of operations.

***The Argentine banking system may be subject to instability, which could affect our operations.***

In recent years, the Argentine financial system grew significantly, with a marked increase in private loans and deposits, evidencing a recovery in lending activity. Although deposits in the financial system continue to grow, such deposits are mostly short-term deposits, and medium and long-term funding sources for financial institutions are currently limited. In 2021, private sector demand deposits in pesos recorded a nominal year-on-year increase of 78.3% and private sector time deposits recorded an increase in interest rates to 107.05% effective annual rate, exceeding the CPI for that period. In 2022, total loans to the private sector denominated in pesos accumulated a fall of 12.0% in real terms and stood at 6.3% in terms of GDP. In February 2023, total loans to the private sector denominated in pesos accumulated a monthly and annual fall of 2.0% and 14.2% in real terms, respectively, and stood at 6.1% in terms of GDP.

Financial institutions are particularly subject to significant regulation by multiple regulatory authorities, all of which can, among other things, set limits on fees and result in sanctions being imposed to financial institutions. The lack of a stable regulatory environment could impose severe constraints on the activities of financial institutions and create uncertainty regarding the stability of the financial system.

Despite the high liquidity prevailing in Argentina's financial system, a new crisis or the consequent instability of one or more of the major public or private banks could have a material adverse effect on the prospects for economic growth and political stability in Argentina, resulting in a loss of consumer confidence, lower disposable income and limited financing alternatives for consumers. These conditions could have a material adverse effect on us.

Exchange controls and restrictions on foreign transfers and capital inflows have limited, and may limit in the future, the availability of international credit.

***Argentina's ability to stimulate sustained economic growth may depend on access to international financial markets, which has been limited and may continue to be limited in the future.***

Due to its difficulties in restructuring its sovereign debt and negotiating with creditors, Argentina has been limited in its ability to access international capital markets.

On February 13, 2020, Law No. 27,544 granted powers to the Ministry of Economy to carry out the restructuring of the Argentine public debt subject to foreign law and authorized the issuance of new sovereign securities to modify the maturity profile of interest and principal amortizations of sovereign debt, as well as to determine terms and issuance procedures and to designate financial institutions or advisors for the restructuring process. On March 10, 2020, the Argentine government, through Decree No. 250/2020, defined the bonds subject to restructuring and set the nominal value of U.S.\$68,842,528,826, or its equivalent in other currencies, as the maximum amount of the liability management operations, swaps or restructurings of the public securities issued under foreign law, effective as from February 12, 2020. After several negotiations between the Argentine government and the bondholders, on August 4, 2020, the Argentine government announced the conclusion of an agreement in principle with the main groups of creditors. The terms of this new offer include certain improved conditions with respect to the previous offers (the "Final Offer"). On August 31, 2020, the Argentine government obtained the required consent to exchange and/or modify 99.01% of the total outstanding principal amount of all series of the bonds eligible for exchange into new bonds denominated in dollars and euros for a maximum nominal value, in aggregate, of U.S.\$64.36 billion, and its consent to the actions proposed in the Final Offer, including authorizing and directing the trustee, where applicable, to amend the eligible bonds of the relevant series that remain outstanding after the exchange offers became effective by substituting such series of bonds by the relevant amounts of new bonds.

On April 6, 2020, the Argentine government through Decree No. 346/2020 provided for deferral of interest service payments and principal amortizations of national sovereign debt instrumented through dollar-denominated securities issued under Argentine law until December 31, 2020, or until whenever the Ministry of Economy deems necessary, considering the degree of progress and execution of the process of restoring the sustainability of sovereign debt. On August 5, 2020, the Argentine Congress enacted Law No. 27,556 on Debt Restructuring, which

contemplates the restructuring of the Argentine government's debt instrumented in dollar-denominated or dollar-linked sovereign securities issued under Argentine law. Such restructuring was implemented through an exchange transaction for new bonds to be issued by the Argentine government, under the Solidarity and Productive Reactivation Law. In this sense, the new sovereign bonds under local law incorporate the Rights upon Future Offers or RUFO clause. That is, if within five years from the settlement date of the new bonds under foreign law, Argentina voluntarily launches a better offer for the eligible bonds governed by Argentine law or for the eligible bonds governed by foreign law, the improvement will be extended to the holders of the new bonds under Argentine law. On September 4, 2020, the Ministry of Economy announced that it was able to restructure 98.8% of the public debt under Argentine law for an amount of U.S.\$41.715 billion, and at the same time, it was able to convert U.S.\$687 million to pesos.

On June 20, 2018, the IMF Board of Directors approved a U.S.\$57.1 billion stand-by credit line arrangement with a maturity of 36 months. Argentina has received disbursements under the agreement totaling U.S.\$46.1 billion. On August 26, 2020, the Argentine government reopened negotiations with the IMF for a new financial assistance program that will include the restructuring of the current stand-by credit facility.

On August 6, 2020, the BCRA renewed its currency swap agreements with the People's Bank of China for an amount of U.S.\$18.5 billion, which will be valid for three years. Otherwise, the level of gross international reserves deposited with the BCRA decreased significantly from U.S.\$77.5 billion on April 9, 2019, to U.S.\$37.6 billion as of March 23, 2023. In addition, although the country risk decreased from 3,000 basis points during most of the first eight months of 2020 to 1,083 basis points on September 10, 2020, as a consequence of the restructuring of the public debt held by bondholders, as of July 11, 2023, such indicator was around 1,995 basis points.

On March 3, 2022, the Argentine government and the IMF announced that they had reached an agreement (the "SAF Agreement"), and Law No. 27,668, enacted on March 16, 2022, approved the public credit operations contained in the "Extended Facilities Program" to be entered into between the Argentine government and the IMF for the cancellation of the stand-by arrangement approved on June 20, 2018. The IMF Board approved the U.S.\$45 billion program and an immediate disbursement of U.S.\$9.65 billion. The program foresees a first stage of 2.5 years in which ten quarterly reviews related to the fulfillment of fiscal, monetary and exchange rate policy targets must be fulfilled. Disbursements will be paid between 2026 and 2034. On the other hand, within the framework of the understanding reached with the Paris Club, Decree No. 286/2022 deferred the payments of debt contracted under bilateral agreements signed with the countries associated to the Paris Club, until the earlier of (a) the execution of a new agreement that replaces the Joint Declaration on the Arrears Settlement Agreement of Argentina, signed on May 29, 2014, until the adequacy of the bilateral agreements signed as a result thereof, or (b) until September 30, 2024. Decree No. 286/2022 also authorized the Ministry of Economy to make partial payments of the debt services owed to the creditor countries associated to the Paris Club, in an amount equal to that made in the framework of other bilateral commitments with third states, respecting the proportionality in payments between the creditors associated to the Paris Club.

On September 19, 2022, IMF staff and the Argentine authorities reached an agreement on an updated macroeconomic framework and associated policies needed to complete the second review under the SAF Agreement. The agreement was subject to approval by the IMF Executive Board. Upon completion of the review, Argentina would have access to about U.S.\$3.9 billion. Most of the quantitative program targets through end-June 2022 were met, with the exception of the net international reserves floor, mainly due to higher-than-programmed import volume growth and delays in external official support. Subsequently, a period of volatility in the foreign exchange and bond markets was halted after certain measures were taken which corrected earlier setbacks and rebuilt credibility.

On October 7, 2022, the IMF approved the second revision of the SAF Agreement and authorized the disbursement of approximately U.S.\$3.9 billion.

On March 13, 2020, the Minister of Economy addressed a letter to the members of the Paris Club expressing Argentina's decision to postpone until May 5, 2021 the payment of U.S.\$2.1 billion originally due on May 5, 2020, in accordance with the terms of the settlement agreement that had been reached between Argentina and the members of the Paris Club on May 29, 2014 (the "2014 Paris Club Settlement Agreement"). In addition, on April 7, 2020, the Minister of Economy sent to the members of the Paris Club a proposal to modify the current terms of the 2014 Paris Club Settlement Agreement, mainly seeking an extension of the maturity dates and a significant reduction in the interest rate.

At the end of May 2021, the payment of U.S.\$2,420 million that the then Minister of Economy, Axel Kicillof, managed to restructure in 2014 with the Paris Club, was due. On June 23, 2021, the then Minister of Economy Martín Guzmán announced that the Argentine Government reached an agreement with the Paris Club to avoid default and to be able to continue renegotiating until March 31, 2022. On March 22, 2022, the Argentine government reached an agreement with the Paris Club for a new extension of the understanding reached in June 2021. The agreement reached includes financial guarantees from the Paris Club in support of the 30-month extended facilities program, allowing Argentina to secure the financial sources identified in the agreement with the IMF. Such financial guarantees provide that, during the term of the program, Argentina will make partial payments to Club members in proportion to those made to other bilateral creditors, in accordance with the terms set forth in the June 2021 understanding.

On October 28, 2022, the Minister of Economy, Sergio Massa, announced a new agreement with the Paris Club. The agreement is an addendum to the one signed in 2014 by the then Minister of Economy Axel Kicillof and recognizes a principal amount of U.S.\$1,971 million, extending a repayment period of thirteen semi-annual installments, starting in December 2022 to be finally cancelled in September 2028. Further, by virtue of this new agreement, interest rate was improved from 9% to 3.9% in the first three installments, with a gradual increase to 4.5%. The payment profile implies an average semi-annual payment of \$170 million (principal and interest included). Over the next two years Argentina will repay 40% of the principal due.

At the date of this Exchange Offer Memorandum, there can be no assurance that the aforementioned agreement with the Paris Club will be performed and whether nonperformance could generate an adverse change in the Argentine economy in general and in our ability to comply with our obligations under the New Notes. If the Argentine government is unable to successfully comply with the new terms of the sovereign debt, the country's ability to access international credit markets may be adversely affected. As a result, the Argentine government may not have the capacity or the financial resources necessary to foster economic growth, which, in turn, could have an adverse effect on the country's economy and, consequently, on our business and results of operations. In addition, Argentina's inability to obtain credit in international markets could have a direct impact on our own ability to access international credit markets to finance our operations and growth, which could adversely affect our results of operations and financial condition and result in an adverse change in our ability to meet our obligations under the New Notes.

***A decline in international prices for Argentina's principal commodity exports could have a material adverse effect on Argentina's economy and our business.***

The Argentine economy has historically relied on the export of commodity products, the prices of which have been volatile and outside Argentina's control, as a source of foreign currency, and, more recently, on government revenues through the collection of taxes on the export of such products. Different administrations have imposed different export taxes. The competitiveness of the commodity prices, particularly the price of Argentina's main commodity export, soybean, have contributed to the increment of the estate's revenue from export taxes. If international commodity prices continue to decline, the Argentine economy could be adversely affected. In addition, adverse weather conditions can affect the production of commodities by the agricultural sector, which account for a significant portion of Argentina's export revenues. Further, if international commodity prices decline in the future, the Argentine economy could be adversely affected and government revenues from taxes on Argentine exports could decrease, producing a negative impact on public finances and on our business, financial conditions and results of operations.

***Effective July 1, 2018, the peso is considered a currency of a highly inflationary economy under IFRS, and we are required to restate our financial statements for inflation, which could adversely affect our financial statements, our operation results, our financial condition and that of our subsidiaries.***

As from July 1, 2018, the Argentine peso qualifies as the currency of a hyperinflationary economy, therefore, entities whose functional currency is the Argentine peso are required to restate their historical financial statements in terms of the measuring unit current at the end of the reporting year. We use the Argentine peso as our functional currency for our financial statements and express financial statements in the current currency of the year reported. Our subsidiaries Energética Argentina S.A. and Vientos Neuquinos I S.A. maintain the U.S. dollar as their functional currency. See "Presentation of Financial and Other Information."

Under IAS 29 (Financial Reporting in Inflationary Economies), the financial statements of entities whose functional currency is the currency of a hyperinflationary economy must be restated for the effects of changes in an appropriate price index. IAS 29 does not state when hyperinflation arises but includes several characteristics of hyperinflation. The International Accounting Standards Board (“IASB”) does not identify specific hyperinflationary jurisdictions. However, in June 2018, the International Practices Task Force of the Centre for Quality (“IPTF”), which monitors “high inflation countries,” classified Argentina as a country with a three-year projected cumulative inflation rate above 100%. In addition, some of the other qualitative factors of IAS 29 were recorded, which constituted prima facie evidence that the Argentine economy was “hyperinflationary” for the purposes and in the terms of IAS 29. Therefore, Argentine companies using IFRS must apply IAS 29 to their financial statements for periods ending after July 1, 2018.

Further, in accordance with the provisions of IAS 21 (“The Effects of Changes in Foreign Exchange Rates”), we have set our functional currency, which is the currency that corresponds to the main economic environment in which we operate, normally the currency in which we generate and use cash. Our Board of Directors and our senior management, considering the Company’s main activities and the currency of the primary economic environment in which we operate, have set the Argentine peso as the Company’s functional currency.

We cannot predict the full future impact that the application of IAS 29 and IAS 21 and the eventual application of the tax indexation procedure and related adjustments will have on our financial statements or the effects on our business, operation results and financial condition.

***Failure to adequately address the real and perceived risks of institutional deterioration and corruption may adversely affect Argentina’s economy and financial condition.***

The lack of a solid institutional framework and corruption have been identified as a significant problem for Argentina. The ability of the Argentine government to implement measures aimed at strengthening institutions is uncertain since it would require the intervention of the judiciary branch, which is an independent branch, as well as the legislative branch’s support of the opposition parties. There can be no assurance that the enactment of such measures will be successful.

In Transparency International’s 2022 Corruption Perceptions Index, which includes a survey of 180 countries, Argentina ranked <sup>9</sup>4th, compared to <sup>9</sup>6th for 2021 and <sup>7</sup>8th for the 2021 survey.

The Argentine government, recognizing that these issues could increase political instability, distort the decision-making process and adversely affect Argentina’s international reputation and its ability to attract foreign investment, has announced several measures aimed at strengthening Argentina’s institutions and reducing corruption. These measures include reducing criminal sentences in exchange for cooperation with the National Government in corruption investigations, increasing public access to information, divesting assets from corrupt officials, increasing the powers of the Anti-Corruption Office and enacting a new public ethics law, among others. The ability of the Argentine government to implement these initiatives is uncertain as it would require the intervention of the judiciary, which is an independent branch, as well as the legislative support of the opposition parties. There can be no assurance that the implementation of such measures will be successful.

Argentina’s political environment has historically influenced the performance of the domestic economy and continues to do so. Political crises have affected and continue to affect investor and public confidence, which has historically led to economic slowdowns and increased volatility in securities with underlying Argentine risk. Argentina’s recent economic instability has contributed to a decline in market confidence in the economy, as well as a deteriorating political environment. The weakness of Argentina’s macroeconomic situation continued in 2019, increased 2020, and while it decreased during 2021 and 2022, it may increase in 2023 as a result of the measures implemented by the administration.

In addition, various ongoing judicial investigations into allegations of money laundering and corruption have had a negative impact on Argentina’s economy and political environment, the most relevant of such investigations being the investigation referred to as “Los Cuadernos de las Coimas.” Certain government officials of the Kirchner and Fernández de Kirchner administrations, as well as high-ranking officials of companies with state contracts and members of public concessions, have faced or are facing allegations of corruption and money laundering as a result of these investigations. These individuals are accused of having accepted or paid bribes through kickbacks on contracts awarded by the government to various infrastructure, energy and construction companies. The funds



derived from these bribes were allegedly used to finance the campaigns of political parties affiliated to the government of then president Cristina Fernández de Kirchner (now Vice-President). These funds were not publicly disclosed and were allegedly intended to enrich certain individuals. Several high-ranking politicians, including members of Argentine Congress, and senior executives and officers of Argentina's largest companies (i) have been arrested on various corruption charges; (ii) entered into cooperation agreements with prosecutors; and (iii) have resigned or been removed from office. The potential outcome of these cases, as well as other ongoing corruption investigations, is uncertain, but they have already had a negative impact on the reputation of the companies involved, as well as on the perception of Argentina's economy, political environment and capital markets by the markets in general.

Furthermore, on January 12, 2023, the administration of Alberto Fernández informed that that year the Congress would be considering, among other issues, a bill to increase the number of members of the Argentine Supreme Court of Justice. Subsequently, on February 2023, the Political Trial Commission of the Chamber of Deputies approved the admissibility of the files being processed against the current members of the Argentine Supreme Court of Justice and the opening of the summary of each of its members. Although the future of the impeachment trial is uncertain, this situation continues to exacerbate the institutional imbalance in Argentina, generating a negative impact on the country's politics and economy.

We have no control over these situations and cannot predict how long corruption investigations will continue, or whether such investigations or allegations (or other future investigations or allegations) will generate further political and economic instability. Nor can we predict what the outcome of such allegations will be or their effect on the various sectors of the domestic economy.

Failure to properly address these real and perceived risks relating to institutional deterioration and corruption by the Argentine government could adversely affect Argentina's economy and financial condition, which, in turn, could adversely affect our business, financial condition and operation results.

***Certain shareholders of companies operating in our country have initiated investment arbitration proceedings against Argentina that have resulted and may result in arbitral awards and/or injunctive relief against Argentina and its assets that, as a result, may limit its financial resources.***

In response to the emergency measures adopted by the Argentine government during the 2001-2002 economic crisis, a series of claims were filed against Argentina before the ICSID. The claimants alleged that the emergency measures were contrary to the standards of fair and equitable treatment provided for in several bilateral investment agreements to which Argentina was a party at the time. In addition, the claimants brought actions before arbitral tribunals under the rules of the United Nations Commission on International Trade Law ("UNCITRAL") and under the rules of the International Chamber of Commerce ("ICC"). Several cases have been resolved against Argentina, while others are pending resolution.

We cannot give any assurance that Argentina will be successful in resolving any or all of the cases, or, in the event awards are granted in favor of the plaintiffs, that it will be successful in vacating them. Any case decided against Argentina could have a material adverse effect on the Argentine economy and our operation results.

***The Argentine economy is still vulnerable and any significant decline could adversely affect the Company's situation.***

The Argentine economy has experienced considerable volatility in recent decades, with periods of low or no growth, high levels of inflation, and currency devaluation. Sustained economic growth in Argentina depends on several factors, including international demand for Argentine exports, the stability and competitiveness of the peso against foreign currencies, the confidence of local and foreign consumers and investors, a stable inflation rate, the level of employment and the political circumstances of Argentina's regional trading partners.

The Argentine economy has contracted in recent years, and remains vulnerable and unstable despite the efforts of the Argentine government to combat inflation and exchange rate instability, as reflected in the following economic conditions:

- Inflation remains high and may continue at similar levels in the future. According to a report published by INDEC, accumulated inflation measured according to the consumer price index from December 2018 to

December 2019 was 53.8%, from December 2019 to December 2020 it was 36.1%, from December 2020 to December 2021 was 50.9% and the interannual variation to December 2022 was 94.8%;

- According to data published by the INDEC, the GDP corresponding to 2019 fell by 2.0% compared to the year 2018, the GDP corresponding to 2020 fell by 9.9% compared to the year 2019 and the GDP corresponding to 2021 increased by 10.4% compared to 2020, and the GDP corresponding to 2022 increased by 5.2% compared to 2021. The behavior of Argentina's GDP has depended to a large extent on the high prices of basic products that, despite having a favorable long-term trend, are volatile in the short term and exceed control the Argentine government and the private sector;
- Argentina's public debt as a percentage of GDP remains high;
- The discretionary increase in public expenditure and its high level has generated and could continue to generate a fiscal deficit;
- Investment as a percentage of GDP continues to be very low;
- A significant number of demonstrations or strikes could take place, as has happened in the past, which could adversely affect different sectors of the Argentine economy;
- The supply of energy or natural gas may not be sufficient to supply industrial activity (thus limiting industrial development) and consumption;
- Unemployment and informal employment remain high; according to INDEC, the unemployment rate during the third quarter of 2022 was 7.1%; and
- The climate created by the conditions mentioned above resulted in an increase in the demand for foreign currency, for which the government introduced capital controls in order to stop capital flight. During 2021 the peso devalued 22.07% and S&P Merval stock index of Buenos Aires ended with a 63% profit in pesos, after three consecutive years of falls. The nominal wholesale currency exchange rate at the close of fiscal years 2019, 2020, 2021 and 2022 was Ps.59.89, 84.14, 102.75 and 177.16, for each Dollar, respectively;

Argentina's fiscal imbalances, its dependence on foreign currency inflows to cover its fiscal deficit, and the rigidities that have historically limited the economy's ability to absorb and adapt to external factors have contributed to the severity of the current crisis.

As in the recent past, the Argentine economy may be adversely affected if social and political pressures prevent the implementation by the Argentine Government of policies designed to control inflation, generate growth and improve investor and consumer confidence, or if policies implemented by the Argentine Government designed to achieve these objectives are not successful. These events could substantially adversely affect our business, financial position and the results of our operations.

It is not possible to guarantee that a decrease in economic growth, greater economic instability or an expansion of the economic measures and policies taken by the Argentine Government to control inflation or address other macroeconomic events that affect private sector entities, such as events that are beyond the control of the Company, would not have an adverse effect on our business, financial situation or the results of our operations.

### **Risks Relating to our Industry and to Renewable Energy Activities**

***The Argentine government has intervened in the electricity sector in the past, and is likely to continue intervening.***

Historically, the Argentine government has played an active role in the electricity industry through the ownership and management of state-owned companies engaged in the generation, transmission and distribution of electricity. Since 1992, following the adoption of law No. 24,065 and the privatization of several state-owned companies, the Argentine government has reduced its control over the industry, creating a free market in the generation sector. However, as is the case in most other countries, the Argentine electricity industry remains subject to strict regulation and government intervention. Moreover, to address the Argentine economic crisis of 2001 and 2002, the Argentine government adopted Law No. 25,561 (the "Public Emergency Law") and other regulations,

which made a number of material changes to the regulatory framework applicable to the electricity sector, and deviated from the principles and provisions of Law No. 24,065. These changes have had significant adverse effects on electricity generation, distribution and transmission companies and included the sanctioning of price caps on energy paid to generators, the freezing of power payments, the withholding of credits to generators, the transfer of indiscriminate subsidies to distribution tariffs, the prohibition of adjustment and inflation indexation mechanisms for tariffs, a limitation on the ability of electricity distribution companies to pass on to the consumer increases in costs due to regulatory charges and the modification of a price-setting mechanism in the MEM, which had a significant impact on the system, generating a deficit in the MEM stabilization fund and directly impacting all agents, and in particular on the electricity generators and caused substantial price differences within the market.

The Argentine government has intervened in the electricity industry by, for example, creating specific charges to raise funds that are transferred to government-managed trust funds that finance investments in generation and distribution infrastructure and mandating that MEM agents participate in investment programs for the construction of new generation plants and the expansion of existing transmission and distribution networks.

For example, with respect to generation pricing mechanisms, in March 2013, through SE Resolution 95/2013, the system that had been established by Law No. 24,065 was radically modified, changing to a “cost-plus” remuneration system. By virtue of this resolution, the Argentine government suspended (with effect until today) the renewal of sales contracts in the term market and execution of new agreements in the MEM (i.e., the Argentine government has suspended the forward market with the exception of certain special regimes), and centralized in CAMMESA the commercial management and dispatch of fuels, taking away from the generators the possibility of obtaining and managing their own fuel.

Over the last years, with the aim of encouraging investment, the Argentine government has created certain special regimes, in particular providing for special remuneration and allowing the so-called “new generation” generators to enter into PPAs. Examples of this are the following: (i) the “Energía Plus” regime (established through Resolution No. 1261/2006); (ii) the contracts entered into under SE Resolution 220/2007 or SE Resolution 21/2016; and (iii) the contracts entered into pursuant the RenovAr Program.

Since the Macri administration assumed office, the Argentine government has initiated certain reforms to the Argentine electricity industry. On December 16, 2015, the Macri administration declared a state of emergency with respect to the national electricity system that will remain in effect until December 31, 2017. The state of emergency allows the Argentine government to take actions designed to guarantee the supply of electricity in Argentina such as instructing the Ministry of Energy to elaborate and implement, with the cooperation of all federal public entities, a coordinated program to guarantee the quality and security of the electricity system and rationalize public entities’ consumption of energy.

As a consequence, the Argentine government ordered several measures, such as the dollarization of prices paid to generators (through Resolution SEE No. 19/2017), and the lifting of restrictions on the acquisition of fuel by generators (through Resolution SGE No. 70/2018).

In addition, the Argentine government and certain provincial governments have recently approved price adjustments and tariff increases applicable to certain distribution companies. Following the tariff increases, preliminary injunctions were requested by certain users, certain politicians and non-governmental organizations that defend users and customers’ rights, which preliminary injunctions were granted by Argentine courts. Among the different rulings in this respect, two rulings issued by the Second Division of the Federal Court of Appeals for the City of La Plata and a federal judge from the San Martín district court led to the suspension of end-users tariff increases of electricity in the Province of Buenos Aires and in the whole territory of Argentina, respectively. Pursuant to these injunctions, (i) the end-user tariff increases granted as of February 1, 2016 were suspended retroactively to that date, (ii) end-user bills sent to customers were not to include the increase, and (iii) the amounts already collected from end-users as a consequence of consumption recorded before these rulings had to be reimbursed. However, on September 6, 2016, the Supreme Court revoked these injunctions that suspended end-users electricity tariff increases, holding that the rulings had procedural defects. Pursuant to Resolution 522/2016, the ENRE scheduled a public hearing for October 28, 2016, where the electricity tariffs increases made by EDENOR and EDESUR were discussed. As of the date of this Exchange Offer Memorandum, increases to the electricity end-users tariffs are effective.

Additionally, in March 2016, the then Secretariat of Electric Energy enacted SE Resolution 22/2016, through which it adjusted the electricity prices for the sale of energy by generation companies under the Energía Base framework. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Our Revenues” and “—Energy Prices Under the Energía Base Framework.” The Secretariat of Electric Energy cited the fact that MEM prices have been distorted and discourage private investment in power generation and that it was necessary to raise tariffs to partially compensate for increasing operation and maintenance costs and to improve the cash flow generation capacity of these companies.

The Macri administration has also established public bidding processes for the installation of new generation projects from renewable sources. On September 6, 2016, CAMMESA began analyzing the technical aspects of the bids that were filed, which included 49 distinct wind energy projects totaling 3,468 MW and 58 distinct solar energy projects totaling 2,834 MW, for which preliminary awards were expected in a maximum amount of 600 MW and 300 MW, respectively. On October 7, 2016, the Ministry of Energy, by means of Resolution 213/2016, granted awards in the amount of 1,141.51 MW, with a weighted average price of U.S.\$61.33. These awards included two biomass, six biogas, five small hydro, 12 wind energy and four solar energy projects. On October 28, 2016, the Ministry of Energy published Resolution No. 252-E/2016, calling for national and international bids under round 1.5 of the RenovAr program to auction an additional 600 MW of renewable energy, comprised of 400 MW wind energy and 200 MW solar energy. On November 11, 2016, CAMMESA began analyzing the technical aspects of the bids that were filed, which included 47 projects totaling 2,486.40 MW. On November 25, 2016, the Ministry of Energy, by means of Resolution 281-E/2016, granted awards in the amount of 1,281.53 MW, with a weighted average price of U.S.\$53.98. These awards included ten wind energy and 20 solar energy projects. These measures aim not only to satisfy domestic electricity demand, but also to promote investments in the electricity sector and improve the economic situation of the MEM, which, as discussed above, has faced challenges since 2001.

Also, pursuant to Resolution No. 420-E/2016 that was published in the Official Gazette on November 16, 2016, the Ministry of Energy and Mining launched a public process for submitting infrastructure projects that contribute to the reduction of the energy costs in the MEM and to increase the reliability of the Argentine electrical system. Companies are to express their interest by filing their project proposal following certain specifications included in Resolution No. 420-E/2016. Once the different proposals are evaluated by the authorities, those selected will be included in a public bid process.

In view of the foregoing, it is possible that certain measures may be adopted by the Argentine government that could have a material adverse effect on our business and results of operations, or that the Argentine government may adopt emergency legislation similar to the Public Emergency Law or other similar resolutions in the future that could have a direct impact on the regulatory framework of the electricity industry and indirectly adversely affect the electricity generation industry, and therefore, our financial condition and results of operations and our capacity to repay the notes.

***Electricity generators, distributors and transmitters have been materially and adversely affected by emergency measures adopted in response to Argentina’s economic crisis of 2001 and 2002, many of which remain in effect.***

Since the Argentine economic crisis of 2001 and 2002, Argentina’s electricity sector has been characterized by government regulations and policies that have resulted in significant distortions in the electricity market, particularly with respect to prices, throughout the whole value chain of the sector (generation, transmission and distribution). Historically, Argentine electricity prices were calculated in U.S. dollars and margins were adjusted periodically to reflect variations in relation to costs. In January 2002, the Public Emergency Law authorized the Argentine government to renegotiate its public utility contracts. Under this law, the Argentine government revoked provisions in the public utility contracts related to the adjustment and inflation indexation mechanism. Instead, the tariffs on such contracts were frozen and converted from their original U.S. dollar values to Argentine pesos at a rate of Ps.1.00 per U.S.\$1.00. For further information on the changes to the legal framework of the Argentine electricity industry caused by the Public Emergency Law, see “The Argentine Electricity Industry and Regulation.”

These measures, coupled with the effect of high inflation and the devaluation of the peso in recent years, led to a significant decline in revenues and a significant increase of costs in real terms, which could no longer be recovered through margin adjustments or market price-setting mechanisms. This situation, in turn, led many public utility companies to suspend payments on their financial debt (which continued to be denominated in U.S. dollars despite

the pesification of revenues), effectively preventing these companies from obtaining further financing in the domestic or international credit markets and making additional investments.

After declaring a state of emergency with respect to the national electricity system, the Argentine government increased electricity tariffs in the MEM under Energía Base regulatory framework. Consumers, politicians and non-governmental organizations began to file requests for injunctions for the suspension of such increases and recent rulings suspended the increases nationwide. On September 6, 2016, the Supreme Court annulled these injunctions suspending the increases in electricity tariffs applicable to the final consumer and, on October 28, 2016, a public hearing was held to address the proposals for a comprehensive tariff review submitted by EDENOR and EDESUR. The tariff increases were approved on January 31, 2017. In addition, the Argentine government issued SE Resolution 21/2016 and 136/2016 calling for a public bid process for the installation of new generation capacity from both thermal and renewable sources, offering generators U.S. dollar-denominated rates linked to generation costs for newly available generation capacity, in the case of thermal bid, and U.S. dollar-denominated rates linked to generation costs for newly available energy production, in the case of renewables bid. However, tariffs under the Energía Base regulatory framework continue to be denominated in pesos and remain well below historical levels. These measures, or any future measures, may not be sufficient to address the structural problems created by the economic crisis of 2001 and 2002 and its aftermath, and measures similar to those adopted during the economic crisis may not be enacted in the future.

On March 1, 2019, through Resolution No. 1/19 of the Renewable Resources and Electricity Market Secretariat, the Argentine Government reduced the generation capacity and energy prices under the Energía Base regulatory framework, which had been previously increased by Resolution No. 19/17 of the former SEE, and kept the remuneration scheme in U.S. dollars established by Resolution No. 19/17 of the Secretariat of Electric Energy. Also, on February 27, 2020, the National Ministry of Productive Development issued Resolution No. 31/20, which repealed Resolution No. 1/19 and established a remuneration scheme valued in Argentine pesos, leaving behind the valuation in U.S. dollars that was previously applicable. Those generating agents, co-generators and self-generators in the MEM which had generating units with power committed under centralized contracts aimed at supplying the demand of the MEM (the so-called “MEM Supply Contracts”), and where the electric energy produced by them is destined to compliance with the aforementioned contracts, are exempted from the regime of Resolution No. 31/20. Further, Resolution SGE No. 70/2018 was also derogated, reestablishing the prohibition for generators to procure their own fuel, with such function being again centralized in CAMMESA (through Resolution MDP No. 12/2019).

Furthermore, SE Resolution No. 440/2021, issued on May 21, 2021, increased the remuneration scheme established by Resolution No. 31/2020 by an average of 29%, retroactive as of February 2021. This resolution also canceled the update factor.

On April 21, 2022, the remuneration scheme was modified by SE Resolution No. 238/2022 that established a 30% increase in remuneration retroactive to February 2022 and a new 10% increase to be applied as starting June 2022. It also eliminated the use factor used to calculate generators remuneration and the temporary energy exports remuneration. Such remuneration scheme was again modified on December 12, 2022, by SE Resolution No. 826/2022 that established a 20% increase in remuneration retroactive to September 2022 and a new 10% increase to be applied as from December 2022. It also established a 25% increase to be applied as from February 1, 2023, and a 28% increase to be applied as from August 2023.

It cannot be ruled out that the Argentine government may issue emergency regulations or that CAMMESA may eventually decide to breach the power purchase agreement by changing the form of payment to spot price. For more information on spot price see “The Argentine Electricity Industry and Regulation—General Overview of Legal Framework—MEM (Wholesale Electricity Market for its acronym in Spanish).”

***We may be unable to collect payments, or to collect them in a timely manner, from CAMMESA, which could have a material adverse effect on our financial condition and results of operations.***

Payments to us by CAMMESA, including installments in connection with returns from FONINVEMEM contributions, depend upon payments that CAMMESA in turn receives from other MEM agents such as electricity distributors as well as the Argentine government and provinces. Since 2012, a significant number of MEM agents (mostly distributors) have been late or defaulted on their payment obligations to CAMMESA, which in turn has adversely affected the ability of CAMMESA to meet its own payment obligations to generators such as us. For example, payments by CAMMESA to generators related to the sale of energy under the Energía Base framework

during each month are due 42 days following the end of such month. As a result of delays in payments from distributors due to frozen tariffs, since 2012, we have seen a delay in payment by CAMMESA to generation companies averaging approximately 45 days. Such delay in payments was regularized as from 2016, when CAMMESA ceased late payments and started to pay on time again. Since the beginning of 2019, CAMMESA incurred in late payments again, and as of March 2023 the average delay was 40 days in the last six months over the 42 days which are set as payment date pursuant to the regulatory framework. In accordance with the applicable regulations in force, CAMMESA must pay interest to the generators for late payment. In the short term, we expect to continue to experience delays in certain payments from CAMMESA. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Our Revenues” and “—Energy Prices Under the Energía Base Framework.” CAMMESA’s inability to make payments, or to do so in a timely manner, may substantially and adversely affect our financial position and the results of our operations.

***Energy demand is seasonal, largely due to climate conditions.***

Energy demand fluctuates according to the season and climate conditions may materially and adversely impact energy demand. During the summer (December through March), energy demand may increase significantly due to the need for air conditioning and, during winter (June through August), energy demand may fluctuate according to the needs for lighting and heating. As a result, seasonal changes could materially and adversely affect the demand for energy and, consequently, affect our results of operations and financial condition.

***Argentina has certain energy transmission limitations that may adversely affect the capacity of electricity generators to deliver all of the energy they are able to produce, which results in reduced sales.***

The energy that generators can deliver to the transmission system for subsequent delivery to the distribution system depends at all times on the capacity of the transmission and distribution systems with which they are connected. In the past, the transmission and distribution systems operated at near full capacity and both transmission and distribution companies could not guarantee an increase in the supply of electricity to their customers. In recent years, the increase in electricity demand caused power outages in Buenos Aires and other Argentine cities, resulting in excess capacity for generators. As a result, more hydroelectric and thermoelectric power was generated than the transmission and distribution systems can transport or distribute. We have entered into a power purchase agreement with CAMMESA under the RenovAr Program, whereby we benefit from priority dispatch in the SADI in cases of congestion associated with limitations in the available transmission capacity. Notwithstanding the foregoing, any limitation in transportation or distribution for generators may reduce the energy delivered, and therefore, affect our sales, which may generate adverse consequences in our financial condition.

***Operating difficulties may affect our ability to generate electricity, which may adversely affect our financial condition and results of operations.***

Power generation activities are subject to industry-specific operating risks, some of which are beyond the Issuer’s control, including unforeseen mechanical and engineering difficulties and other equipment failures, lower production levels and/or higher unanticipated domestic consumption, design defects; shortages, unavailability or high costs of essential equipment, supplies, personnel and services; accidents; potential damage to flora and fauna; compliance with governmental laws and regulations; changes in the regulatory framework and possible state regulation or intervention; as well as litigation and other disputes.

Our wind farms are exposed to the risk of mechanical or electrical failure and may experience periods of total or partial unavailability affecting our ability to generate electricity. Unforeseen unavailability of our wind farms could affect, in whole or in part, our ability to meet our contractual and other commitments and could adversely affect our financial condition or results of operations.

Control and management of operating risks normally depends on the availability of adequate information and training of personnel and the existence of operating processes and preventive maintenance plans that minimize the possibility and impact of any of these events.

We may experience operational difficulties, either as a result of human error or as a consequence of certain external events, which may require the temporary suspension of activities, with a significant impact on our availability.

***We operate in a highly regulated sector which results in significant expenditures for our business and may be subject to regulatory change, and we may suffer fines and penalties, which in turn could adversely affect our results of operations.***

We are subject to a wide range of federal, provincial and municipal regulations and supervision, including laws and regulations pertaining to tariffs, labor, social security, public health, consumer protection, the environment and competition. Furthermore, Argentina has 23 provinces and one autonomous city (the City of Buenos Aires), each of which, under the Argentine National Constitution, has power to enact legislation concerning taxes, environmental matters and the use of public space. Within each province, municipal governments can also have powers to regulate such matters. Although the generation of electricity is considered an activity of general interest (*actividad de interés general*) subject to federal legislation, due to the fact that our facilities are located throughout various provinces, we are also subject to provincial and municipal legislation. Future developments in the provinces and municipalities concerning taxes (including sales, security and health and general services taxes), environmental matters, the use of public space or other matters could have a material adverse effect on our business, results of operations and financial condition. Compliance with existing or future legislation and regulations could require us to make material expenditures and divert funds away from planned investment in a manner that could have a material adverse effect on our business, results of operations and financial condition.

In addition, our failure to comply with existing regulations and legislation, or reinterpretations of existing regulations and new legislation or regulations, such as those relating to fuel and other storage facilities, volatile materials, cyber security, emissions or air quality, hazardous and solid waste transportation and disposal and other environmental matters, or changes in the nature of the energy regulatory process may subject us to fines and penalties and have a significant adverse impact on our financial results.

Although we have organized our operations in order to be able to comply with our contractual obligations, there can be no assurance that we will not face factors that may impact our operations and generate delays in addition to those foreseen that may result in the application of fines and/or penalties to the Company.

Likewise, our operations are regulated by a wide range of environmental, health and safety requirements by federal and, especially, local regulations. We have made, and will continue to make, significant expenditures to maintain compliance with such laws. These laws and regulations also require us to obtain and maintain environmental permits, licenses and approvals for the construction of new facilities or the installation and operation of new equipment required for our business. Some of these permits, licenses and approvals are subject to periodic renewal.

Failure to comply with environmental requirements can result in fines or sanctions, claims for environmental damages, remediation obligations, the revocation of environmental authorizations or the temporary or permanent closure of our facilities. Additionally, compliance with modified or new environmental, health and safety regulations could also require us to make significant capital investments. Future changes in environmental health and safety laws, or in the interpretation of those laws, including new or stricter requirements related to air, noise, hazardous waste and wastewater emissions or green taxes could subject our business to the risk of higher capital, operating or compliance costs resulting from these changes and could limit the availability of our funds for other purposes, which could adversely affect our business, results of operations and financial condition.

We operate in a heavily regulated sector that imposes significant costs on our business and we could be subject to fines and liabilities that could have a material adverse effect on our results of operations.

***Changes in regulatory frameworks under which we sell our generation capacity and electricity may affect our financial condition and results of operations.***

On December 23, 2019, the Law of Solidarity and Productive Reactivation in the Framework of Public Emergency No. 27,541 was published in the Official Gazette. With this law, the Argentine government was empowered to maintain electricity and natural gas tariffs under federal jurisdiction and to initiate a renegotiation process of the comprehensive tariff review in force at the time of its enactment. Based on the provisions of the Law of Solidarity and Productive Reactivation in the Framework of the Public Emergency, by means of Decrees No. 277/2020 and No. 278/2020, the intervention of ENRE and ENARGAS by the Argentine government was ordered until December 31, 2020. This measure that was implemented by means of Decree No. 277/2020, which provided for the intervention of the ENRE until December 31, 2020, appointing an intervenor and granting it the relevant

powers. The intervention of ENRE was subject to successive extensions instrumented through Decrees No. 1020/2020, 871/2021 and 815/2022, and therefore such extension is still in force as of the date of this Exchange Offer Memorandum. In the context of the COVID-19 Pandemic, the Argentine government issued DNU No. 311/2020, which provided, for a term of 180 days, the prohibition applicable to electric power companies from suspending or cutting off electricity to users who had not paid less than three consecutive or alternate invoices, with maturities after March 1, 2020. This measure was subsequently extended until December 31, 2020, through Decree No. 756/2020.

Through Decree No. 543/2020, the 180-day tariff maintenance term provided for in the Solidarity and Productive Reactivation Law was extended for an additional term of 180 calendar days after the end of the prior extension. Further, through Decree No. 1020/2020, this term was extended again for an additional term of 90 calendar days from the end of the prior extension or until the new transitory tariff charts resulting from the transitional tariff regime for the public utilities of transportation and distribution of natural gas and electric power subject to federal jurisdiction enters into force, whichever occurs first.

On the other hand, the MEM operates under the administration of CAMMESA. Generators deliver all the electricity they generate to the SADI in accordance with CAMMESA's dispatch requirements, notwithstanding the existence of long-term contracts or spot transactions with purchasing parties. CAMMESA dispatches the available power units based on the variable generation costs declared by the generators, with the most efficient units being dispatched first.

We cannot assure you that the Argentine government will not introduce further changes to the regulatory frameworks under which we sell the electricity we generate, including whether such changes or future changes will not have a negative effect on the results of our operations. Moreover, there can be no assurance under which regulatory framework we will be able to sell our electricity in the future. In this regard, during the opening session of the Argentine Congress on March 1, 2021, President Alberto Fernández stated that he intends to convert all utility tariffs to Argentine pesos. However, as of the date of this Exchange Offer Memorandum, no regulations have been enacted nor is the scope of such regulations clear with respect to our PPAs with CAMMESA denominated in U.S. dollars. We cannot assure you that our PPAs will not be affected by any regulations issued in line with President Alberto Fernández's statements, which in turn could have a material adverse effect on our financial condition and results of operations.

We cannot assure you that changes in currently applicable laws and regulations or adverse judicial or administrative interpretations of such laws and regulations will not have an adverse effect on our results of operations.

***Electricity demand may be affected by tariff increases, which could lead generation companies like us to record lower revenues.***

During the 2001 and 2002 economic crisis, electricity demand in Argentina decreased due to the decline in the overall level of economic activity and the deterioration in the ability of many consumers to pay their electricity bills. In the years following the 2001 and 2002 economic crisis, electricity demand experienced significant growth, increasing at an estimated average of approximately 3.10% per annum from 2002 through 2015 (despite a decline in 2009), due to its reduced cost as a result of certain energy subsidies, freezing of margins and elimination of inflation adjustment provisions in distribution concessions. In March 2016, the Argentine government unified and increased wholesale energy prices for all consumption in Argentina, eliminated certain energy subsidies and implemented an incentive plan (through discounts) for residential customers whose electricity consumption is at least 10.0% lower than their consumption for the same month of the previous year. These measures could have led to a reduction in energy demand in Argentina. Electricity demand increased 0.8% in 2016, decreased 0.4% in 2017, increased 0.4% in 2018, decreased 3.1% in 2019, decreased 1.3% in 2020, increased 5.2% in 2021, and decreased 3.6% in 2022. For its part, the Solidarity Law empowered the Argentine government to maintain electricity tariffs under federal jurisdiction for a maximum term of up to one hundred eighty (180) days from the entry into force thereof, which was extended by Decree 543/2020 of June 18, 2020 until December 17, 2020, and Decree 1020/2020 of December 16, 2020, for 90 additional days from the end of the prior extension, or until the new transitory tariff charts resulting from the transitional tariff regime enter into force. The Argentine government ended the tariff freeze policy for electricity and gas services and in January 2021 started to implement a new price adjustment path. On January 19, 2021, through Resolutions No. 16/2021 and 17/2021, the ENRE formally initiated the procedure for the transitory adjustment of the tariffs of the public utilities of distribution and transportation of energy under federal jurisdiction,



with the purpose of establishing a transitional tariff regime, until a definitive renegotiation agreement is reached. On March 4, 2021, ENRE Resolutions No. 53/2021, 54/2021, 55/2021, 56/2021 and 57/2021 were published in the Official Gazette, calling for public hearings in order to inform and hear opinions regarding the Transitional Tariff Regime of the following companies, respectively: EDENOR and EDESUR; TRANSENER; TRANSBA and DISTROCUYO; TRANSPA, TRANSCO and EPEN; TRANSNEA and TRANSNOA. The public hearing of EDENOR and EDESUR was held on March 30, 2021, and the other hearings were held on March 29, 2021. For further information see “The Argentine Electricity Industry and Regulation—Structure of the Industry—Tariffs.”

On April 30, 2021, the ENRE issued Resolutions No. 106 and 107, approving the values of the distribution cost and the values of the tariff schedule of EDESUR and EDENOR effective as from May 1, 2021 (the “transition tariff regime”). Subsequently, several resolutions of the ENRE successively approved EDENOR and EDESUR’s tariff charts and relevant modifications.

In connection with the remuneration of generators, on May 21, 2021, Resolution No. 440/2021 of the Secretariat of Energy was published in the Official Gazette, which became effective as from February 2021. This Resolution amended Resolution No. 31/2020 and implemented, among others, the following measures:

- It derogated the updating mechanism established in Art. 2 and Annex VI of Resolution No. 31/2020.
- It updated the remuneration provided for in Annexes II, III, IV and V of Resolution No. 31/2020.
- It established that, for the application of Resolution No. 440/2021, each generating agent of the MEM and the MEMSTDF had to submit to CAMMESA, within 30 days as from its publication, a note waiving any administrative claim or judicial proceeding in progress against the Argentine government, the SE and/or CAMMESA related to Article 2 of Resolution No. 31/2020, as well as the waiver to file any administrative and/or judicial claim against the Argentine government, the SE and/or CAMMESA in the future. In the event that the relevant generating agent does not submit the withdrawal note, the sales settlement would be made with the remuneration values in force prior to the enactment of Resolution No. 440/2021. If submission is made after the aforementioned deadline, the new remuneration values will be applied from the month in which the waiver is submitted, with no retroactive effects.
- Instructed CAMMESA to re-settle the economic transactions for the sale of energy carried out by each generating agent within the framework of Resolution No. 31/2020, from February 2021 until the date of publication of Resolution No. 440/2021, by applying new remuneration values, as long as the requirements set out in the previous paragraph are complied with.

On February 26, 2022, by means of ENRE Resolutions No. 66, 67, 68, 69, 70, 71, 72, and 74, the hourly values to be applied to regulated equipment were approved, with effects from February 1, 2022, for the following transmission companies, namely: TRANSPA, TRANSCO, TRANSENER, TRANSBA, EPEN, TRANSNOA, TRANSNEA and DISTROCUYO.

On April 18, 2022, by means of Resolution No. 235/2022, the Energy Secretariat called for a public hearing to address the implementation of a segmentation system in the granting of energy price subsidies by the National Government to users of natural gas and electric energy services for the 2022-2023 biennium. The hearing took place on May 12, 2022.

On June 16, 2022, Decree No. 332/2022 established a subsidy segmentation regime for residential users of public utilities of electric energy and natural gas by network, effective from June 2022, with the aim of achieving reasonable energy values to be applied with criteria determined by the Secretariat of Energy. By means of Resolution No. 467/2022, the Secretariat of Energy instructed the Undersecretariat of Energy Planning to implement such regime.

On September 1, 2022, through Resolution No. 627/2022 (as amended by Resolution No. 629/2022) the Energy Secretariat defined three segments of residential users with differentiated subsidy levels under the subsidy segmentation regime established by Decree No. 332/2022. In particular, Resolution No. 627/2022 sets forth the criteria for the application of the subsidy segmentation regime, which was applicable from September 1, 2022 until October 31, 2022. Resolution SE No. 627/2022 approved the so-called “POTREF” (Power Reference Prices, by its acronym in Spanish) and the so-called “PEE” (Stabilized Energy Price, by its acronym in Spanish) in the MEM,

which had to be applied in the tariff charts by distribution agents and other public distribution service providers from September 1 to October 31, 2022.

However, on September 13, 2022, by SE Resolution No. 649/2022, the subsidies for middle-income households with consumption above 400 kWh were suspended. As a result, those who have been categorized in Tier 3 (middle income) of the Registry of Access to Energy Subsidies (RASE) and whose consumptions exceed the threshold of 400 kWh per month will no longer benefit from the subsidy. Consumption that exceeds the aforementioned limit will pay the same rate –exempt from subsidy– as that paid by Tier 1, made up of users with higher income. Tier 2 users (lower income) will not be subject to any cap.

On November 30, 2022 and January 23, 2023, public hearings were held, called by the ENRE through Resolutions No. 539/2022 and 576/2022, in order to inform and hear opinions regarding the proposals submitted by concessionaires of electric power transmission and distribution public utilities which were aimed at obtaining a transitory adjustment of tariffs within the renegotiation process of the integral tariff review, prior to defining the tariffs to be applied by the concessionaires. ENRE Resolutions No. 682/2022 and 154/2023 approved the final reports of such hearings.

On February 7, 2023, Resolution No. 59/2023 was published in the Official Gazette by means of which the Secretariat of Energy authorized generating agents that own thermal generation plants and whose technology is classified as “combined cycle” according to Resolution No. 826/2022, and which do not have electricity supply contracts in place, to adhere to a “Power Availability and Efficiency Improvement Agreement” with CAMMESA (on behalf of the distributors and large users of the MEM) with the purpose of encouraging the necessary investments for major and minor maintenance of the machines.

In view of the foregoing, it is possible that the Argentine government may adopt measures with respect to electricity tariffs that could adversely affect our business and results of operations, or that the Argentine government may modify the applicable regulatory frameworks (which are highly volatile and unstable) and/or adopt emergency laws similar to the Public Emergency Law or similar resolutions in the future that may have a direct impact on the regulatory frameworks of the electricity sector and an indirect adverse effect on the electric power generation industry and, consequently, on our financial condition and results of operations.

***Risks arise for our business from technological change in the energy market.***

The energy market is subject to far-reaching technological change, both in the generation side and on the demand side. For example, with respect to energy generation, the development of energy storage devices (battery storage in the megawatt range) or facilities for the temporary storage of power through conversion to gas (so-called “power-to-gas-technology”), the increase in energy supply due to new technological applications such as fracking or the digitalization of generation and distribution networks should be mentioned.

New technologies to increase energy efficiency and improve heat insulation, for the direct generation of power at the consumer level, or that enable improve refeeding (for example, by using power storage for renewable generation) may, on the demand side, lead to structural market changes in favor of energy sources with low or zero CO<sub>2</sub> or in favor of decentralized power generation, for instance via small-scale power plants within or close to residential areas or industrial facilities.

If our business is unable to react to changes caused by new technological developments and the associated changes in market structure, our equity, financial or other position, or our results of operation and our business, could be materially and adversely affected.

***We may be subject to expropriation or similar risks.***

All of our assets are located in Argentina. We are engaged in the business of power generation and, as such, our business or our assets may be considered by the government to be a public service or essential for the provision of a public service. Therefore, our business is subject to political uncertainties, including expropriation or nationalization of our business or assets, loss of concessions, renegotiation or annulment of existing contracts, and other similar risks. In such an event, we may be entitled to receive remuneration before the transfer of our assets. However, the price received may not be sufficient, and we may need to take legal actions to claim appropriate compensation. Our business, financial position and results of our operations could be adversely affected by the occurrence of any these events.

***We may face competition.***

The power generation markets in which we operate are characterized for having numerous strong and capable participants, many of which may have extensive and diversified developmental or operating experience (including both domestic and international) and financial resources similar to or significantly greater than ours. See “Our Business—Competitive Framework.” An increase in competition could cause reductions in prices and increase acquisition prices for fuel, raw materials and existing assets and, therefore, adversely affect our results of operations and financial condition.

We compete with other generation companies for the MW of capacity that are allocated through public auction processes. Due to the competition among generation companies in these bidding processes, we cannot predict whether we will be awarded additional projects.

In addition, our competitors and we are connected to the same electrical grid that has limited capacity for transportation, which, under certain circumstances, may reach its capacity limit. Therefore, new generators may connect, or existing generators may increase, their outputs and dispatch more electricity to the same grid that would prevent us from delivering our energy to our customers. In addition, the Argentine government (or any other entity on its behalf) may not make the necessary investments to increase the system’s capacity, which, in case there is an increase of energy output, would allow us, other generators (existing and new) to efficiently dispatch our energy to the grid and to our customers. As a result, an increase in competition could affect our ability to deliver our product to our customers, adversely affecting our results of operations and financial condition.

***Our business is subject to risks arising from natural disasters, catastrophic accidents and terrorist attacks.***

Our generation facilities or electricity transmission infrastructure that we rely on may be damaged by flooding, fires, earthquakes and other catastrophic disasters arising from natural or accidental or intentional human causes. We could experience severe business disruptions, significant decreases in revenues based on lower demand arising from catastrophic events, or significant additional costs to us not otherwise covered by business interruption insurance clauses. There may be an important time lag between a major accident, catastrophic event or terrorist attack and our definitive recovery from our insurance policies, which typically carry non-recoverable deductible amounts, and in any event are subject to caps per event. Thunderstorms and lightning could damage equipment and affect power generation. Lightning can cause damage to wind turbines, particularly to the blades (which tend to capture lightning). Damage to wind turbines can lead to shutdowns for corrective maintenance or even the need to replace blades. In addition, any of these events could cause adverse effects on the energy demand of some of our customers and of consumers generally in the affected market. Some of these considerations, could have a material adverse effect on our financial condition and our results of operations.

**Risks Relating to Our Business**

***The majority of our revenues depend exclusively on the compensation established by the Secretariat of Electric Energy and received from CAMMESA for our electricity generation delivered to the transmission system.***

Pursuant to SE Resolution 95/2013, as amended, our revenue depends largely on the variable compensation determined by energy output and availability. Revenues from energy production are paid by CAMMESA under the Energía Base framework based on a fixed and variable costs system which was determined by the Secretariat of Electric Energy pursuant to SE Resolution 95/2013, as amended. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Our Results of Operations—Our Revenues” and “—Energy Prices Under the Energía Base Framework.” These costs are established annually, and remain unchanged throughout the year.

Under this system, revenues from generation operations are determined by:

- the Secretariat of Electric Energy;
- the availability of each plant: if the plant’s availability falls below a given threshold, compensation under fixed costs decreases; and
- the output of each plant: a lower output results in lower revenues for us.

As a result of this system, our revenues are highly dependent on actions taken by regulatory authorities, and we are also dependent on CAMMESA's financial ability to fulfill its obligations under our current contracts with it. Any change in the current system could have a material adverse effect on our revenues and, as a result, our results of operations.

***We operate our hydroelectric plants under concessions and we may be unable to renew our concessions before the maturity of the New Notes.***

All of our hydroelectric plants are operated and maintained under concession granted by the Argentine government. All our concessions will expire before the maturity of the New Notes. Our Alicurá concession expires in August 2023 (upon which time the operation thereof would revert to the Argentine government), our Cabra Corral concession expires in November 2025, and our Ullum concession expires February 2026. While we currently intend to renew all of our concessions at their respective terminations, we cannot offer any assurance that we will be successful. Therefore, there is a risk that we might be unable to renew our concessions before the maturity of the New Notes.

In addition to the above, on June 5, 2023, by virtue of instruction note NO-2023-64071764-APN-SE#MEC, the Argentine government instructed ENARSA to take transitory control of the hydroelectric plants whose concessions expire in 2023 (including Alicurá; El Chocón and Arroyito both operated by Enel; Planicie Banderita, operated by Orazul Energy, and Piedra del Águila, operated by Central Puerto). The local governments of Río Negro and Neuquén have reportedly begun discussions with the SE to request the revocation of this instruction and to demand that the provincial governments be a party to any decisions with respect to the concessions that are expiring. By virtue of note No. 038/23, the province of Río Negro has requested to reverse the instruction note issued by the SE. We cannot predict the outcome of the negotiations between the Argentine government and the Provinces of Río Negro and Neuquén or what effect such negotiations may have on our ability to renew our concessions at their termination.

On July 10, 2023, the Secretariat of Energy issued Resolution No. 574, pursuant to which, upon expiration of the term set forth in the Alicurá concession contract, among other hydroelectric concessions, AES Argentina shall continue to be in charge of Alicurá for 60 calendar days, extendable for an additional 60 calendar days.

***Factors beyond our control may affect the supply of coal for CTSN or supply of fuel at our other thermoelectric plants.***

CTSN is the only plant to which we supply the fuel necessary to generate energy. For all other plants, all fuel required for power generation is supplied by CAMMESA. CTSN burns coal that is obtained through AES's global capabilities, and is currently imported from Australia and Colombia. CTSN's generation is directly related to the coal procurement we can obtain. Therefore, import restrictions on coal, price volatility or low supply, among others, may lead to a reduction of our electricity generation and cause a decrease in revenues, which could adversely affect our results of operations.

Furthermore, our thermoelectric generation plants, AES Paraná and Central Sarmiento depend on fuel supplied to us by CAMMESA. We cannot guarantee that CAMMESA will continue to supply this fuel, or that supplies will be sufficient for our generation purposes. If we do not receive sufficient fuel supplies from CAMMESA at AES Paraná or Central Sarmiento, this could have a material adverse effect on our generation revenues and as result, our results of operations.

***Factors beyond our control may delay our participation in public bids for new generation capacity or the construction of new power plants.***

Our business plan contemplates expanding our footprint within the Argentine market. For example, we are currently considering investing in growth opportunities in renewable energies.

Currently, there is reduced remaining electric power transmission capacity to evacuate new renewable generation from the areas where wind and solar resources are located which would allow the development of competitive projects. Although we are participating in bidding processes to obtain dispatch priority for our new renewable projects, thus minimizing the risk of curtailment, we cannot predict whether we will be awarded such priority.

Delays in commencement of operations with respect to our new capacity could generate a loss of opportunity to access current transmission capacity and a consequent delay in the execution of new projects until new transmission capacity is built to evacuate new generation.

***Our business may require substantial capital expenditures for ongoing maintenance requirements and the expansion of our installed generation capacity.***

Incremental capital expenditures may be required to fund ongoing maintenance necessary to maintain our power generation and operating performance and improve the capabilities of our electricity generation facilities. Furthermore, capital expenditures will be required to finance the cost of our current and future expansion of our generation capacity. If we are unable to finance any such capital expenditures in terms satisfactory to us or at all, our business and the results of our operations and financial condition could be adversely affected. Our financing ability may be limited by market restrictions on financing availability for Argentine companies and also by the indenture governing the New Notes. See “—Risks Relating to Argentina—Our access to international capital markets and the market price of the New Notes is influenced by the perception of risk in Argentina and other emerging economies” and “—The exchange controls and transfer restrictions have limited, and we expect they will continue to limit, access to international credit, liquidity in the bonds for Argentine companies and our ability to make payments in foreign currency, including the New Notes.”

***Our interest in TGB S.A. may be significantly diluted.***

We currently have a 6% interest in TJSM S.A., a 7% interest in TMB S.A. and a 60% interest in TGB S.A., each of which are engaged in managing the purchase of equipment, building, operating and maintaining power plants constructed under the FONINVEMEM program. Ownership of the relevant power plants was awarded to companies TJSM S.A., TMB S.A. and TGB S.A. In the case of TJSM S.A. and TMB S.A., on May 4 and 8, 2020, Extraordinary General Shareholders’ Meetings of TMB and TJSM were held, respectively, in order to carry out the necessary actions to comply with the condition precedent of the Argentine government becoming a shareholder of such companies. In such meetings, it was stated for the record that differences had arisen among the shareholders and the Argentine government with respect to the relevant shareholding percentages that would correspond to the Argentine government in TMB and TSM. The shareholders resolved to carry out capital increases in TMB and TJSM in the necessary proportion in each company so that the Argentine government may subscribe shares and become the owner of 65.006% of the shares of TMB and 68.826% of the shares of TJSM. The capital increases were effected without preemptive or accretion rights of the current shareholders with respect to the shares to be issued in favor of the Argentine government and were paid through the capitalization of the capital adjustment account. On March 11, 2021, by means of private letters, the Argentine government informed to TMB and TJSM of its acceptance to subscribe the relevant shares. Subsequently, on June 15, 2021, by way of the enacting of Decree No. 389/2021, ENARSA was assigned the shares issued in favor of the Argentine government in TMB and TJSM and, as a result, since then, our stakes in such companies have decreased to 6% and 7%, respectively. In the case of TGB, we expect that once the Argentine government becomes a shareholder of TGB, our stake in TGB will be up to 30%. See “Our Business—Investments in FONINVEMEM.”

***Future changes in the rainfall amounts could adversely affect the revenues from our hydroelectric plants and, therefore, our financial results.***

As any hydroelectric facility, our Alicura, Cabra Corral, El Tunal and Ullum plants depend on the availability of water resources for electricity generating purposes, which in turn depend on the rainfall amounts in their respective areas. In the first half of 2023, there were historically low levels of rainfall, resulting in lower electricity generation and, therefore, lower revenue. For more information about the seasonality of our hydroelectric plants, see “Our Business—Seasonality.”

River water flows may not be sufficient to maintain regular generation levels at any of Alicura, Cabra Corral, El Tunal or Ullum and the enforcement authority may implement unfavorable measures further restricting our access to water for any or all of these plants, which could adversely affect our financial condition and our results of operations.

***Our insurance policies may not fully cover damage, and we may not be able to obtain insurance against certain risks.***

We maintain insurance policies intended to mitigate our losses due to customary risks. These policies cover our assets against loss for physical damage, loss of revenue and also third-party liability. However, we may not have sufficient insurance to cover any particular risk or loss. If an accident or other event occurs that is not covered by our current insurance policies, we may experience material losses or have to disburse significant amounts from our own funds, all of which could have a material adverse effect on our operations and financial condition. In addition, an insufficiency in our insurance policies could have an adverse effect on us. In such case, our financial condition and our results of operations could be adversely affected. See “Our Business—Insurance.”

Our generation operations require us to handle hazardous elements such as fuels, which could potentially result in damage to our facilities, the environment or injuries to our personnel.

Although we comply with all applicable environmental safety laws and best practices, any accident involving the fuels with which we operate could have adverse environmental consequences and could damage our industrial facilities or our personnel. Any structural damage to the dam or any other structure located in any of our hydroelectric plants could compromise its electricity generating capacity. Any generation constraints resulting from structural damage could have a material adverse effect on our financial condition and results of operations.

***Compliance with environmental regulations may require significant expenditures that could adversely affect our ability to expand our business and our results of operations.***

Our operations are regulated by a wide range of environmental requirements. We have made, and will continue to make, expenditures to maintain compliance with environmental laws. Failure to comply with environmental requirements can result in civil or criminal fines or sanctions, claims for environmental damages, remediation obligations, the revocation of environmental authorizations or the temporary or permanent closure of facilities. Furthermore, our CTSN plant uses coal as one of its main fuel sources. Therefore, changes to environmental regulations which may restrict the use of coal or increase the costs of using coal as a fuel source could adversely affect our revenues from our CTSN plant and thus could have an adverse effect on our financial condition and results of operations.

***We may be exposed to lawsuits and or administrative proceedings that could adversely affect our financial condition and results of operations.***

In the ordinary course of our business we enter into agreements with CAMMESA and other parties. Even though we do not currently have any material litigation or administrative proceeding, litigation and/or regulatory proceedings are inherently unpredictable, and excessive verdicts do occur. Adverse outcomes in lawsuits and investigations could result in significant monetary damages, including indemnification payments, or injunctive relief that could adversely affect our ability to conduct our business and may have a material adverse effect on our financial condition and results of operations.

***Argentina’s tax regulations are subject to differing and changing interpretations, as well as future modifications that could have an adverse impact of our financial results.***

Argentine federal, provincial and municipal authorities have applied some tax regulations in a manner that is different to the interpretation given by private companies. Over time, they have also changes their interpretations and implemented new tax regimes. Some of these changes may result in increases in our tax rates, which could adversely affect the entire industry’s profitability and increase the costs of our generation, restrict our ability to do business and affect our financial results. We cannot assure you that we will be able to maintain our projected cash flow if profitability taxes are increased because of changes to the tax laws, or the official interpretation thereof, applicable to us and our operations.

***We may undertake acquisitions and investments to expand or complement our operations that could result in operating difficulties or otherwise adversely affect our financial conditions and results of operations.***

In order to expand our business, from time to time, we may carry out acquisitions and investments which offer added value and are consistent with or complementary to our business strategy.

In connection with potential acquisition and investment transactions, we may be exposed to various risks, including those arising from: (i) not having accurately assessed the value, future growth potential, strengths, weaknesses and potential profitability of potential acquisition targets; (ii) difficulties in successfully integrating, operating, maintaining or managing newly-acquired operations, including personnel; (iii) unexpected costs of such transactions; or (iv) unexpected contingent or other liabilities or claims that may arise from such transactions. If any of these risks were to materialize, it could adversely affect our financial condition and results of operations.

***If we were to acquire another energy company in the future, such acquisition could be subject to the Argentine Antitrust Authority's approval.***

The Antitrust Law provides that any transactions involving the acquisition, transfer or control of another company's assets will be subject to the clearance by the *Comisión Nacional de Defensa de la Competencia (CNDC)* ("Argentine Antitrust Authority") in the event that the total revenues of the companies involved for the last fiscal year exceeds the sum of 100 million units in Argentina. As of the date of this Exchange Offer Memorandum, the value of each unit is equal to Ps.162.55.

The Argentine Antitrust Authority will determine whether any acquisition subject to its prior approval negatively impacts competitive conditions in the markets in which we compete or adversely affects consumers in these markets. Although we are not contemplating any business combination as of the date of this Exchange Offer Memorandum, if the Argentine Antitrust Authority were to reject any business combination or if such authority were to take any action to impose conditions or performance commitments on us as part of the approval process for any business combination, it could adversely affect our financial condition and results of operations and prevent us from achieving the anticipated benefits of such acquisition.

***We depend on senior management and other key personnel for our current and future performance.***

Our current and future performance depends to a significant degree on our shareholders and qualified senior management team, and on our ability to attract and retain qualified management. In addition, some of our senior executives are based in Chile and share functions with other AES operations in the region, and provide services to us under a service agreement. Our future operations could be harmed if any of our senior executives or other key personnel ceased working for us. Competition for senior management personnel is intense and we may not be able to retain our personnel or attract additional qualified personnel. The loss of a member of senior management may require the remaining executive officers to divert immediate and substantial attention to fulfilling his or her duties and of seeking a replacement. Any inability to fill vacancies in our senior executive positions on a timely basis could harm our ability to implement our business strategy, which would harm our business and results of operations.

***We could be affected by material actions taken by the trade unions.***

Although we have stable relationships with our work force, in the past we experienced organized work stoppages and strikes, and we may face such work stoppages or strikes in the future. Labor claims are common in the Argentine energy sector, and in the past, unionized employees have blocked access and caused damages to the facilities of various companies in the industry. Moreover, we have no insurance coverage for business interruptions caused by workers' actions, which could have an adverse effect on our results of operations.

***We are subject to anti-corruption, anti-bribery, anti-money laundering and antitrust laws and regulations in Argentina, and violations of any such laws or regulations could have a material adverse impact on our reputation and results of operations.***

We are subject to anti-corruption, anti-bribery, anti-money laundering, antitrust and other national and international laws and regulations and are required to comply with the applicable laws and regulations of Argentina. In addition, we are subject to economic sanctions regulations that restrict our dealings with certain sanctioned countries, individuals and entities. Even when we believe we have taken all appropriate measures to be in compliance with such regulations, we cannot assure you that our internal policies and procedures will be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by our affiliates, employees, directors, officers, partners, agents and service and equipment providers or that any such persons will not take actions in violation of our policies and procedures. Any violations by us of anti-bribery and anti-corruption laws or sanctions regulations could have a material adverse effect on our business, reputation and results of operations.

***We might be targets of cyber-security threats.***

The increase in cases of a breach of cybersecurity and cybercrime globally present a potential risk to the security of our information technology systems, including those of our service providers, as well as the confidentiality, integrity and availability of information stored in these systems, some of which depend on the services provided by third parties.

We and our main information technology service providers have contingency plans and have adopted measures to prevent or mitigate the impact of events such as interruptions, failures or breaches, due to causes such as natural calamities, power outages, security breaches, computer viruses or cybersecurity attacks. Despite these plans and measures, we remain susceptible to possible information attacks in the countries where we operate. In the event of a cyber-attack, we could experience disruption of our business operations, fraud, property damage and stolen customer information; substantial loss of revenues, response costs and other financial loss; and increased regulation, litigation and damage to our reputation.

In addition, while we have not experienced any material loss related to cybersecurity events, contingency plans in place may not be sufficient to cover liabilities associated with any such events and therefore, applicable insurance coverage may be deemed inadequate, preventing us from receiving full compensation for the losses sustained as a result of such a disruption. Although we intend to continue to implement security technology devices and establish operational procedures to prevent disruption resulting from, and counteract the negative effects of cybersecurity incidents, it is possible that not all of our current and future systems are or will be entirely free from vulnerability and these security measures will not be successful. Accordingly, cybersecurity is a material risk for us and a cyber-attack (either targeting us or third-party infrastructure) could adversely affect our business, operational results and financial condition.

***We depend on information and processing systems to operate our business, the failure of which could adversely affect our business, financial condition and results of operations.***

Information and processing systems are vital to our ability to monitor our plants, network performance and adequate provision of our services, bill customers, detect fraud, provide customer service, control our costs, achieve operating efficiencies and meet our service targets and standards. We routinely evaluate, upgrade and modernize our systems as needed by both in-house technicians and outside service providers. However, the failure of technicians and outside service providers to successfully integrate and upgrade our systems, to adequately provide their services or the failure in the future of any of these systems to operate properly, could have a material adverse effect on our business, financial condition and results of operations.

**Risks Relating to the Exchange Offer**

***A decision to exchange your Old Notes for New Notes would expose you to the risk of nonpayment for a longer period of time.***

The Old Notes mature sooner than the New Notes. If, following the maturity date of your Old Notes, but prior to the final maturity date of the New Notes, we were to default on any of our obligations or become subject to a bankruptcy or similar proceeding, or become subject to additional currency restrictions that inhibit, beyond the limitations in effect as of the date of this Exchange Offer Memorandum, our ability to repay our U.S. dollar denominated obligations, Eligible Holders who did not exchange their Old Notes for New Notes would have been paid in full and there would exist a risk that Eligible Holders who exchanged their Old Notes for New Notes would not be paid in full, if at all. Any decision to tender your Old Notes pursuant to the Exchange Offer should be made with the understanding that the lengthened final maturity of the New Notes exposes you to the risk of nonpayment for a longer period of time.

***We expressly reserve the right to purchase any Old Notes outside of the Exchange Offer.***

We expressly reserve the absolute right, in our sole discretion, from time to time to purchase any Old Notes through open market or privately negotiated transactions, one or more additional tender or exchange offer or otherwise, on terms that may differ from those of the Exchange Offer and could be for cash or other consideration, or to exercise any of our rights under the Old Notes Indenture. Old Notes not tendered or purchased in the Exchange Offer will remain outstanding.



***You are responsible for complying with the procedures of the Exchange Offer.***

Eligible Holders of Old Notes are responsible for complying with all of the procedures for tendering Old Notes for exchange. If the instructions described in the Exchange Offer Documents are not strictly complied with, the Agent's Message may be rejected.

For Old Notes held through a financial institution or other intermediary, a beneficial owner must contact that financial institution or intermediary and instruct it to submit the Agent's Message on behalf of the beneficial owner. The financial institution or intermediary may have earlier deadlines by which it must receive instructions in order to have adequate time to meet the deadlines of the clearing system through which instructions in respect of the Old Notes are submitted. Holders are responsible for informing themselves of these deadlines and for arranging the due and timely delivery of their instructions.

Any errors by or delays of the clearing systems, direct participants in the clearing system or custodians or other securities intermediaries may prejudice a beneficial owner's ability to participate in the Exchange Offer and/or receive the New Notes. Where applicable, after contacting and providing information to a custodian or other securities intermediary, a beneficial owner of Old Notes will have to rely on this institution, any other relevant custodians and securities intermediaries, and on the relevant direct participant and clearing system to take the steps necessary for their tenders to be submitted properly and by the applicable deadline. If any person or entity commits an error in submitting a tender order, a beneficial owner of Old Notes would have no claim to have their tenders taken into account. In addition, any error committed in identifying an account to which the New Notes will be credited or in a clearing system, direct participant or custodian or other securities intermediary in crediting the New Notes to the relevant account may result in delayed receipt of the New Notes, which may affect your ability to effect trades.

None of the Company, the Trustees or the Information and Exchange Agent will be responsible for any errors, delays in processing or systemic breakdowns or other failure by (i) the clearing systems, direct participants or custodians or other securities intermediaries to comply with any of the submission or revocation procedures or (ii) the relevant direct participant in the clearing system and/or any other securities intermediary in the delivery of the New Notes to the Eligible Holder, and no additional amounts or other compensation will be payable to the beneficial owner in the event of any delay in such delivery.

None of the Company, the Dealer Managers, the Trustees or the Information and Exchange Agent assumes any responsibility for informing any Eligible Holder of Old Notes of irregularities with respect to such Eligible Holder's participation in the Exchange Offer. Therefore, Eligible Holders who wish to exchange their Old Notes for the consideration set forth on the cover of this Exchange Offer Memorandum (including the New Notes) should allow sufficient time for timely completion of the exchange procedure. If Eligible Holders fail to comply with procedures and formalities set forth herein, Eligible Holders will not be able to participate in the Exchange Offer.

***Consummation of the Exchange Offer may be delayed or may not occur.***

The Exchange Offer is subject to the satisfaction of certain conditions. See "Description of the Exchange Offer—Conditions to the Exchange Offer." Even if the Exchange Offer is consummated, it may not be consummated on the schedule described in this Exchange Offer Memorandum. Accordingly, Eligible Holders participating in the Exchange Offer may have to wait longer than expected to receive their New Notes (or to have their Old Notes returned to them in the event that we terminate the Exchange Offer), during which time such Eligible Holders will not be able to effect transfers or sales of their Old Notes tendered in any of the Exchange Offer. In addition, subject to certain limits, we have the right to amend the terms of the Exchange Offer prior to the Expiration Date.

Until we announce whether we have accepted valid tenders of Old Notes for exchange and the conditions of the Exchange Offer, including the Minimum Participation Condition and the access to the foreign exchange market for the payment of the Early A Pro-Rata Cash Consideration, have been waived or fulfilled, no assurance can be given that the Exchange Offer will be completed. In addition, subject to applicable law and limitations described elsewhere in this Exchange Offer Memorandum, we may, in our sole discretion, extend, amend, waive any condition of or, upon failure of a condition to be satisfied or waived prior to the applicable Expiration Date or Settlement Date, as the case may be, terminate the Exchange Offer.

***A U.S. holder that exchanges its Old Notes pursuant to the Exchange Offer (other than solely for cash) generally will not be permitted to recognize any loss for U.S. federal income tax purposes, but may be required to recognize gain.***

A U.S. holder that exchanges Old Notes for New Notes (other than solely for cash) generally will not be permitted to recognize any loss for U.S. federal income tax purposes on the exchange, but generally will be required to recognize any realized gain to the extent of the gross amount of any cash payments received (not including any Accrued Interest Payment which will be taxed as interest income) plus the fair market value of any “excess principal amount” of New Notes received if the exchange is treated as a recapitalization for U.S. federal income tax purposes. A U.S. holder should consult its U.S. tax advisor regarding the tax consequences of participating in the Exchange Offer. See “Taxation—Certain U.S. Federal Income Tax Considerations.”

***Compliance with offer and distribution restrictions.***

Eligible Holders of Old Notes are referred to the restrictions in “Transfer Restrictions” and “Notice to Certain Non-U.S. Holders” and the agreements, acknowledgements, representations, warranties and undertakings contained therein and in the Eligibility Letter, which Eligible Holders will make on submission of an Agent’s Message. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

***No recommendation is being made with respect to the Exchange Offer.***

Eligible Holders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Exchange Offer and an investment in the New Notes.

None of the Company, the Dealer Managers, the Trustees or the Information and Exchange Agent or their respective directors, employees or affiliates is acting for any Eligible Holder, or will be responsible to any Eligible Holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Exchange Offer, and accordingly none of the Company, the Dealer Managers, the Trustees or the Information and Exchange Agent or their respective directors, employees and affiliates makes any recommendation whatsoever regarding the Exchange Offer, or any recommendation as to whether Eligible Holders should tender their Old Notes for exchange pursuant to the Exchange Offer.

***Eligible Holders may not withdraw their tendered Old Notes on or after the Withdrawal Date, except in limited circumstances and as required by applicable law.***

The Withdrawal Date is 5:00 p.m., New York City time, on July 26, 2023, unless extended. The Expiration Date is 5:00 p.m., New York City time, on August 10, 2023, unless extended, and on or following the Withdrawal Date withdrawal rights will only be provided as required by applicable law. As a result, there may be an unusually long period of time during which participating Eligible Holders may be unable to effect transfers or sales of their Old Notes.

We expect to issue our unaudited interim condensed consolidated financial statements as of June 30, 2023, on or about August 8, 2023, which we expect to incorporate into this Exchange Offer Memorandum by means of a supplement hereto.

***The consideration for the Exchange Offer does not reflect any independent valuation of the Old Notes or the New Notes.***

We have not obtained or requested a fairness opinion from any financial advisor as to the fairness of the Exchange Consideration offered to Eligible Holders in the Exchange Offer or the relative value of Old Notes or the New Notes. The consideration offered to Eligible Holders in exchange for validly tendered and accepted Old Notes does not reflect any independent valuation of the Old Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Exchange Offer. If you tender your Old Notes, you may or may not receive more or as much value as you would if you choose to keep them.

The Exchange Consideration may not reflect the market value of the New Notes. The prices of the New Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders.

***The rating of the New Notes or the Old Notes may be lowered or withdrawn depending on various factors, including the rating agencies' assessments of our financial strength and Argentina's sovereign risk.***

The rating of the New Notes and the Old Notes addresses the likelihood of payment of principal at their final maturity. The rating also addresses the timely payment of interest on each payment date. The rating of the New Notes and the Old Notes is not a recommendation to purchase, hold or sell the New Notes or the Old Notes, and the rating does not comment on market price or suitability for a particular investor.

Any downgrade in or withdrawal of our corporate or senior debt ratings may adversely affect the rating and price of the New Notes and the Old Notes. We cannot assure holders of the New Notes or the Old Notes that the ratings of the New Notes or the Old Notes or our corporate rating will continue for any given period of time or that such rating will not be lowered or withdrawn. An assigned rating may be raised or lowered depending, among other things, on the respective rating agency's assessment of our financial strength, as well as its assessment of Argentine sovereign risk generally. Any downgrade in or withdrawal of the rating of the New Notes or the Old Notes or our corporate rating, may adversely affect the price of the New Notes and the Old Notes.

***The Exchange Consideration and the amount of New Notes that will actually be issued under the Exchange Offer will depend on the levels of participation in the Exchange Offer and the options chosen by Eligible Holders of Old Notes.***

Eligible Holders who validly tender Old Notes, and whose Old Notes are accepted for exchange by us may choose between two, mutually exclusive, consideration options detailed in the table on the cover, in the columns under the headings "Option A" and "Option B".

Tenders of Old Notes submitted under Option A at or prior to the Early Participation Date will receive a portion of the Early A Pro-Rata Cash Consideration, plus the applicable Early A New Notes Consideration. The aggregate cash consideration payable to Eligible Holders whose Old Notes are accepted for exchange under Option A at or prior to the Early Participation Date will be an amount in cash equal to the lesser of (i) U.S.\$30,500,000, (ii) 20% of the aggregate principal amount of Old Notes validly tendered and accepted for exchange in the Exchange Offer, up to a maximum amount of U.S.\$30,500,000, and (iii) the aggregate principal amount of Old Notes validly tendered and accepted for exchange under Option A at or prior to the Early Participation Date. The Early A Pro-Rata Cash Consideration will be the Aggregate Early A Cash Consideration, payable on a pro rata basis to Eligible Holders of Old Notes, validly submitting tender orders in exchange for Early A Consideration. In turn, in the event that less than 20% of the aggregate principal amount of Old Notes that are validly tendered and accepted for exchange in the Exchange Offer are tendered under Option A at or prior to the Early Participation Date, the Early B Pro-Rata Cash Consideration will be paid to Eligible Holders whose Old Notes are accepted for exchange under Option B at or prior to the Early Participation Date, ratably reducing the principal amount of New Notes that comprise the Early B Consideration.

Accordingly, the actual amounts of Early A New Notes Consideration and Early A Pro-Rata Cash Consideration comprising the Early A Consideration to be received by each Eligible Holder whose Old Notes are accepted in the Exchange Offer under Option A at or prior to the Early Participation Date (and, in the event that less than all of the Total Cash Consideration is paid out pursuant to Option A, the actual amount of Early B Pro-Rata Cash Consideration, if any, and New Notes to be received by Eligible Holders whose Old Notes are accepted in the Exchange Offer under Option B at or prior to the Early Participation Date), will depend on the actual participation by Eligible Holders in the Exchange Offer and their selection between Option A and Option B.

Based on the aforementioned variables, there is a high degree of uncertainty as to the exact Exchange Consideration that Eligible Holders will receive if their Old Notes are accepted in the Exchange Offer.

***Eligible Holders of the Old Notes who are Argentine Entity Offerees or Non-Cooperating Jurisdiction Offerees may be subject to certain tax withholdings resulting from the exchange of their Old Notes.***

Eligible Holders of the Old Notes who are Argentine Entity Offerees or Non-Cooperating Jurisdiction Offerees (each as defined herein) may be subject to certain tax withholdings resulting from the exchange of their Old Notes. See "Taxation—Certain Argentine Tax Considerations." The Issuer will not be required to pay any additional amounts or other gross-up amounts in respect of such tax withholdings.

In the case of any tax withholding applicable in accordance with the preceding paragraph, the Issuer will deduct the relevant amount from the cash payments in respect of Accrued Interest payable to the Eligible Holders who validly tendered their Old Notes. If the total amount of the cash payments is withheld by the Issuer for the purposes of the applicable tax withholding, any outstanding amounts thereunder will be deducted by the Issuer from the Exchange Consideration, first in cash, if applicable, and then in a principal amount of New Notes equal to the remaining amount of the applicable tax withholding. The aggregate principal amount of any such New Notes issued after such deduction will be rounded down to the nearest U.S.\$1,000 principal amount.

#### **Risks for Holders of Old Notes not Tendering in the Exchange Offer**

***Upon consummation of the Exchange Offer, liquidity of the market for outstanding Old Notes may be substantially reduced, and market prices for outstanding Old Notes may decline as a result.***

To the extent the Exchange Offer is consummated, the aggregate principal amount of outstanding Old Notes will be reduced, and such reduction could be substantial. A reduction in the amount of outstanding Old Notes would likely adversely affect the liquidity of the non-tendered or non-accepted Old Notes. There can be no assurance that an active market in the Old Notes will exist, develop or be maintained, or as to the prices at which the Old Notes may trade, after the Exchange Offer is consummated. Further, an issue of securities with a small outstanding principal amount available for trading, or float, generally commands a lower price than does a comparable issue of securities with a greater float. The Early A Pro-Rata Cash Consideration will cause the outstanding principal amount of the New Notes to be smaller than the current outstanding principal amount of the Old Notes. In turn, if we waive the Minimum Participation Condition, the outstanding principal amount of New Notes will be smaller than if such conditions are satisfied. Therefore, the market price of Old Notes that are not tendered or not accepted may be adversely affected. A reduced float may also make the trading prices of Old Notes that are not tendered or exchanged more volatile. None of the Company, the Dealer Managers, the Information and Exchange Agent has any duty to make a market for any Old Notes.

***A substantial amount of cash that would otherwise be available to satisfy payments under the Old Notes at maturity will instead be used to pay the Total Cash Consideration described in the table on the cover, as well as the Accrued Interest Payment.***

Eligible Holders of Old Notes that participate in the Exchange Offer at or prior to the Early Participation Date will receive the Early A Pro-Rata Cash Consideration and, if applicable, the Early B Pro-Rata Cash Consideration. Eligible Holders of Old Notes will also receive the Accrued Interest Payment, in cash. These payments will constitute a substantial cash expense that will reduce the amount of cash available to us to make payments due on the Old Notes. Holders of the Old Notes that do not submit tender orders may be subject to the risk that the Company does not have sufficient funds available to pay principal and interest on the Old Notes at maturity.

#### **Risks Relating to the New Notes**

***The obligations of our subsidiary guarantors under the New Notes are limited and could be deemed unenforceable under applicable law.***

On the issue date of the New Notes, the New Notes will be guaranteed by Vientos Neuquinos I S.A. and Energética Argentina S.A., and may be guaranteed in the future by one or more of our other subsidiaries. Each such guarantee will provide that, in case of bankruptcy, insolvency, reorganization or other action or proceeding declared or filed under laws applicable to such guarantor, if the obligations of such guarantor under its guarantee would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors of such guarantor, on account of the amount of its liability as a guarantor, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such guarantor, any holder of New Notes or any other person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding so as not to constitute a fraudulent transfer under any such applicable law. Moreover, if the guarantee granted by Energética Argentina S.A., Vientos Neuquinos I S.A., and/or any other guarantor is declared void and unenforceable by bankruptcy court, such guarantee will not be effective, and the relevant bankruptcy court may consider any payment made by such guarantor under its guarantee to be ineffective and, accordingly, order that all amounts paid by such guarantor under its guarantee to holders of the New Notes be returned. As a result of this limitation, the obligations of a guarantor may not extend to all of the New Notes and may be unenforceable. The obligations of

any guarantor may, additionally, be subject to review under United States state or federal fraudulent transfer laws or that of any other applicable jurisdiction. In addition, the New Notes Indenture allows for the release of the guarantees under certain circumstances. See “Description of the New Notes – Notes Guarantees.”

***Our obligations under the New Notes will be subordinated to certain statutory liabilities.***

Under Argentine bankruptcy law, our obligations under the New Notes are subordinated to certain statutory preferences. In the event of our liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses related thereto, will have preference over any other claims, including claims by any investor in respect of the New Notes.

***The New Notes may be subject to transfer restrictions that may adversely affect the value of the New Notes.***

The New Notes have not been and will not be registered under the Securities Act. Under U.S. law, the New Notes may therefore only be resold, pledged or transferred if such resale, pledge or transfer is registered under the Securities Act or exempt from the registration requirements thereof. See “Transfer Restrictions.”

***The New Notes may be effectively subordinated to any existing and future indebtedness of our subsidiaries that are not guarantors.***

On the issue date of the New Notes, the New Notes will be guaranteed by our subsidiaries Vientos Neuquinos I S.A. and Energética Argentina S.A. but not by all of our subsidiaries, and therefore the New Notes could be effectively subordinated to all the existing and future indebtedness and other financial liabilities of our subsidiaries that are not guarantors, including any guarantees of our debt by our subsidiaries that are not guarantors. In the event of a bankruptcy, liquidation or dissolution of one of our subsidiaries that is not a guarantor, following payment by the remaining subsidiaries of its liabilities, the subsidiaries may not have sufficient assets to make payments to us. As of March 31, 2023, the aggregate principal amount of loans to our subsidiaries was Ps.33,248.6 million (excluding intercompany liabilities), all of which may be structurally senior to our obligations under the New Notes.

***Even if required by the terms of the relevant Series of Notes, we may be unable to make a change of control offer to repurchase which would cause a default under such Notes.***

The terms of certain Series of Notes, as set forth in the relevant pricing supplement, may require us to make an offer to repurchase such Notes upon the occurrence of a change of control at a purchase price equal to the principal amount of such Notes, plus certain percentage of such principal amount, plus accrued interest to the date of the repurchase. In addition, any financing arrangements we may enter into may require the repayment of amounts outstanding in the event of a change of control and limit our ability to fund the repurchase of the Notes in certain circumstances. It is possible that we will not have sufficient funds at the time of the change of control to repurchase the New Notes or that restrictions in our other financing arrangements will not allow the repurchases.

***We cannot assure you that the credit ratings for the New Notes will not be lowered, suspended or withdrawn by the rating agencies.***

The credit ratings of the Company and the New Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the New Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the New Notes.

***Market volatility may affect the price of the New Notes.***

The market for marketable securities issued by local issuers is affected by economic and market conditions in Argentina and, to varying degrees, by market conditions in other Latin American and emerging market countries. For example, following the devaluation of the Mexican peso in 1994 and the global crisis due to financial problems in several Asian countries, and Russia and Brazil between 1997 and 1999, the market for debt instruments issued by Latin American issuers experienced increases in volatility levels, which adversely affected the price of marketable securities. Volatility levels increased again during most of 2000 and 2001 due first to concerns about possible

default and then to the default and devaluation in Argentina and also following the global financial crisis, which began in the last quarter of 2008. On the other hand, given that international investors' reactions to events in an emerging country appear to follow a "contagion" phenomenon, whereby an entire region or investment class is subject to disapproval from international investors, Argentina may be adversely affected by economic and financial developments in other emerging market countries and in countries that are significant trading partners of Argentina, such as Brazil (which is Argentina's largest trading partner and is currently emerging from a recession), China and the United States.

Further, financial markets are exposed to certain speculative practices that can generate sharp misalignments or price jumps in traded securities. We cannot assure that the securities' market for Argentine issuers shall not be adversely affected by other events. Neither can we assure that such occurrences shall not have a negative impact on the New Notes' market price. For instance, an increase in the interest rates in a developed country, as would be the case of the United States, or a negative event in an emerging market may induce a significant flight of capitals from Argentina and reduce the New Notes' traded price.

We cannot project the duration or extent of the crisis in Argentina's most important trading partners or give any assurance that developments in Argentina, Latin America or elsewhere will not cause further market volatility or adversely affect the price of the New Notes.

***We may redeem the New Notes for tax reasons prior to their maturity.***

We may redeem the New Notes prior to their stated maturity at our discretion in the event we are required to pay Additional Amounts as a result of certain changes in the tax laws of Argentina. See "Description of the New Notes—Optional Redemption." In such case, an investor may not be able to reinvest the redemption proceeds in a similar marketable security at an effective interest rate equal to that of the New Notes. We are unable to determine whether any tax exemptions in effect in Argentina will be modified in the future.

***The tax treatment of the holders of the New Notes in certain jurisdictions is uncertain.***

Argentina carried out a tax reform which, among other matters, provides that the payer under financial instruments must act as withholding agent of the corresponding income tax when the holder of such financial instrument is a resident of a "non-cooperating" jurisdiction, or its funds come from accounts located in such jurisdictions, as defined in Law No. 20,628, as amended, and as in its Regulatory Decree No. 862/2019 (the "Income Tax Law"). There is uncertainty as to the scope of the amendments and whether the criteria adopted will be maintained in the future. Interest payments to holders of New Notes residing in those jurisdictions will be subject to a 35% withholding tax, and we will not pay Additional Amounts (as defined in this Exchange Offer Memorandum) to such holders of New Notes. See "Taxation—Certain Argentine Tax Considerations" and "Description of the New Notes—Redemption and Repurchase—Optional Redemption." As a result of such uncertainty, the New Notes may experience a reduction in their liquidity, which may adversely affect the market price and trading of the New Notes.

***Restrictions on the transfer of funds abroad currently affect the ability of non-resident holders of the New Notes to transfer abroad the proceeds from the payment of principal or interest in Argentina or from the liquidation of their investment.***

Non-resident investors wishing to acquire the New Notes may not be able to access the Foreign Exchange Market to transfer abroad the foreign currency equivalent of the amounts they obtain from the payment in Argentina of principal and interest or from the liquidation of the New Notes. As long as restrictions such as these are imposed or maintained over time, non-resident investors will be prevented from transferring abroad the proceeds from the payment of principal or interest in Argentina or from the liquidation of their investment through the Foreign Exchange Market or, if they are able to do so, this will not generate higher costs at their sole expense. We cannot give any assurance as to whether these restrictions will be relaxed in the future or whether, on the contrary, additional or more severe restrictions than those existing as of the date of this Exchange Offer Memorandum will be established.

***You may not be able to enforce your claims under the New Notes in Argentina.***

We are a corporation (*sociedad anónima*) organized under the laws of Argentina. Most of our shareholders, directors, members of our supervisory committee, members of our executive committee and officers and certain experts named herein reside principally outside the United States and a substantial portion of our assets is located in

Argentina. Under Argentine law, enforcement of foreign judgments would be recognized *provided* that the requirements of local procedural regulations are complied with, including that the judgment does not violate principles of public policy of Argentine law, as determined by the Argentine courts. We cannot assure you that an Argentine court would not deem the enforcement of foreign judgments requiring us to make payments under the New Notes in foreign currency outside of Argentina to be contrary to Argentine public policy, if at that time there are legal restrictions prohibiting Argentine debtors from transferring foreign currency outside of Argentina to cancel indebtedness.

***Holders of New Notes may be prevented from having access to enforcement proceedings to claim payment of the amounts owed.***

The New Notes will be enforceable by holders of New Notes for the claim of any amount owed in connection therewith, in accordance with the provisions of Article 29 of the Negotiable Obligations Law. Notwithstanding the foregoing, given that the law establishes that the certificates representing the New Notes are those that grant executive action in favor of the holder of such New Notes, in the event that the holder of the New Notes were holders of interest in a global certificate or security deposited under a collective deposit system in the country or abroad, and they could not obtain from us or the New Notes Trustee a definitive certificate, doubts or disputes may arise with respect to the possibility of exercising such executive action with a document other than the definitive certificate, without prejudice to other proceedings that may be instituted before the courts of other jurisdictions that may be applicable.

***There may not be an established trading market for the New Notes.***

You should be prepared to hold your New Notes until maturity. The New Notes may not have an established trading market or prior trading history, and there can be no assurance regarding the future development of markets for the New Notes, the ability of holders of the New Notes to sell their New Notes or the prices for which holders may be able to sell their New Notes. Furthermore, the market value and liquidity of, and trading market for, the New Notes may be materially and adversely affected by changes in interest rates and declines and volatility in the markets for similar securities and in the overall economy, as well as by any changes in our financial condition or results of operations.

***In the event of reorganization proceedings or an out-of-court reorganization agreement, holders of the New Notes may vote differently from other creditors.***

In the event we are subject to judicial reorganization proceedings, out-of-court reorganization agreements (*acuerdo preventivo extrajudicial*) and/or similar proceedings, current Argentine regulations applicable to the New Notes (including, without limitation, the provisions of the Negotiable Obligations Law) will be subject to the provisions of Argentine Law No. 24,522 (the “Argentine Bankruptcy Law”), as amended, and other regulations applicable to business restructuring proceedings and, consequently, certain terms and conditions of the New Notes may not apply.

The Argentine Bankruptcy Law establishes a different voting procedure for holders of New Notes from that used by other unsecured creditors for purposes of calculating the majorities required by the Argentine Bankruptcy Law (which requires the absolute majority of creditors representing two-thirds of the unsecured debt). Under this system, holders of New Notes may have significantly less bargaining power than our other financial creditors in the event of reorganization.

Moreover, Argentine case law has *provided* that holders of New Notes who fail to attend a meeting at which a vote is held in order to vote or who abstain from voting are not to be counted for purposes of calculating whether the majorities required to approve a restructuring proposal have been formed. As a result, the bargaining power of holders of New Notes may be lessened vis-à-vis our other financial and trade creditors.

***The guarantees granted by Energética Argentina S.A. and Vientos Neuquinos I S.A. may become unenforceable in case of a reorganization (concurso preventivo) or bankruptcy proceeding.***

On the issue date of the New Notes, the New Notes will be guaranteed by Energética Argentina S.A. and Vientos Neuquinos I S.A., corporations (*sociedades anónimas*) incorporated in Argentina. Argentine law does not restrict nor prohibit companies from guaranteeing third-party obligations. However, the validity and enforceability of a guarantee under the Argentine Bankruptcy Law depend on whether the guarantee is granted in accordance with

the interests of the guarantor and that the guarantor receives fair consideration. In the event that any of the guarantors enters into a reorganization (*concurso preventivo*) or a bankruptcy proceeding, and the applicable guarantee has been granted within two years prior to the commencement of such proceeding, said guarantee could be declared null by an applicable court if such court decides that the respective guarantor did not receive adequate consideration in return. Any creditor of a guarantor may question the validity and enforceability of the guarantee in the context of a reorganization (*concurso preventivo*) or a bankruptcy proceeding of the applicable guarantor.

***The New Notes may be issued with original issue discount (“OID”) for U.S. federal income tax purposes.***

As described under “Taxation—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Ownership and Disposition of the New Notes—Issue Price of the New Notes,” the “issue price” of the New Notes issued pursuant to the Exchange Offer for U.S. federal income tax purposes is expected to be determined based on their fair market value on the Settlement Date. If the stated principal amount of the New Notes exceeds their “issue price” (which will not be known prior to the Settlement Date) by an amount that is equal to or greater than the statutory *de minimis* amount, the New Notes will be treated as issued with OID for U.S. federal income tax purposes in an amount equal to such difference. If the New Notes are treated as issued with OID for U.S. federal income tax purposes, a U.S. investor in such New Notes will generally be required to include OID in their gross income (as ordinary income), on a constant yield basis, as it accrues in advance of the receipt of cash payments attributable to such income and regardless of such investor’s regular method of accounting for U.S. federal income tax purposes. See “Taxation—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Ownership and Disposition of the New Notes—Original Issue Discount.”

***Foreign exchange regulations restrict our ability to access the Foreign Exchange Market to make prepayments of any kind under the New Notes and the ability of the guarantors to make payments of any kind under the New Notes.***

Under FX Regulations currently in force, access to the Argentine Foreign Exchange Market in order to make prepayments of principal and interest of any kind more than three days in advance of the due date thereof requires prior Central Bank approval or be subject to certain mandatory requirements.

In the event we want to make any such prepayment and redeem the New Notes, the Central Bank may not authorize these transactions and, thus, may impair us from making such optional redemptions otherwise permitted under the terms of the New Notes Indenture.

Moreover, the FX Regulations of Argentina restrict the ability of the guarantor companies to access to the Foreign Exchange Market in order to make payments under the guarantees and make money remittances outside Argentina in the event of enforcement of the guarantees.

Notwithstanding the above, we should be allowed to make such prepayments without the Central Bank’s prior approval using funds held outside of Argentina that do not need to be repatriated into Argentina in accordance with the FX Regulations, as defined in “Exchange Rate Information and Exchange Controls” (such external funds, the freely available funds).

If the Central Bank imposes stricter restrictions, we may not be able to make prepayments of principal and/or interest of our foreign currency debts abroad, including the New Notes through the Foreign Exchange Market at such market rates. Other, more costly, alternative methods of obtaining foreign currency would be available to us in order to make such payments. See “Exchange Rate Information and Exchange Controls.”



## **USE OF PROCEEDS**

We will not receive any cash proceeds from the issuance of the New Notes in the Exchange Offer. The Old Notes exchanged in the Exchange Offer will be retired or cancelled and will not be reissued.

The issuance of the New Notes is made to refinance our debt pursuant to Section 36 of the Negotiable Obligations Law and the CNV Rules.

Within 24 months from the Settlement Date (the “Investment Period”), we will invest an amount equal to 100% of the aggregate principal amount of the Old Notes validly tendered in exchange for New Notes that we accept for exchange (the “Investment Amount”), in one or more of the following investments (collectively, the “Eligible Investments”): investments in tangible assets and property, plant and equipment, including assets, services and facilities for electricity generation; and to finance our investment plan, in particular for the expansion, acquisition, construction and/or improvement of assets used in our power production process.

The final amount of the aggregate principal amount of the Old Notes validly tendered in exchange for New Notes that we accept for exchange in the Exchange Offer will be disclosed by us promptly after the Expiration Date, in accordance with applicable law.

Within 30 Argentine business days from expiration of the Investment Period, we will provide to the New Notes Trustee a report from an independent accounting firm or, at our discretion, a certificate from our Executive Vice President Administration and Finance, certifying that the Investment Amount has been invested in one or more Eligible Investments during the Investment Period.

Our failure to invest the Investment Amount in Eligible Investments within the Investment Period, or to provide the documentation established in the preceding paragraph to the New Notes Trustee, will not constitute an event of default under the terms of the Exchange Offer, the New Notes Indenture or the New Notes. In the latter case, however, we will be required to report such circumstance to the New Notes Trustee and comply with any additional reporting duties in connection thereto under applicable law.

## EXCHANGE RATE INFORMATION AND EXCHANGE CONTROLS

The following is a description of the main BCRA regulations concerning inflows and outflows of funds in Argentina. For further information regarding the full scope of current foreign exchange restrictions and control regulations, investors should seek advice from their legal advisors and refer to the applicable rules mentioned in the Exchange Offer Memorandum (as the same may be amended and/or supplemented), which are available at the website of the Argentine Ministry of Justice and Human Rights: <https://www.infoleg.gob.ar> or the website of the BCRA: [www.bcra.gov.ar](http://www.bcra.gov.ar). None of the information contained on either such website is deemed to be incorporated by reference into this Exchange Offer Memorandum.

On September 1, 2019, with the purpose of strengthening the normal functioning of the economy, fostering a prudent administration of the exchange market, reducing the volatility of financial variables and containing the impact of the variations of financial flows on the real economy, the Argentine government issued Decree No. 609/2019 whereby it temporarily reinstated foreign exchange controls. The decree: (i) reinstated, until December 31, 2019 the exporters' obligation to repatriate and settle in pesos through the Argentine foreign exchange market the proceeds from exports of goods and services in the terms and conditions set forth by the BCRA's implementing regulations; and (ii) authorized the BCRA, in exercise of its powers, to (a) regulate the access to the foreign exchange market for the purchase of foreign currency and its transfer abroad; and (b) set forth regulations to avoid practices and transactions aimed to circumvent, through the use of securities and other instruments, the measures adopted through the decree.

On the same date, the BCRA issued Communication "A" 6770 that was subsequently amended and supplemented by various BCRA Communications. At present, foreign exchange regulations have been consolidated in a single set of regulations, Communication "A" 7490 (as amended and/or supplemented from time to time, the "FX Regulations").

In December 2019, the effectiveness of the foreign exchange regulations was extended indefinitely by the Argentine executive branch through Decree No. 91/2019 and Communication "A" 6854.

Since February 2002, the Argentine peso has fluctuated against other currencies, although the BCRA buys or sells U.S. dollars in the foreign exchange market on a regular basis in order to minimize fluctuations in the value of the Argentine peso relative to the U.S. dollar.

In 2021, the peso continued to depreciate against major foreign currencies, particularly against the U.S. dollar. According to exchange rate information published by BNA, the Argentine peso depreciated by 72.47% against the U.S. dollar during the year ended December 31, 2022 (compared to 22.07%, 40.51% and 58.86% in the years ended December 31, 2021, 2020 and 2019, respectively) and 17.98% during the three months ended March 31, 2023 (compared to 8.07%, 9.33% and 7.65% in the three-month periods ended March 31, 2022, 2021 and 2020, respectively). The following table sets forth the annual high, low, average and period-end exchange rates for the periods indicated, expressed in pesos per U.S. dollar and not adjusted for inflation.

|                                         | High <sup>(1)</sup> | Low <sup>(1)</sup> | Average <sup>(2)</sup> | Period End |
|-----------------------------------------|---------------------|--------------------|------------------------|------------|
| <b>Year Ended December 31,</b>          |                     |                    |                        |            |
| 2018 .....                              | 40.897              | 18.416             | 28.094                 | 37.808     |
| 2019 .....                              | 60.003              | 37.035             | 48.242                 | 59.895     |
| 2020 .....                              | 84.145              | 59.815             | 70.594                 | 84.145     |
| 2021 .....                              | 102.750             | 84.703             | 95.161                 | 102.750    |
| 2022 .....                              | 177.128             | 103.040            | 140.084                | 177.128    |
| <b>Month Ended</b>                      |                     |                    |                        |            |
| January 2023 .....                      | 186.875             | 178.142            | 182.244                | 186.875    |
| February 2023 .....                     | 197.153             | 187.308            | 191.892                | 197.153    |
| March 2023 .....                        | 208.988             | 197.560            | 203.106                | 208.988    |
| April 2023 .....                        | 222.575             | 210.330            | 216.556                | 222.575    |
| May 2023 .....                          | 239.325             | 224.625            | 231.191                | 239.325    |
| June 2023 .....                         | 256.675             | 240.067            | 248.762                | 256.675    |
| July 2023 (through July 12, 2023) ..... | 263.933             | 257.975            | 261.017                | 263.933    |

(1) Exchange rates are the actual low and high daily for each period, according to the exchange rates set forth in Communication "A" 3500 of the BCRA.

- (2) The yearly average rate is calculated as the average of the exchange rates on the last day of each month during the period. The monthly average rate is calculated on a day-to-day basis for each month.

Below is a brief description of the main aspects of the BCRA regulations concerning inflows and outflows of funds in Argentina as of the date hereof:

### **Repatriation and settlement of the proceeds of the export of goods**

In accordance with Decree No. 609/2019 (as supplemented from time to time) and the FX Regulations, exporters must repatriate, and settle in pesos through the Argentine foreign exchange market, the proceeds of their exports of goods cleared through customs as from September 2, 2019.

Although the FX Regulations maintain the obligation to remit export proceeds to Argentina through the Argentine foreign exchange market, Section 2.6 also authorizes the exporter to avoid the settlement for pesos to the extent: (a) the funds are credited in foreign-denominated accounts in the name of the exporter, opened at local banks; (b) the funds are remitted to Argentina within the applicable terms; (c) the funds are simultaneously applied for making of payments for which the FX Regulations grant access to the Argentine foreign exchange market, subject to any applicable caps; (d) if the funds correspond to the proceeds of new external financial indebtedness and are applied to the prepayment of foreign currency-denominated loans with local banks, the new indebtedness must have a longer average life than the local indebtedness been prepaid, and (e) the mechanism is fiscal-neutral.

Amounts collected in foreign currency for insurance claims related to the exported goods must also be repatriated and settled for pesos in the Argentine foreign exchange market, up to the amount of the insured exported goods.

Moreover, through Communication “A” 6788, the BCRA reinstated the export proceeds monitoring system, setting forth rules governing such monitoring process and exceptions thereof. Exporters need to appoint a financial entity in charge of monitoring compliance with the aforementioned obligations.

Decree No. 661/2019 clarified that the collection of the export benefits set forth under the Argentine Customs Code shall be subject to the exporter complying with the repatriation and peso settlement obligations imposed by the new regulations.

Subject to certain requirements, the FX Regulations authorize the application of export proceeds to the repayment of, *inter alia*: (i) pre-export financings and export financings granted or guaranteed by local financial entities; (ii) foreign pre-export financings, export advances and export post-financings settled in the Argentine foreign exchange market; (iii) financial indebtedness under contracts executed prior to August 31, 2019 providing for cancellation thereof through the application abroad of export proceeds; and (iv) other foreign financial indebtedness subject to certain requirements as established in Sections 7.9 and 7.10 of the FX Regulations (see “Exchange Rate Information and Exchange Controls—Application of export proceeds to repay/secure new financial indebtedness/foreign investments”). Also, it allows export proceeds to be held abroad to guarantee payment of new indebtedness, provided certain requirements are complied with. The application of export proceeds to the repayment of other indebtedness shall be subject to the BCRA’s approval.

Through Communication “A” 7200 (as amended and restated from time to time), the BCRA created the “*Exporters and Importers Foreign Exchange Information Registry*” (“RICEI” per its acronym in Spanish). From time to time, the BCRA shall publish the list of companies that, on the basis of the significance of their exporting and/or importing activities, must comply with this registration. As from May 1, 2021, failure to comply with the registration while being identified as an obliged entity will derive in the need to obtain BCRA authorization for any purchases of foreign currency by the relevant companies. Through Communication “C” 89476, the BCRA published the first list of companies obliged to register with the RICEI. The Issuer was included in such list and complied with the required registration.

Communication “A” 7217 (as amended and restated from time to time), regarding local payments in pesos and/or foreign currency for “store for consumption operations” (known locally as “*regimen de ranchos*”) with foreign means of transport, established that the follow-up of the export permit shall be considered, totally or partially, compliant, for the amount equivalent to the amount paid locally in pesos and/or in foreign currency to the exporter by a local agent that owns the foreign flagged means of transport, as long as certain conditions are met and subject to certain amount thresholds.

### **Obligation to repatriate and settle in pesos the proceeds from exports of services**

The FX Regulations require that exporters repatriate, and settle through the Argentine foreign exchange market, the proceeds from exports of services within five business days following payment thereof.

Notwithstanding this general rule, the FX Regulations allow exporters to apply the proceeds of their exports of services to secure or repay specific financial indebtedness meeting the conditions and requirements set forth under Section 7.9 of the FX Regulations (see “Exchange Rate Information and Exchange Controls—Application of export proceeds to repay/secure new financial indebtedness/foreign investments”).

In addition, through Communication “A” 7518 (as amended and restated from time to time), subject to certain amount limitations and requirements, the BCRA authorized exporters of services not to settle a portion of their services export proceeds and to maintain those amounts in foreign currency or, as applicable, apply them to the payment of remunerations in foreign currency.

### **External financial indebtedness**

The FX Regulations reinstated the requirement to repatriate, and settle for pesos through the Argentine foreign exchange market, the proceeds of new external financial indebtedness disbursed as from September 1, 2019 as a prior condition for accessing the Argentine foreign exchange market to make payments thereunder. Although the regulations do not establish a specific term for repatriation, this requirement shall be met any time prior to accessing the Argentine foreign exchange market to make any payment under such new external financial indebtedness. The reporting of the debt under the External Assets and Liabilities Reporting Regime is also a condition to access the Argentine foreign exchange market to repay debt service.

Although the FX Regulations maintain the obligation to remit proceeds related to external financial indebtedness through the Argentine foreign exchange market as a prior condition to access the Argentine foreign exchange market to make payments thereunder, Section 2.6 also authorizes the exporter to avoid the settlement for pesos to the extent: (a) the funds are credited in foreign-denominated accounts in the name of the local resident, opened at local banks; (b) the funds are remitted to Argentina within the applicable terms; (c) the funds are simultaneously applied for making payments for which the FX Regulations grant access to the Argentine foreign exchange market, subject to any applicable caps; (d) if the funds correspond to the proceeds of new external financial indebtedness and are applied to the prepayment of foreign currency-denominated loans with local banks, the new indebtedness must have a longer average life than the local indebtedness being prepaid, and (e) the mechanism is fiscal-neutral.

Subject to the compliance with the aforementioned access conditions, access to the Argentine foreign exchange market is granted for the repayment of debt services at maturity or up to three business days in advance. In addition, as set forth by Section 3.5.3.1 of the FX Regulations, access to the Argentine foreign exchange market for prepayments will be granted, provided all of the following conditions are met: (i) the prepayment is made simultaneously with the repatriation and conversion to pesos through Argentine foreign exchange market of new financial indebtedness; (ii) the new financial indebtedness has a longer average life than the outstanding average life of the debt being prepaid; and (iii) the aggregate principal payments under the new indebtedness does not exceed the aggregate principal payments of the debt being prepaid. Communication “A” 7532 established specific rules applying to the access to the Argentine foreign exchange market for the prepayment of foreign currency-denominated financings granted by local banks and for the prepayment of locally-registered debt securities payable in foreign currency.

In addition, pursuant to the FX Regulations, access to the Argentine foreign exchange market for the prepayment of interest in the context of a debt securities exchange process shall be granted provided the following conditions are met: (i) the prepayment is made in the context of an exchange of debt securities issued by the debtor; (ii) the prepaid amount corresponds to interest accrued as of the exchange closing date; (iii) the average life of the new debt securities is longer than the remaining average life of the exchanged securities; and (iv) the cumulative amount of the principal payments under the new securities does not exceed the amount of the principal payments under the exchanged security. The FX Regulations also allow for the prepayment of debt services in the context of the mandatory refinancing imposed by Communication “A” 7106 (as amended and extended from time to time) as further explained below.

Moreover, Section 3.11.1 of the FX Regulations authorizes (1) local borrowers under (A) external financial indebtedness with non-related creditors and (B) foreign indebtedness to finance the import of goods granted by foreign financial entities or official credit agencies, and (2) onshore trusts constituted to guarantee indebtedness detailed in (A) and (B) above, to access the Argentine foreign exchange market to purchase foreign currency to fund debt service reserve accounts for the amounts required under the relevant loan agreements, subject to compliance with the following conditions: (a) the corresponding indebtedness has access to the Argentine foreign exchange market for repayment thereof and the agreements provide for debt service guarantee accounts; (b) the funds are credited to accounts opened in local financial entities; credit into offshore accounts shall only be admitted if that is the only and exclusive option provided for under the financing documents *provided* that such financing documents were entered into before August 31, 2019; (c) the amounts accumulated in such debt service reserve accounts do not exceed the amount of the next debt service; (d) the daily purchases of foreign currency to fund the debt service reserve account shall not exceed 20% of the maximum amount mentioned in (c); and (e) the bank must review the financing documents and confirm that the aforementioned conditions are met. Any funds not applied under the debt service reserve account to cancel debt service must be settled for pesos in the Argentine foreign exchange market within five business days from the corresponding debt service payment date.

Additionally Section 3.11.2 of the FX Regulations also authorized local residents to access the Argentine foreign exchange market for the repayment of foreign financial indebtedness and local debt securities with access to the Argentine foreign exchange market prior to the maturity of such indebtedness, subject to the compliance of the following conditions: (a) the funds purchased must be deposited in foreign currency denominated accounts in its name opened with local financial entities; (b) access to the Argentine foreign exchange market is allowed up to five (5) business days in advance of the applicable term; (c) daily purchases of foreign currency shall not exceed 20% of the amount to be cancelled at maturity; and (d) the bank must confirm that all applicable requirements have been met. Any funds not applied to cancel debt service or amortization payment must be settled for pesos in the Argentine foreign exchange market within five (5) business days from the corresponding payment date.

Notwithstanding the above:

- (i) In accordance with Section 3.5.7. of the FX Regulations, until December 31, 2023 access to the Argentine foreign exchange market for payment of principal under external financial indebtedness with non-resident related parties is subject to the BCRA's prior approval. The restriction shall not apply: (i) to transactions of local financial entities; (ii) to financings brought and settled through the Argentine foreign exchange market as from October 2, 2020 with an average life of at least two years; (iii) to the extent the debtor has a Certification of Increase of Exports for an amount at least equal to the debt services payable to the related party; or (iv) subject to specific caps, to beneficiaries of the Foreign Exchange Access Regime for the Incremental Production of Crude Oil and the Incremental Injection of Natural Gas (Decree No. 277/2022).
- (ii) Section 3.17 of the FX Regulations imposes a mandatory refinancing scheme for principal payments under certain financial indebtedness maturing between October 15, 2020 and December 31, 2023 pursuant to which access to the Argentine foreign exchange market for repayment thereof should not exceed 40% of the original principal amounts due and the balance of the principal amount shall be refinanced, at least, by new foreign indebtedness with an average life of two (2) years. In addition to the refinancing granted by the corresponding lender, it is also possible to consider new indebtedness granted by other creditors, repatriated and settled through the Argentine foreign exchange market. Moreover, the FX Regulations consider that the debtor shall have complied with the refinancing if it accesses the Argentine foreign exchange market in excess of 40% of the relevant principal payments if it registers new settlements of funds in the Argentine foreign exchange market as from October 9, 2020, under external financial loans, issuances of debt securities registered abroad or issuances of debt securities registered in Argentina that comply with certain conditions.

The above does not apply to: (i) financings granted or guaranteed by international credit agencies (or their associated agencies) or official credit agencies; (ii) payment of principal not exceeding U.S.\$2 million per month; (iii) indebtedness incurred as from January 1, 2020, the proceeds of which were repatriated and settled through the Argentine foreign exchange market; (iv) indebtedness incurred as from January 1, 2020 constituting a refinancing of principal payments maturing after such date, *provided* that the refinancing was carried out in accordance with Section 3.17.3 of the FX Regulations; and (v) the remaining balance of refinanced principal of restructurings conducted pursuant to Section 3.17.3 of the FX Regulations.

Under Section 3.6.4.4. of the FX Regulations, in the context of transactions performed under Section 3.17 of the FX Regulations, the debtor is authorized to prepay principal and interest, up to 45 days in advance, provided the following conditions are met: (i) the amount of interest being prepaid does not exceed interest accrued under the refinanced indebtedness; and (ii) the accumulated principal amount of the new indebtedness incurred/to be incurred does not exceed the principal amount that would have accumulated under the refinanced indebtedness.

In addition, pursuant to Section 3.5.1.7. of the FX Regulations, in the case of debt securities with public registry, denominated in foreign currency, issued as from January 7, 2021 to refinance preexisting debts by extending their average life, access to the Argentine foreign exchange market shall be granted for an amount equivalent to the refinanced principal, and the interest accrued up to the date of the refinancing and, *provided* that the new securities do not have principal maturities scheduled within two years, to the interest that would accrue during the first two years for the refinanced indebtedness and/or by the deferment of the refinanced principal and/or by the interest which would accrue on the amounts refinanced.

#### **Application of export proceeds to repay/secure new financial indebtedness/foreign investments**

Pursuant to Section 7.9. of the FX Regulations, the BCRA has authorized the application of the proceeds of exports of goods and services to (i) the repayment of principal and interest services and/or (ii) the repatriation of foreign direct investments under certain financial indebtedness; *provided* that certain conditions and requirements are met.

The above applies to:

- (i) New financial indebtedness with an average life of at least one year, applied to the financing of projects to increase the production of goods in order to increase export capacity or substitute imports or an increase of the exportable products transportation capacity through the building of ports, airports and international land transportation infrastructure works.
- (ii) Foreign direct investments applied to finance the projects mentioned in (i) above. The application of the export proceeds to the repatriation must be carried out following the later of completion of the project or the expiration of a 1-year term counted as from the date in which the corresponding capital contributions were repatriated and settled through the Argentine foreign exchange market.
- (iii) New issuance of local debt securities denominated in foreign currency complying with the conditions set forth in Section 3.6.1.3. of the FX Regulations, with an average life of at least 1 year, and the use of funds mentioned under item (i).
- (iv) New issuance of debt securities publicly registered in Argentina or abroad, issued on or after October 9, 2020, with an average life of not less than two years, the delivery of which has allowed the issuer to reach the refinancing parameters under Section 3.17. of the FX Regulations.
- (v) New foreign financial indebtedness and foreign direct investments repatriated and settled through the Argentine foreign exchange market on or after October 16, 2020, in the context of the mandatory refinancing scheme established under Section 3.17 of the FX Regulations.
- (vi) Debt securities publicly registered in Argentina denominated in foreign currency complying with the conditions set forth in Section 3.6.1.3. of the FX Regulations, whose funds were repatriated and settled through the Argentine foreign exchange market on or after October 16, 2020, which allowed to reach the refinancing parameters under Section 3.17. of the FX Regulations.
- (vii) Debt securities registered in Argentina denominated in foreign currency and payable in Argentina in foreign currency, or registered abroad, issued as from January 7, 2021, in the context of exchange offers or debt refinancing of external financial indebtedness with final maturity within the next two years, *provided* that the exchange or refinancing increases the average life of the relevant indebtedness in at least 18 months.

In addition, FX Regulations states that, with regard to the financings mentioned in (i) to (vii) above closed as from January 7, 2021, access to the Argentine foreign exchange market shall be granted with regard to the guarantees securing such financings. The guarantees must be constituted in accounts opened with local banks or, in

the case of external financings, abroad, for up to the amounts set forth in the relevant financing documents and subject to the following: (i) the purchase must be made simultaneously with the settlement of the funds and/or with funds transferred in the exporter's name to a correspondent account abroad of a local financial entity; and (ii) the guarantees accumulated in foreign currency may not exceed 125% of the amounts corresponding to the principal and interest services to be paid within the current month and the following six calendar months in accordance with the repayment schedule set forth in the relevant agreements. Any foreign currency denominated amounts not applied to the repayment of the debt or the maintenance of the guarantee must be settled in the Argentine foreign exchange market within the following five business days.

Specific information and monitoring requirements apply in connection with these financings.

Moreover, provided the conditions established under Section 7.10 of the FX Regulations, exporters are allowed to apply export proceeds to (i) payment at maturity of debt services under import indebtedness; (ii) payment at maturity of debt services under external financial indebtedness; (iii) dividends and corporate profits resulting from audited closed financial statements; and (iv) repatriation of foreign direct investments in companies not controlling financial entities.

### **External Assets and Liabilities Reporting Regime**

As mentioned above, this reporting regime (created by Communication "A" 6401, as amended from time to time) replaced the previous regimes created by Communications "A" 3602 and 4237. The information provided hereunder is considered to be a sworn statement. In accordance with these rules, the following must be reported: (i) shares and other equity interests, (ii) negotiable indebtedness; (iii) non-negotiable indebtedness; (iv) financial derivatives; and (v) structures and real estate.

In connection with statement made during 2017-2019, the timing and scope of the information to be provided was as follows: (a) main sample: applies to persons in respect of which the sum of external asset and liability flows during the previous calendar year, or the balance of external assets and liabilities at the end of such calendar year, is U.S.\$50 million or more. In this case, reports must be made on a quarterly basis and a final annual sworn statement must also be submitted (which may supplement, ratify or rectify the information submitted quarterly); (b) secondary sample: applying to persons in respect of which the sum of external asset and liability flows during the previous calendar year, or the balance of external assets and liabilities at the end of such calendar year, is between U.S.\$10 million and U.S.\$50 million. In this case, the report must be made on an annual basis; and (c) supplemental sample: applying to persons in respect of which the sum of external asset and liability flows during the previous calendar year, or the balance of external assets and liabilities at the end of such calendar year, is between U.S.\$1 million and U.S.\$10 million. In this case, the report must be made on an annual basis through a simplified form.

With regard to information corresponding to the first quarter of 2020 onwards, the reporting obligations are as follows: (a) all persons holding external indebtedness at the end of each calendar quarter, or that have repaid such indebtedness during the relevant quarter, shall comply with this reporting regime; and (b) in addition, those persons holding external assets or liabilities at the end of the relevant year in excess of U.S.\$50 million shall also submit the annual sworn statement.

As to the deadlines for the submission of these reports: (i) quarterly reports: within 45 days following the end of each calendar quarter; and (ii) for annual reports; within 180 days following the end of each calendar year.

### **Payment of imports of goods and services**

Residents are authorized to access the Argentine foreign exchange market for the payment of import of goods in accordance with Section 9 of the FX Regulations. The regulations set forth different requirements depending on whether the payment relates to import financings and debts, payment of imports of goods with customs clearance, and payments of import of goods pending customs clearance. The requirements vary in each case and, in the case of payment of imports pending customs clearance, the importer must evidence the nationalization of the goods within 90 days following payment (or within 270 days in case of advance payments of fixed assets) or, otherwise, must repatriate and settle for the difference in pesos.

Moreover, in order to access the Argentine foreign exchange market for the making of import payments, the importer must have obtained the declaration made through the Integral System for the Monitoring of Imports ("SIMI") in "exit" (*salida*) status, if required by the customs regulations for the nationalization of the relevant

import. In these cases, access to the Argentine foreign exchange market for the payment of imports shall be subject to compliance of any of the following conditions: (i) the import is associated to a category A SIMI or C SIMI declaration with SALIDA status; (ii) the import is associated to a SIMI declaration with SALIDA status registered as of March 3, 2022; (iii) the import is associated to a category B SIMI declaration with SALIDA status and payment is made after the expiration of a 180 day terms as from the nationalization of the goods (except in the case of certain specific goods, including certain hydrocarbons in which the 180-day term is not applicable or other particular goods in which the applicable waiting term is of 90 days); (iv) the import is associated to a category B SIMI declaration with SALIDA status and the goods qualify as capital assets; (v) the import is associated to a category B SIMI declaration with SALIDA status and the imported goods are related to COVID-19 detection and treatment; (vi) the import is associated to a category B SIMI declaration with SALIDA status and the imported goods are subject to non-automatic import licenses; or (vii) the import is associated to a category B SIMI declaration with SALIDA status and the import is made by the public sector, companies controlled by the Argentine Government or public trusts.

By means of Communication “A” 7606, the BCRA resolved to replace paragraphs e) and f) of item 3.1. of Communication “A” 7532 (as amended from time to time) regarding the requirements for access to the foreign exchange market for the payment of services rendered by non-residents. Thus, the foreign exchange market may be accessed for the payment of imports in the cases mentioned in Communication “A” 7532 (as amended from time to time) and when the customer accesses the market simultaneously with the settlement of a new financial indebtedness abroad with an average life of not less than 180 (one hundred and eighty) days and at least 50% of the principal matures after the date of effective provision of the service plus a term of 90 (ninety) days; or when the customer accesses with funds originated in a financing of imports of services granted by a local financial entity from a commercial credit line from abroad with an average life of not less than 180 (one hundred and eighty) days and at least 50% of the capital of the financing has a maturity date subsequent to the date of effective rendering of the service plus a term of 90 (ninety) days.

Obtention of A SIMI declaration is subject to an annual maximum amount equal to the lower of: (i) the FOB value of the importer’s 2021 imports plus 5%, or (ii) the FOB value of the importer’s 2020 imports plus 70%. In addition, in the event the imports carried out by an importer during 2021 amounted to U.S.\$1 million or less, the annual cap shall not be lower than 115% of the 2021 imports. If the importer has not registered imports during such periods or the amount resulting from the aforementioned calculation is lower, the applicable annual limitation shall be of U.S.\$50,000. As a general rule, the category A SIMI declaration amounts that may be requested from time to time shall be equal to the proportional value of the annual cap accrued as of the application date plus 20% of the annual cap (the additional 20% buffer has been suspended by Communication “A” 7532 until September 30, 2022). In no case may the annual cap be exceeded. All the FOB value of imports registered between January 1, 2022 and March 3, 2022 shall be deducted from the annual cap. Imports associated with category C SIMI declarations with SALIDA status shall have access to the Argentine foreign exchange market in the same conditions as category A SIMI declarations provided the following conditions are met: (a) goods correspond to certain specific categories (which include solid fuels, plastic, rubber, certain wood and cork products and certain metal goods); (b) delivery of an external auditor’s certification stating that, if the import is completed, the stock of raw materials and/or intermediate or final goods manufactured therefrom shall not exceed the levels required for normal operations; and (c) filing of an affidavit by the importer declaring that, if applicable, it has complied with any price agreements entered into with the Government.

Moreover, Section 10 of the FX Regulations regulates the imports and import payments monitoring system (*SEPAIMPO*, per its acronym in Spanish), setting forth rules governing such monitoring process and exceptions thereof. Importers will need to appoint a financial entity in charge of monitoring compliance with the aforementioned obligations.

In addition, until December 31, 2023, prior BCRA authorization is required for the payment of imports and principal under import financings, except:

- if the bank has an affidavit from the client declaring that it does not exceed by more than U.S.\$250,000 (or its equivalent): (a) the amount for which the importer would have access to the Argentine foreign exchange market upon computing all imports of goods recorded in its name in the *SEPAIMPO* cleared between January 1, 2020 and the day preceding the Argentine foreign exchange market access, plus (b) the amount of payments cleared through the Argentine foreign exchange market on or after July 6, 2020 for imports of goods entered through a private application or courier or transactions under Sections 10.9.1 to 10.9.3 of the



FX Regulations shipped on or after July 1, 2020 or, if previously shipped, have not arrived to Argentina prior to such date, plus (c) the amount of payments made in the context of (iii) to (vi), and (viii) below not associated with imports under (i) and (ii) above, plus (d) the amount of payments associated with goods donated to the Argentine Ministry of Health to strengthen the Argentine medical or health care capacity less (e) the amount of advance payments of imports pending customs registration made between September 1, 2019 and December 31, 2019;

- deferred payments of imports of goods nationalized or shipped as from July 1, 2020 (in the case of imports with customs clearance as from January 1, 2020, the importer must submit a sworn statement certifying that the amounts corresponding to the payment have not been computed under (i)(b));
- payments not included in section (ii) above of a commercial debt for imports of goods to (or guaranteed by) an export credit agency or a foreign financial institution, to the extent that the debt arose prior to July 1, 2020 or under guarantee contracts executed prior to such date. In the case of payments for imports registered before January 1, 2020, the client must file an affidavit declaring that the imports paid were not computed under (i);
- payments made by the public sector, private companies controlled by the federal Argentine government or public trusts;
- certain payments of medical supplies and certain advance payments of imports of products relating to supply of medicines or products for health care and sanitary care of the population or supplies required for elaboration of such products, provided the payments do not exceed certain amounts;
- advance payment of imports of capital goods, with an affidavit from the customer stating that, including the payment requested, the amount pending regularization corresponding to payments made under this item as of December 1, 2021, does not exceed U.S.\$1 million. Additional conditions apply if the threshold is exceeded;
- payment of principal under commercial debts for the import of goods *provided* that the client has a “Certification of Increase of Exports of Goods in 2021” for the same value of the amount payable;
- the client has a certification issued within the previous five business days in accordance with section 3.19 of the FX Regulations (certification of new external indebtedness) for an amount equal to the amount payable;
- in the case of payments of imports of medicine supplies or other health/medical care goods or supplies required to manufacture the same in the country, the entity has an affidavit from the client declaring stating that, including the advance import payment for which authorization is requested, it does not exceed by more than U.S.\$3 million the amounts referred to in (i) to (v) above;
- demand import payments or payment of commercial debts without customs registration, *provided* that the following conditions are met: (a) the transaction corresponds to the import of supplies for the manufacture of goods in Argentina, (b) the payment does not exceed, in the current calendar month and through all financial entities, the average amount of the imports of supplies of the client during the last twelve (12) calendar months, net of the amount of any non-regularized import payments, and (c) in those cases in which a SIMI declaration is required, any of the conditions set forth in Sections 10.3.2.7(i), 10.3.2.7(ii) or 10.3.2.7(vi) of the FX Regulations are met; and
- demand or advance payment of imports made with funds disbursed under an import financing granted by a local financial entity in accordance with an external credit line, *provided* that the import financing matures on or after the estimated goods arrival date plus 15 calendar days. The client must present an affidavit undertaking to carry out the nationalization of the goods within 15 calendar days following the arrival of the goods to the country, unless in case of force majeure alien to the client.

Pursuant to Communication “A” 7239 (as amended from time to time), these amounts shall be increased by an amount equal to 50% of the amounts repatriated and settled through the Argentine foreign exchange market by the importer, as from October 2, 2020 under pre-export financings and export advances with a minimum term of 180

days. Access to the Argentine foreign exchange market shall be granted for the remaining 50% *provided that*, (i) those payments correspond to advance payment of imports of capital goods and/or supplies for the production of exportable products, and (ii) the financial entity has a client affidavit on the type of goods and its condition as supply for the manufacture of exportable goods, as applicable.

Communication “A” 7532 (as amended by Communication “A” 7638) also requires submission of an affidavit by the importer declaring that the aggregate import payments made during 2022 (including the payment which access to the Argentine foreign exchange market is being sought) do not exceed an amount equal to the proportional value of the applicable SIMI A annual cap. Some transactions are excluded from this requirement including imports carried out by courier or particular application, capital goods, fuels, medical supplies, payments made against the transfer and settlement of new export advances and pre-financings and payments made with export increase certifications or certification of new external financial indebtedness.

As to the payment of services, access to the Argentine foreign exchange market for the payment of services rendered by non-related companies is authorized *provided that* the client submit documentation evidencing the rendering of the services and it has obtained a SIMPES declaration with SALIDA status (unless not required due to the type of service). In addition, in accordance with Communication “A” 7532, as a general rule, the aggregate amount of services paid through the Argentine foreign exchange market during 2022 may not exceed the aggregate amount of services payments made during 2021 (subject to a minimum amount of U.S.\$20,000). This limitation shall not apply to: (i) payments made with an Export Increase Certification or a Certification of new external financial indebtedness; (ii) payments of insurance premiums and insurance claims; (iii) payments of services made after the expiration of a 180-day term counted as from the date of effective rendering of the services; (iv) payments made against the simultaneous settlement of new external loans *provided that* the principal payments thereunder matures at least 180 days following the effective rendering of the services; and (v) payments made with funds disbursed under a services import financing granted by a local bank funded by an external credit line, *provided that* the principal payments thereunder matures at least 180 days following the effective rendering of the services.

Payment of services rendered by related companies is subject to BCRA authorization, unless (i) the client has a certification of new indebtedness issued under Section 3.19 of the FX Regulations (which is subject to an annual cap of U.S.\$10 million) and the payment corresponds to services rendered at least 180 days prior to the date of payment or under a contract executed with the same anticipation, or (ii) the client has a Certification of Increase of Exports for an amount at least equal to the amount payable.

In addition, on October 13, 2022 the BCRA issued Communication “A” 7622 (subsequently supplemented by Communications “A” 7629, 7638 and 7643), which introduced various amendments regarding access to the foreign exchange market to make payments for imports of goods and services, respectively (hereinafter, and together with its supplements, “Communication A 7622”).

Communication A 7622 provides that, as from 17 October 2022, access to the foreign exchange market to make payments for imports of goods may be granted to transactions associated with a declaration in the Argentine Republic’s Import System (“SIRA”) to the extent that:

- the payment is made once the term in calendar days has expired, counted as from the date of registration of the customs entry of the goods; or
- the payment is made by means of exchange and/or arbitration against a local account in foreign currency of the customer and the SIRA declaration states that such option would be used; or
- when it is verified that the transaction is validated in the “Single Current Account for Foreign Trade” computer system implemented by AFIP and the payment falls under any of the situations provided for in section 8 of the aforementioned rule; or
- the payment is included by the client within the amount available in each calendar year, up to the equivalent in pesos of U.S.\$50,000, to make payments of imports of goods in advance, on sight or deferred before the deadline foreseen in the SIRA declaration.

The possibility of using this annual limit shall be subject to its validation by the “Single Current Account for Foreign Trade” system.

Entities shall verify the requirements foreseen for each type of import payment, including those contemplated in point 3.16. of the FX Regulations, with the exception of those referring to the provisions of sections 10.11. and 10.14. and point 2.1. of Communication A 7532.

Communication A 7622 provides that access to financial entities to cancel obligations arising from letters of credit or guaranteed letters issued or granted on or after 17 October 2022, in the framework of an import transaction for which a SIRA declaration is required, shall be conditional upon the institution having documentation proving, at the time of opening or issuance by the institution, that the conditions detailed in section 4 of the rule were complied with.

Finally, section 9 of Communication A 7622 establishes several situations that will allow access to the foreign exchange market prior to the payment term authorized in the SIRA declaration:

- access with funds originating from financings of imports of goods granted by local financial institutions from a foreign credit line. Provided that the maturity of the relevant financing is equal to or later than the estimated date of arrival of the goods in the country plus the term provided in the SIRA declaration and plus 15 additional calendar days;
- access to make a deferred payment to cancel commercial debts for the importation of goods with foreign financial institutions and where the maturity date of the relevant debt is equal to or later than the estimated date of arrival of the goods in the country at the time the financing is granted plus the term provided for in the SIRA declaration and plus 15 additional calendar days; or to the payment term authorized in the SIRA declaration;
- the importer has a “Certification of increase of exports of goods” for the amount for which it intends to access;
- in the case of payments for imports of goods made by: (i) the national public sector, (ii) all business organizations, regardless of their corporate form, in which the Argentine State has a majority shareholding or majority voting powers in the adoption of corporate decisions and (iii) trusts set up with contributions from the national public sector;
- access simultaneously with the liquidation of funds in the form of advances or pre-financing of exports from abroad or pre-financing of exports granted by local financial institutions with funding in foreign credit lines, and to the extent that the conditions set forth in sections 9.5.1., 9.5.2. and 9.5.3. of the regulation are met;
- it is a payment with pending customs registration for a transaction for which the presentation of a declaration in the SIRA or SIMI is not a requirement for the registration of the customs entry of the goods, to the extent that such goods are included in the situations provided for in section 8 of Communication “A” 7622 and the conditions provided for in each case are met; or
- it is a payment of goods under the Import Regime for Inputs Destined to Scientific and Technological Research of Law 25.613 that is made before the minimum access date required, to the extent that the customer has the relevant certificate of the Registry of Scientific and Technological Organisms and Entities (ROECyT) issued by the Ministry of Science, Technology and Innovation of the Nation for those goods.

#### **Sale of non-financial non-produced assets**

The proceeds in foreign currency of the sale of non-financial non-produced assets to non-Argentine residents must be repatriated and settled in pesos in the Argentine foreign exchange market within five business days following payment thereof.

#### **Payment of dividends and corporate profits**

Payment of dividends and corporate profits is subject to BCRA prior approval unless certain conditions are met, namely: (i) the dividends and corporate profits must correspond to audited financial statements; (ii) the amount to be paid abroad through the Argentine foreign exchange market may not exceed the amount of the distribution approved by the company’s shareholders; (iii) access to the Argentine foreign exchange market shall be limited, at any time,

to 20% of the value of the new capital stock increases brought to the country and settled for pesos through the Argentine foreign exchange market as from January 17, 2020; (iv) access to the Argentine foreign exchange market for this purpose may not take place prior to the expiration of a 30-day term counted as from the date in which the last capital increase considered for purposes of calculating the 20% cap was repatriated and settled for pesos through the Argentine foreign exchange market; and (v) if registration is not yet available, submission of evidence of the registration of the capital increases under consideration, or evidence of the initiation of the registration proceeding. In this case, the client must submit evidence of registration to its bank within 365 days following the commencement of the registration proceeding. Additionally, if applicable, compliance with the External Assets and Liabilities Reporting Regime is required.

### **Repatriation of direct investments of non-Argentine residents**

As a general rule, access to the Argentine foreign exchange market for the repatriation of foreign direct investments is subject to prior BCRA approval, except for the repatriation of foreign direct investments in local companies not controlling financial entities, *provided* that the relevant capital contributions were repatriated and settled through the Argentine foreign exchange market as from October 2, 2020 and the repatriation is carried out after the date of completion and implementation of the investment project, and at least one (1) year after the entry of the capital contribution in the foreign exchange market.

### **Derivatives to hedge interest rates**

Access to the Argentine foreign exchange market for the payment premiums and settlements, margins and other collateral in connection with interest rate hedge agreements for foreign debt declared and validated, if applicable, in the External Assets and Liabilities Reporting Regime, as long as such agreements do not cover higher risks than external liabilities of the recorded debtor's interest rate risk being covered.

An entity authorized to operate in the Argentine foreign exchange market must be designated by the debtor to track the operation and an affidavit must be provided in which the debtor undertakes to repatriate and settled the funds into pesos that are in favor of the local client as a result of such operation, or as a result of the release of the funds of the constituted as collateral, within the following five business days.

### **Access to the Argentine foreign exchange market for savings or investments purposes of legal entities**

Access to the Argentine foreign exchange market by local companies for, *inter alia*, the following purposes is subject to BCRA approval: bank deposits abroad, portfolio, direct and real estate investments abroad, deposit in foreign currency in Argentina, and loans to non-Argentine residents. Moreover, access is also subject to BCRA authorization in the case of derivatives transactions (except for derivatives to hedge interest rates) including payment of premium, constitution of guarantees and settlement of futures, forwards, options and other derivatives. Per Communication "A" 6780 settlement of derivatives entered into as from September 11, 2019 of local financial entities must be made in Argentina and in pesos.

### **Access to the Argentine foreign exchange market for savings or investments purposes of individuals**

Argentine residents may access the Argentine foreign exchange market for the purposes mentioned in the preceding section and family assistance for up to U.S.\$200 (through debits to local bank accounts) or U.S.\$100 (in cash) per person per month through all authorized exchange entities. If the access entails a transfer of the funds abroad, the destination account must be an account owned by the same client.

In all cases, the client shall be obligated to submit a sworn statement expressing that the funds shall not be used for the secondary purchase of securities within the following five business days. In addition, if an individual purchases securities through payment in foreign currency, the same must have been held by the client for at least five business days since the settlement of the transaction before their subsequent sale or transfer to another depository. This minimum holding period shall not apply if the sale of the securities is carried out in the same jurisdiction and the settlement of the transactions is made in the same foreign currency.

### **Foreign currency transactions between Argentine residents**

The FX Regulations prohibits access to the Argentine foreign exchange market for the payment of foreign currency denominated obligations between Argentine residents executed from September 1, 2019. With regard to

preexisting transactions, access is authorized; *provided* that the relevant transactions were entered into through public deeds or public registries. This prohibition does not apply: a) to loans in foreign currency granted by local financial entities, including payments of credit cards; b) to foreign currency obligations between residents instrumented through public registers or deeds as of August 30, 2019; c) new issues of debt securities for the purpose of refinancing debts included in item b) above and which entail an increase in the average life of the obligations; d) resident issues of debt securities with public registration in the country as of November 29, 2019, denominated and subscribed in foreign currency and whose principal and interest services are payable in the country in foreign currency, to the extent that the totality of the funds obtained have been settled in the Argentine foreign exchange market; e) issues made as from October 9, 2020 of debt securities with public registration in the country, denominated in foreign currency and whose services are payable abroad or in foreign currency in the country, to the extent that their average maturity is not less than 2 (two) years and their delivery to creditors has allowed reaching the refinancing parameters set forth in Communication “A” 7106, as amended; and f) issues made as from January 7, 2021 of debt securities with public registration in the country denominated in foreign currency and whose services are payable in foreign currency in the country, to the extent that they were delivered to creditors to refinance pre-existing debts with an extension of the average life, when it corresponds to the principal amount refinanced, the interest accrued up to the refinancing date and, to the extent that the new debt securities do not record principal maturities during the first 2 (two) years, the amount equivalent to the interest that would accrue in the first two years for the indebtedness that is refinanced early and/or for the postponement of the refinancing date, refinancing and/or for the deferral of the refinanced principal and/or for the interest that would accrue on the amounts that would be refinanced. With regard to loans granted in foreign currency by local financial entities, the proceeds thereof must be settled in pesos in the Argentine foreign exchange market at the time of their disbursements, and *provided* that such obligation is met, access to the Argentine foreign exchange market shall be granted for payment thereof. In addition, access to the Argentine foreign exchange market is also granted for payment, at maturity, of new debt issuances made to refinance indebtedness with access to the Argentine foreign exchange market in accordance with Section 3.6.3 of the FX Regulations and imply an increase of the average life of the indebtedness.

### **Exchanges and arbitrage; Transactions involving securities**

Exchanges and arbitrage may be carried out without the need to obtain prior BCRA approval, *provided* that if structured as separate transactions through the peso, the same would have access to the Argentine foreign exchange market without BCRA’s prior authorization. This also applies to local collective deposit systems in connection with funds received for debt service payments in foreign currency made locally, except in the case of funds received for debt service payments of sovereign bonds that are re-transferred abroad in accordance with the applicable payment mechanics.

Financial institutions may carry out currency swap and arbitrage transactions with their customers in the following cases:

- (i) inflows of foreign currency from abroad, to the extent that they do not relate to transactions subject to the obligation to settle them in the Argentine foreign exchange market. Financial institutions shall allow inflows of foreign currency from abroad to be credited into the accounts opened by the customer in foreign currency in connection with these transactions;
- (ii) transfer of foreign currency abroad by individuals from their local accounts denominated in foreign currency to bank accounts held by such individuals abroad. Financial institutions shall require an affidavit from the customer stating that the customer has not sold any securities to be settled in foreign currency in the Argentine foreign exchange market within the past five business days;
- (iii) transfer of foreign currency abroad by local common depositaries of securities in connection with proceeds received in foreign currency on account of services of principal and interest on Argentine Treasury bonds, when such transaction forms part of the payment procedure at the request of the foreign common depositaries;
- (iv) arbitrage transactions not originated in transfers from abroad may be made without any restrictions, to the extent that the funds are debited from an account in foreign currency held by the customer with a local financial institution. To the extent that the funds are not debited from an account denominated in foreign

currency held by the customer, individuals may make these transactions, without the BCRA's prior approval, up to the amount allowed for the use of cash under items 3.8. and 3.12 of the FX Regulations;

- (v) transfers of foreign currency abroad made by individuals from their local accounts denominated in foreign currency to offshore collection accounts up to an amount equivalent to U.S.\$500 in any calendar month, *provided* that the individual provides an affidavit stating that the transfer is made to assist in the maintenance of Argentine residents who were forced to remain abroad in compliance with the measures adopted in response to the COVID-19 pandemic; and
- (vi) all other swap and arbitrage transactions may be made by customers without the BCRA's prior approval to the extent that they would be allowed without need of such approval in accordance with other exchange regulations. This also applies to local common depositaries of securities with respect to the proceeds received in foreign currency as payments of principal of and interest on foreign currency securities paid in Argentina.

If the transfer is made in the same currency as that in which the account is denominated, the financial institution shall credit or debit the same amount as that received from or sent abroad. When the financial institution charges a commission or fee for these transactions, it shall be instrumented under a specifically designated item.

In addition, any person who has outstanding facilities in pesos under the scope of Communications "A" 6937, "A" 6993, "A" 7006, "A" 7082 of the BCRA, as supplemented (i.e., credit facilities at subsidized interest rates) will be prevented from selling securities to be settled in foreign currency or transferring such securities to foreign depositaries, until such facilities have been fully repaid.

#### **Reporting obligation for purchases above U.S.\$10,000 per day**

Pursuant to Section 3.16 of the FX Regulations, local banks must report to the BCRA, at the end of each business day and two business days in advance, information regarding the purchases of foreign currency requested by clients for an amount equal to, or in excess of, U.S.\$10,000 per day, for each of the following three business days. The same regulation also requires clients to provide the necessary information in advance, so as to allow the bank to comply with this reporting obligation, in order for them to carry out the required transactions, *provided* that all other requirements are met.

#### **Special account for exporters**

Communication "A" 7571 (as amended from time to time) established that exporters of goods may credit the amount in Ps. received as consideration for a settlement of export collections in a "Special account for exporters" until December 31, 2022, when any of the following conditions are met: (i) it is about export collections (code B01) that correspond to a destination that obtained the customs shipment compliance until August 4, 2022 and the exporter liquidates with an advance no less than 30 calendar days with respect to the collection date originally agreed with the buyer; (ii) these are advance receipts for exports of goods (code B02) remitted by the buyer for a product to be shipped at least 60 calendar days after the settlement date; (iii) it is a pre-financing of exports of goods from abroad (code B03) whose cancellation will begin at least 60 calendar days after the settlement date; or (iv) in the case of a non-recourse discount from a foreign entity of credits for exports of goods (code B03) that obtained the customs clearance until August 4, 2022 and the exporter settles no less than 30 calendar days with respect to the collection date originally agreed for the collection of the credit.

These special accounts for exporters will be in Ps. Accreditations will only be admitted until December 31, 2022 for the amounts from the settlement of foreign currency in the Argentine foreign exchange market that falls under the provisions of one of the preceding sections (i) to (iv), while debits at any time. The balances recorded by these accounts will have a remuneration that must be paid daily based on the evolution of the Dollar on the previous business day in the terms of Communication "A" 3500 of the BCRA. Insofar as it is not foreseen and to the extent that they do not oppose the provisions of the preceding points, the provisions established for deposits in savings accounts (individuals) and for special current accounts for legal persons (other holders) are applicable. The balances of these accounts may be allocated to (i) internal non-transferable bills of the BCRA in Ps. payable by the Reference Exchange Rate Communication "A" 3500 at zero rate; (ii) public and private bonds, in Ps. adjustable by the exchange rate; or (iii) other destinations in Ps. The minimum cash requirement on deposit balances in these accounts will be 0%.

### **Additional general requirements for any outflow of funds through the Argentine foreign exchange market**

In addition to the specific requirements applicable to each transaction, pursuant to Section 3 of the FX Regulations, access to the Argentine foreign exchange market for the purchase of foreign currency for any purpose shall be subject to the following requirements: (i) any foreign currency held by an Argentine resident in Argentina at the time of the relevant access to the Argentine foreign exchange market must be maintained in local bank accounts; and (ii) at the time it accesses the Argentine foreign exchange market, an Argentine resident does not hold Argentine certificates of deposit representing foreign shares and/or available liquid external assets that have a combined value of more than the equivalent of U.S.\$100,000 (one hundred thousand U.S. dollars). (i.e. foreign currency bills and coins, gold, demand deposits in foreign financial entities and other investments allowing the resident to obtain immediate availability of foreign currency such as investments in foreign sovereign bonds, funds in investment accounts in foreign investment managers, crypto-assets, funds in payment services suppliers, etc.). Funds deposited abroad that may not be applied by a local borrower due to their nature as reserve funds or guarantee funds under external financing agreements are not considered available liquid external assets. Also, funds deposited in foreign bank accounts from disbursed but not yet repatriated loans up to an amount equivalent to pay for principal and interest during the following 365 days are not to be considered as available liquid external assets, either.

Moreover, residents are required to file an affidavit certifying that they have not carried out sales of securities with settlement in foreign currency, transferred securities to foreign depositaries, exchanged securities for other external liquid assets, or purchased foreign securities in Argentina with pesos during the 90 calendar days preceding the access to the Argentine foreign exchange market. Moreover, for those transactions entered into as from July 22, 2022, the affidavit must state that on the day on which the access to the Argentine foreign exchange market is requested and in the previous 90 calendar days, it has not acquired Argentine certificates of deposit representing foreign shares or securities representing private debt issued in a foreign jurisdiction, neither has it delivered funds in local currency or other local assets (except funds in foreign currency deposited in local financial institutions) to any human or legal person, resident or non-resident, related or not, receiving as prior or subsequent consideration, directly or indirectly, by itself or through a related, controlled or controlling entity, foreign assets, crypto-assets or securities deposited abroad.

Residents must also undertake not to carry out those transactions during the 90 calendar days following the access to the Argentine foreign exchange market.

In the case of legal entities, they are also required to identify the individuals or legal entities exercising direct control over them and declare that, on the date of access and during the previous 90 calendar days, it has not transferred pesos or other liquid local assets to their direct controlling persons/entities, except for those directly associated to regular transactions between residents for the acquisition of goods and/or services. If they have carried out such transfers, the requirement shall also be complied if they submit an affidavit of their direct controller undertaking not to sell securities with settlement in foreign currency, transfer securities to foreign depositaries, exchange securities for other external liquid assets, or purchase foreign securities in Argentina with pesos during the following 90 days.

Finally, the client must not be included in (i) the AFIP's database of apocryphal invoices or documents; and (ii) the list of individual tax identifications registering inconsistent transactions provided and updated by the BCRA (if the client is included in the referred list, the intervening financial institution must reinforce the control measures to ensure the reasonableness and genuineness of the transactions).

## **DESCRIPTION OF THE EXCHANGE OFFER**

### **General**

The Issuer hereby invites all Eligible Holders of Old Notes to exchange, upon the terms and subject to the conditions set forth in the Exchange Offer Documents, any and all of their Old Notes for New Notes and cash, as described below under “—Exchange Consideration.”

As of the date of this Exchange Offer Memorandum, the aggregate outstanding principal amount of the Old Notes subject to the Exchange Offer is U.S.\$274,500,000.

The consummation of the Exchange Offer is conditioned upon, among other conditions, the Minimum Participation Condition. We may waive, in our sole discretion, any of the conditions to consummation of the Exchange Offer subject to applicable law. See “—Conditions to the Exchange Offer.” If any of the conditions to consummation of the Exchange Offer including, but not limited to, the Minimum Participation Condition, has not been satisfied or waived, we will promptly cause the return of your Old Notes to you.

If and when issued, the New Notes will not be registered under the Securities Act or the securities laws of any other jurisdiction. Therefore, the New Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

You may not copy or distribute this Exchange Offer Memorandum in whole or in part to anyone without our prior consent or the prior consent of the Dealer Managers. This Exchange Offer Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration for the Exchange Offer and an investment in the New Notes (i) to holders of Old Notes that are QIBs, in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof, (ii) outside the United States, to holders of Old Notes other than U.S. persons and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in compliance with Regulation S under the Securities Act.

Only Eligible Holders of Old Notes who have electronically submitted a duly completed Eligibility Letter certifying that they are within one of the categories described in the immediately preceding sentence are authorized to receive and review this Exchange Offer Memorandum and participate in the Exchange Offer. See “Transfer Restrictions.”

If you are not an Eligible Holder, you should dispose of this Exchange Offer Memorandum. Each Eligible Holder that tenders its outstanding Old Notes will be bound by the Agent’s Message and will be agreeing with and making the representations, warranties and agreements as set forth under “—Other Matters” and “Transfer Restrictions.”

### **Purpose of the Exchange Offer**

The purpose of the Exchange Offer is to exchange the Old Notes for cash and the New Notes, as applicable, which will extend the maturity of the debt obligations associated with the Old Notes.

### **Source of Funds**

We will fund the Total Cash Consideration with the proceeds of the offering of Argentine Series 1 Notes, pursuant to the authorization given by the BCRA on July 6, 2023. The Accrued Interest Payment will be paid through the Foreign Exchange Market in accordance with Section 3.5.3.2 of the FX Regulations. We will deliver the cash to the Information and Exchange Agent’s account on or prior to the Settlement Date.

### **Exchange Consideration**

Upon the terms and subject to the conditions set forth in the Exchange Offer Documents, Eligible Holders who validly tender Old Notes, and whose Old Notes are accepted for exchange by us may choose between two, mutually exclusive, consideration options, detailed in the table on the cover, in the columns under the headings “Option A” and “Option B.”



### *Option A*

Tenders of Old Notes submitted under Option A at or prior to the Early Participation Date will receive a combination of the Early A Pro-Rata Cash Consideration and the applicable Early A New Notes Consideration, or solely the Early A Pro-Rata Cash Consideration, depending on the amount of Old Notes tendered in the Exchange Offer and pursuant to Option A at or prior to the Early Participation Date. Tenders of Old Notes submitted under Option A after the Early Participation Date but at or prior to the Expiration Date will receive U.S.\$1,000 principal amount of New Notes per U.S.\$1,000 principal amount of Old Notes validly tendered and accepted for exchange. For the avoidance of doubt, Eligible Holders submitting tenders after the Early Participation Date will not receive any cash consideration.

The Early A Consideration and the Early B Consideration together are referred to as the “Early Exchange Consideration.” The Early Exchange Consideration and the Late Exchange Consideration together are referred to as the “Exchange Consideration.”

The aggregate cash consideration payable to Eligible Holders whose Old Notes are accepted for exchange under Option A at or prior to the Early Participation Date will be an amount in cash equal to the lesser of (i) U.S.\$30,500,000, (ii) 20% of the aggregate principal amount of Old Notes validly tendered and accepted for exchange in the Exchange Offer, up to a maximum amount of U.S.\$30,500,000, and (iii) the aggregate principal amount of Old Notes validly tendered and accepted for exchange under Option A at or prior to the Early Participation Date. The Early A Pro-Rata Cash Consideration, which is the Aggregate Early A Cash Consideration, payable on a pro rata basis to Eligible Holders of Old Notes, validly submitting tender orders in exchange for Early A Consideration.

The Early A New Notes Consideration for each Eligible Holder whose Old Notes are accepted for exchange under Option A at or prior to the Early Participation Date will be New Notes in a principal amount resulting from multiplying (i) the difference between U.S.\$1,000 and the Early A Pro-Rata Cash Consideration, by (ii) 1.02.

At the Expiration Date, the Early A Pro-Rata Cash Consideration and Early A New Notes Consideration will be determined based on the principal amount of Old Notes validly tendered and accepted in the Exchange Offer. Accordingly, the actual amounts of Early A New Notes Consideration and Early A Pro-Rata Cash Consideration comprising the Early A Consideration to be received by each Eligible Holder whose Old Notes are accepted in the Exchange Offer under Option A at or prior to the Early Participation Date (and, in the event that less than all of the Total Cash Consideration is paid out pursuant to Option A, the actual amount of Early B Pro-Rata Cash Consideration, if any, and New Notes to be received by Eligible Holders whose Old Notes are accepted in the Exchange Offer under Option B at or prior to the Early Participation Date), will depend on the actual participation by Eligible Holders in the Exchange Offer and their selection between Option A and Option B.

### *Option B*

Tenders of Old Notes submitted under Option B at or prior to the Early Participation Date will receive U.S.\$1,050 principal amount of New Notes per U.S.\$1,000 principal amount of Old Notes validly tendered and accepted for exchange. The consideration received by holders of Old Notes under this paragraph is referred to as “Early B Consideration.”

Tenders of Old Notes submitted under Option B after the Early Participation Date but at or prior to the Expiration Date will receive U.S.\$1,000 principal amount of New Notes per U.S.\$1,000 principal amount of Old Notes validly tendered and accepted for exchange. Consideration for Old Notes, either under Option A or Option B, submitted after the Early Participation Date but at or prior to the Expiration Date, is the same.

In the event that less than 20% of the aggregate principal amount of Old Notes that are validly tendered and accepted for exchange in the Exchange Offer are tendered under Option A at or prior to the Early Participation Date, the Early B Pro-Rata Cash Consideration will be paid to Eligible Holders whose Old Notes are accepted for exchange under Option B at or prior to the Early Participation Date, ratably reducing the principal amount of New Notes that comprise the Early B Consideration.

Eligible Holders of Old Notes who validly submit a tender order after the Early Participation Date but at or prior to the Expiration Date will be eligible to receive Late Exchange Consideration.

**Accrued Interest**

In addition to the applicable Exchange Consideration, Eligible Holders whose Old Notes are accepted for exchange in the Exchange Offer will also receive, in cash, the Accrued Interest Payment consisting of accrued and unpaid interest (rounded down to the nearest cent U.S.\$0.01) from, and including, the last interest payment date for the Old Notes to, but not including, the Settlement Date, subject to any tax withholdings applicable to the Argentine Entity Offerees or to Non-Cooperating Jurisdiction Offerees. Interest will cease to accrue on the Settlement Date for all Old Notes accepted in the Exchange Offer. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Eligible Holders by DTC or any other clearing system.

**Denominations; Rounding**

The New Notes will be issued only in minimum denominations of U.S.\$1.00 and integral multiples of U.S.\$1.00 in excess thereof. The amount of New Notes to be issued to any Eligible Holder will be rounded down to the nearest U.S.\$1.00. No cash will be paid in lieu of New Notes not received as a result of rounding down.

**Expiration Date; Extensions**

The Early Participation Date is 5:00 p.m. (New York City time) on July 26, 2023, unless extended, in which case the Early Participation Date will be such time and date to which the Early Participation Date is extended.

The Expiration Date is 5:00 p.m. (New York City time) on August 10, 2023, unless extended, in which case the Expiration Date will be such time and date to which the Expiration Date is extended.

Subject to applicable law, the Issuer, in its sole discretion, may extend the Early Participation Date or the Expiration Date for any reason, with or without extending the Withdrawal Date. To extend the Early Participation Date or Expiration Date, the Issuer will notify the Information and Exchange Agent and will make a public announcement thereof before 9:00 a.m. (New York City time) on the next business day after the previously scheduled Early Participation Date or Expiration Date, as applicable. Such announcement will state that the Issuer is extending the Early Participation Date or Expiration Date, as the case may be, for a specified period. During any such extension, all Old Notes previously tendered in an extended Exchange Offer will remain subject to such Exchange Offer and may be accepted for exchange by us.

The Issuer expressly reserves the right, subject to applicable law, to:

- delay accepting any Old Notes, extend the Exchange Offer or, upon failure of a condition to be satisfied or waived prior to the Early Participation Date, the Expiration Date or Settlement Date, as the case may be, terminate the Exchange Offer and not accept any Old Notes; and
- amend, modify, waive or terminate, at any time, or from time to time, the terms of the Exchange Offer in any respect, including waiver of any conditions, including the Minimum Participation Condition, to consummation of the Exchange Offer.

Subject to the qualifications described above, if the Issuer exercises any such right, the Issuer will give written notice thereof to the Information and Exchange Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which the Issuer may choose to make a public announcement of any extension, amendment or termination of the Exchange Offer, the Issuer will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release and in accordance with applicable law.

The minimum period during which the Exchange Offer will remain open following material changes in the terms of such Exchange Offer or in the information concerning such Exchange Offer will depend upon the facts and circumstances of such changes, including the relative materiality of the changes, and in accordance with applicable law.

**Settlement Date**

Upon the terms and subject to the conditions of the Exchange Offer, we will accept for exchange as soon as reasonably practicable after the Expiration Date, all Old Notes validly tendered at or prior to the Early Participation

Date or Expiration Date, as applicable, and not validly withdrawn as of the Withdrawal Date. Assuming that such Settlement Date is not extended and all conditions of the Exchange Offer have been satisfied or waived by us, we expect that the Settlement Date will occur on the fourth business day following the Expiration Date.

On the Settlement Date, we will deposit with DTC an amount of cash sufficient to pay the required cash amounts and Accrued Interest Payment, and we will issue and deliver the applicable principal amount of New Notes, in exchange for any Old Notes tendered and accepted for exchange, in the amount and manner described in this Exchange Offer Memorandum.

We will not be obligated to deliver the New Notes or pay any cash amounts or the Accrued Interest Payment with respect to the Exchange Offer unless the Exchange Offer is consummated.

### **Conditions to the Exchange Offer**

Notwithstanding any other provision of the Exchange Offer Documents, we will not be obligated to (i) accept for exchange any validly tendered Old Notes or (ii) issue any New Notes in exchange for validly tendered Old Notes or pay any cash amounts or the Accrued Interest Payment, or complete the Exchange Offer, unless each of the following conditions is satisfied at or prior to the Expiration Date or the Settlement Date, as the case may be:

- (1) the Minimum Participation Condition;
- (2) we shall have obtained all governmental approvals that we, in our reasonable judgment, consider necessary for the completion of the Exchange Offer as contemplated by this Exchange Offer Memorandum and all such approvals shall remain in effect;
- (3) there shall not have been instituted, threatened or be pending any action, proceeding, application, claim, counterclaim or investigation (whether formal or informal) (or there shall not have been any material adverse development to any action, application, claim, counterclaim or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, domestic or foreign, or by any other person, domestic or foreign, in connection with the Exchange Offer that, in our reasonable judgment, either (i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, (ii) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Exchange Offer or (iii) would require a modification to the terms of the Exchange Offer that would materially impair the contemplated benefits of the Exchange Offer to us;
- (4) no order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our reasonable judgment, either (i) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Exchange Offer or (ii) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects;
- (5) there shall not have occurred or be reasonably likely to occur any event or condition affecting our or our affiliates' business or financial affairs and our subsidiaries that, in our reasonable judgment, either (i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, or (ii) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Exchange Offer, including, without limitation, lack of effective access to the foreign exchange market for purposes of paying the Total Cash Consideration on the Settlement Date;
- (6) there shall not exist, in our reasonable judgment, any actual or threatened legal impediment that would prohibit or prevent, or significantly restrict or delay, our acceptance for exchange of, or exchange of, all of the Old Notes;
- (7) there shall not have occurred (i) any general suspension of, or limitation on prices for, trading in securities in the U.S. or Argentine securities or financial markets, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, Argentina or any other major financial market, (iii) a commencement of war, armed hostilities, terrorist acts or other national or international

calamity directly or indirectly involving the United States or Argentina or (iv) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof; and

- (8) there shall have not been any change or development, including a prospective change or development, in the general economic, financial, currency exchange or market conditions in the United States, Argentina or elsewhere that, in the reasonable judgment of the Company, has or may have a material adverse effect on the market price of the Old Notes and the New Notes or upon trading in the Old Notes and the New Notes or upon the value of the Old Notes and the New Notes of the Company.

### **Additional Purchases of Old Notes**

During the term of the Exchange Offer, the Company reserves the right to purchase or redeem Old Notes outside of the Exchange Offer. After the Expiration Date, the Company or its affiliates may from time to time purchase additional Old Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or the Issuer may redeem Old Notes pursuant to the terms of the Old Notes Indenture. Any future purchases may be on the same terms or on terms that are more or less favorable to Eligible Holders of Old Notes than the terms of the Exchange Offer and, in either case, could be for cash or other consideration, or launched in connection with an offering of new notes, the proceeds from which would be used to settle a tender offer on the Old Notes or exercise their redemptions pursuant to the Old Notes Indenture. Any future purchases will depend on various factors existing at that time. Any purchase or offer to purchase will not be made except in accordance with applicable law. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we choose to pursue in the future.

### **No Guaranteed Delivery**

We have not provided guaranteed delivery provisions in connection with the Exchange Offer. Eligible Holders must tender their Old Notes in accordance with the procedures set forth herein.

### **Procedures for Tendering Old Notes**

The following summarizes the procedures to be followed by all Eligible Holders in tendering their Old Notes.

All of the Old Notes are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Eligible Holders are authorized to tender their Old Notes pursuant to the Exchange Offer. Eligible Holders of Old Notes who wish to participate in the Exchange Offer may only do so by instructing the DTC direct participant or nominee thereof, through which the Eligible Holders hold those Old Notes, to transmit their acceptance of the Exchange Offer on their behalf in accordance with the below described procedures. **There is no separate letter of transmittal in connection with this Exchange Offer Memorandum.** See “—Book-Entry Transfer,” “—Other Matters” and “Transfer Restrictions” for discussions of the items that all Eligible Holders who tender Old Notes in the Exchange Offer will be deemed to have represented, warranted and agreed.

A defective tender of Old Notes (which defect is not waived by us) will not constitute a valid tender of Old Notes. Any Eligible Holders whose Old Notes are registered in the name of a custodian and who wishes to tender its Old Notes should contact such custodian promptly and instruct such custodian to tender its Old Notes on such beneficial owner’s behalf.

For an Eligible Holder to tender Old Notes validly pursuant to the Exchange Offer, an Agent’s Message must be received by the Information and Exchange Agent, and tendered Old Notes must be transferred pursuant to the procedures for book-entry transfer described below and a confirmation of such book-entry transfer must be received by the Information and Exchange Agent at or prior to the Early Participation Date or the Expiration Date, as applicable.

To tender Old Notes, DTC participants should transmit their acceptance through the DTC Automated Tender Offer Program (“ATOP”), for which the Exchange Offer will be eligible, and DTC will then edit and verify the acceptance and send an Agent’s Message to the Information and Exchange Agent for its acceptance. Delivery of tendered Old Notes must be made to the Information and Exchange Agent pursuant to the book-entry delivery procedures set forth below.

Old Notes may be tendered and will be accepted for exchange only in principal amounts equal to minimum denominations of U.S.\$150,000 and integral multiples of U.S.\$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Old Notes validly tendered and accepted will be cancelled upon consummation of the Exchange Offer.

#### *Book-Entry Transfer*

The Information and Exchange Agent will establish an account with respect to the Old Notes at DTC for purposes of the Exchange Offer, and any financial institution that is a participant in DTC may make book-entry delivery of the Old Notes by causing DTC to transfer such Old Notes into the Information and Exchange Agent's account in accordance with DTC's procedures for such transfer. DTC will then send an Agent's Message to the Information and Exchange Agent. The confirmation of a book-entry transfer into the Information and Exchange Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." Delivery of documents to DTC does not constitute delivery to the Information and Exchange Agent.

Tenders of Old Notes, pursuant to the Exchange Offer, will not be deemed validly made until such Book-Entry Confirmation is received by the Information and Exchange Agent. Delivery of documents to any DTC direct participant does not constitute delivery to the Information and Exchange Agent. If you desire to tender your Old Notes using the ATOP procedures on the day on which the Early Participation Date or the Expiration Date occurs, as applicable, you must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date.

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Information and Exchange Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message, stating the aggregate principal amount of Old Notes that have been tendered by such participant pursuant to the Exchange Offer, that such participant has received this Exchange Offer Memorandum and that such participant agrees to be bound by and makes the representations and warranties contained in the terms of the Exchange Offer and that the Issuer may enforce such agreement against such participant.

In the event that an Eligible Holder's custodian is unable to tender the Old Notes pursuant to the Exchange Offer on such Eligible Holder's behalf, that Eligible Holder should contact the Information and Exchange Agent for assistance in tendering the Old Notes. There can be no assurance that the Information and Exchange Agent will be able to assist in successfully tendering such Old Notes.

The tender by an Eligible Holder pursuant to the procedures set forth herein and the acceptance thereof by the Issuer will constitute an agreement between such Eligible Holder and us in accordance with the terms and subject to the conditions set forth herein and in the other Exchange Offer Documents.

By tendering Old Notes pursuant to the Exchange Offer, an Eligible Holder will have represented, warranted and agreed that such Eligible Holder is the beneficial owner of, or a duly authorized representative of one or more such Eligible Holders of, and has full power and authority to tender, sell, assign and transfer, the Old Notes tendered thereby and that when such Old Notes are accepted for exchange and the New Notes are issued by us, we will acquire good, indefeasible, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and that such Eligible Holder will cause such Old Notes to be delivered in accordance with the terms of the Exchange Offer. The Eligible Holder by tendering Old Notes will also have agreed to (a) not sell, pledge, hypothecate or otherwise encumber or transfer any Old Notes tendered from the date of such tender and that any such purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect and (b) execute and deliver such further documents and give such further assurances as may be required in connection with the Exchange Offer and the transactions contemplated hereby, on and subject to the terms and conditions of the Exchange Offer. In addition, by tendering Old Notes an Eligible Holder will also release any and all claims that such Eligible Holder may have arising out of or relating to the Old Notes.

Eligible Holders desiring to tender Old Notes pursuant to ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC. Except as otherwise provided herein, delivery of Old Notes will be made only when the Agent's Message is actually received by the Information and Exchange Agent.

No documents should be sent to us or the Dealer Managers. If you are tendering through a nominee, you should check to see whether there is an earlier deadline for instructions with respect to your decision.

Eligible Holders who hold their Old Notes through Clearstream, Luxembourg or Euroclear, as operator of the Euroclear System, must also comply with the applicable procedures described below. Both Clearstream, Luxembourg and Euroclear are indirect participants in the DTC system.

*Procedures for Tendering Old Notes through Euroclear or Clearstream, Luxembourg*

Eligible Holders who hold Old Notes through Euroclear or Clearstream, Luxembourg must arrange for a direct participant in Euroclear or Clearstream, Luxembourg, as the case may be, to tender Old Notes pursuant to the Exchange Offer. An Eligible Holder's submission of a tender must be delivered and received by Euroclear or Clearstream, Luxembourg in accordance with the procedures established by them and on or prior to the deadlines established by each of those clearing systems. Each Eligible Holder is responsible for informing itself of these deadlines. The tender of an Eligible Holder's Old Notes by the submission of a valid electronic acceptance instruction to a Clearing System will result in the blocking of such Old Notes in the relevant Clearing System upon receipt.

If we accept for exchange or purchase any of the Old Notes you tender in connection with the Exchange Offer, Euroclear or Clearstream, Luxembourg, as appropriate, will credit the New Notes and cash acquired in exchange for such Old Notes to the account in which those Old Notes were held immediately before purchase.

Each Eligible Holder delivering tender instructions with respect to its Old Notes through Euroclear or Clearstream will be deemed to consent to the disclosure by Euroclear or Clearstream of certain details concerning its identity, the aggregate principal amount of such Old Notes and the account details to the Information and Exchange Agent.

**Other Matters**

Subject to, and effective upon, the acceptance of, and the payment of cash, and the issuance of the New Notes in exchange for, the principal amount of Old Notes tendered in accordance with the terms and subject to the conditions of the Exchange Offer, Eligible Holders tendering Old Notes, by submitting or sending an Agent's Message to the Information and Exchange Agent in connection with the tender of Old Notes, will have:

- irrevocably agreed to sell, assign and transfer to or upon our order or our nominees' order, all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the tendering Eligible Holder's status as a holder of, all Old Notes tendered, such that thereafter it shall have no contractual or other rights or claims in law or equity against us or any fiduciary, trustee, fiscal agent or other person connected with the Old Notes arising under, from or in connection with such Old Notes;
- waived any and all rights with respect to the Old Notes tendered (including, without limitation, any existing or past defaults and their consequences in respect of such Old Notes and the Old Notes Indenture);
- released and discharged us, the Old Notes Trustee, and any fiduciary, other trustee, fiscal agent or other person connected with the Old Notes from any and all claims the tendering Eligible Holder may have, now or in the future, arising out of or related to the Old Notes tendered, including, without limitation, any claims that the tendering Eligible Holder is entitled to receive additional principal or interest payments with respect to the Old Notes tendered (other than as expressly provided in this Exchange Offer) or to participate in any repurchase, redemption or defeasance of the Old Notes tendered; and
- irrevocably constituted and appointed the Information and Exchange Agent the true and lawful agent and attorney-in-fact of such tendering Eligible Holder (with full knowledge that the Information and Exchange Agent also acts as our agent) with respect to any tendered Old Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver such Old Notes or transfer ownership of such Old Notes on the account books maintained by DTC together with all accompanying evidences of transfer and authenticity, to or upon our order, (b) present such Old Notes for transfer on the register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Old Notes, including receipt of New Notes issued in exchange

therefor and the balance of the Exchange Consideration for any Old Notes tendered pursuant to the Exchange Offer with respect to the Old Notes that are accepted by us and transfer such New Notes and such funds to the Eligible Holder, all in accordance with the terms of the Exchange Offer.

- represented, warranted and agreed (on its behalf and on behalf of the relevant beneficial owner) that:
  - it hereby waives (i) any rights it may have pursuant to Argentine law or otherwise to challenge the legality or the validity of the transactions performed by AES Argentina in connection with the Exchange Offer or to bring any action against any of AES Argentina's directors or officers or members of AES Argentina's Supervisory Committee in connection with or as a result of such transactions and (ii) any right it may have to contest or challenge the Exchange Offer or the Old Notes Indenture;
  - it has received and reviewed the Exchange Offer Memorandum and the Eligibility Letter;
  - the Company and the Information and Exchange Agent may deliver any supplements to the Exchange Offer Memorandum to such Eligible Holder by means of electronic distribution and need not deliver a physical copy of such supplement (unless any other Eligible Holder has received a physical copy, in which case physical copies will be made available to all Eligible Holders);
  - it is the beneficial owner of, or a duly authorized representative of one or more beneficial owners of, the Old Notes tendered hereby, and it has full power and authority to tender the Old Notes;
  - the Old Notes being tendered were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and the Issuer will acquire good, indefeasible and unencumbered title to those Old Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when the Issuer accepts the same;
  - it will not sell, pledge, hypothecate or otherwise encumber or transfer any Old Notes tendered hereby from the date of this Exchange Offer Memorandum, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
  - it is making all representations contained in the Eligibility Letter and it is either (1) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or (2) a non-U.S. person (as defined in Rule 902 under the Securities Act) located outside of the United States and is tendering Old Notes for its own account or for a discretionary account or accounts on behalf of one or more persons who are Eligible Holders as to which it has been instructed and has the authority to make the statements contained in this Exchange Offer Memorandum;
  - it is otherwise a person to whom it is lawful to make available this Exchange Offer Memorandum or to make the Exchange Offer in accordance with applicable laws (including the transfer restrictions set out in this Exchange Offer Memorandum);
  - it has read, understands and agrees to comply with the restrictions on transfer with respect to the New Notes, as the case may be, as set forth in this Exchange Offer Memorandum under "Transfer Restrictions";
  - it has had access to such financial and other information and has been afforded the opportunity to ask such questions of representatives of the Issuer and receive answers thereto, as it deems necessary in connection with its decision to participate in the Exchange Offer;
  - in evaluating the Exchange Offer and in making its decision whether to participate therein, such Eligible Holder has been afforded an opportunity to request from us and to review, and has received and reviewed, all additional information considered by it to be necessary to verify the accuracy of or to supplement the information in the Exchange Offer Memorandum and has made its own independent appraisal of the Exchange Offer and is not relying on any statement, representation or warranty, express or implied, made to such Eligible Holder by the Dealer Managers, the Information, and Exchange Agent, the Company, any of its directors or officers or any person acting on behalf of any of the foregoing other than those contained in the Exchange Offer Memorandum;

- except to the extent of the information set forth under “Taxation,” no information has been provided to it by the Issuer, the Dealer Managers or the Information and Exchange Agent with regard to the tax consequences to Eligible Holders, holders, beneficial owners or participants arising from the exchange of Old Notes in the Exchange Offer or the receipt of New Notes. It hereby acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Exchange Offer, and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Dealer Managers, the Information and Exchange Agent or any other person in respect of such taxes and payments;
- it acknowledges that the Issuer, the Dealer Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and warranties made by its submission of a tender in accordance with the procedures set forth herein, are, at any time prior to the consummation of the Exchange Offer, no longer accurate, it shall promptly notify the Issuer and the Dealer Managers. If it is tendering the Old Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; the tender of Old Notes shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Exchange Offer Memorandum;
- the tender of Old Notes shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Exchange Offer Memorandum;
- it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is (i) a person (a) falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”), (b) falling within Article 43 of the Financial Promotion Order (non-real time communication by or on behalf of a body corporate to creditors of that body corporate), or (c) within Article 43 of the Financial Promotion Order, or to whom this Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer may otherwise lawfully be communicated in accordance with the Financial Promotion Order; and (ii) it is a qualified investor as defined in the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”), and not a retail investor (as defined below under “Notice to Certain Non-U.S. Holders” in relation to the United Kingdom).
- it is not an investor resident in a Member State of the European Economic Area, or, if it is resident in a Member State of the European Economic Area, it is a qualified investor (within the meaning of the Prospectus Regulation) and not a retail investor (as defined in the “PRIIPs Regulation”);
- it is not located or resident in Belgium, or, if it is located or resident in Belgium, it is a qualified investor (*investisseur qualifié/gekwalificeerde belegger*), in the sense of Article 10 of the law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (*loi relative aux offres publiques d’instruments de placement et aux admissions d’instruments de placement à la négociation sur des marchés réglementés/wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt*), acting on its own account;
- it is not located or resident in France or, if it is located or resident in France, it is a (i) provider of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investor (*investisseur qualifié*) other than an individual (as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Code *monétaire et financier*), acting on its own account;



- it is not located or resident in Italy, or if it is located or resident in Italy, it is an authorized person or submitting its Agent's Message through an authorized person and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- it is not located in or resident in Hong Kong, or if it is located or resident in Hong Kong, either (i) it is a professional investor as defined in the Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance or (ii) its participation in the Exchange Offer will not result in this Exchange Offer Memorandum being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong;
- it and the person receiving New Notes have observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from any of them in each respect in connection with any offer or acceptance in any jurisdiction, and that it and such person or persons have not taken or omitted to take any action in breach of the terms of the Exchange Offer or which will or may result in the Issuer or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Exchange Offer or the tender of Old Notes in connection therewith; and
- neither it nor the person receiving New Notes is acting on behalf of any person who could not truthfully make the foregoing representations, warranties and undertakings or those set forth in the Agent's Message.

By tendering Old Notes pursuant to the Exchange Offer, an Eligible Holder will have agreed that the delivery and surrender of the Old Notes is not effective, and the risk of loss of the Old Notes does not pass to the Information and Exchange Agent, until receipt by the Information and Exchange Agent of a properly transmitted Agent's Message. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Old Notes will be determined by us, in our sole discretion, which determination shall be final and binding.

Notwithstanding any other provision of this Exchange Offer Memorandum, payment of the Exchange Consideration, and the Accrued Interest Payment, if any, with respect to the Old Notes, in exchange for any Old Notes tendered for exchange and accepted by us pursuant to the Exchange Offer will occur only after timely receipt by the Information and Exchange Agent of a Book-Entry Confirmation with respect to such Old Notes, together with an Agent's Message. The tender of Old Notes pursuant to the Exchange Offer by the procedures set forth above and the acceptance thereof by the Issuer, will constitute an agreement between the tendering Eligible Holder and us in accordance with the terms and subject to the conditions of the Exchange Offer. The method of delivery of Old Notes, the Agent's Message and all other required documents is at the election and risk of the tendering Eligible Holder. In all cases, sufficient time should be allowed to ensure timely delivery.

Alternative, conditional or contingent tenders will not be considered valid. We reserve the right to reject any or all tenders of Old Notes that are not in proper form or the acceptance of which would, in our opinion, be unlawful. We also reserve the right, subject to applicable law, to waive any defects, irregularities or conditions of tender as to particular Old Notes, including any delay in the submission thereof or any instruction with respect thereto. A waiver of any defect or irregularity with respect to the tender of one Old Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Old Note. Our interpretations of the terms and conditions of the Exchange Offer will be final and binding on all parties. Any defect or irregularity in connection with tenders of Old Notes must be cured within such time as we determine, unless waived by us. Tenders of Old Notes shall not be deemed to have been made until all defects and irregularities have been waived by us or cured. None of us, the Trustees, the Dealer Managers, the Information and Exchange Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Old Notes or will incur any liability to Eligible Holders for failure to give any such notice.

### **Withdrawal of Tendered Old Notes**

An Eligible Holder may withdraw the tender of such Eligible Holder's Old Notes at any time prior to the Withdrawal Date by submitting a withdrawal instruction to the Information and Exchange Agent using ATOP procedures. Any Old Notes tendered prior to the Withdrawal Date that are not validly withdrawn prior to the

Withdrawal Date may not be withdrawn on or after the Withdrawal Date, and Old Notes validly tendered on or after the Withdrawal Date may not be withdrawn except in limited circumstances and as required by applicable law.

After the Withdrawal Date, tendered Old Notes may not be validly withdrawn unless we amend or otherwise change the Exchange Offer in a manner material to tendering Eligible Holders or are otherwise required by law to permit withdrawal (as determined by us in our reasonable discretion). The minimum period during which the Exchange Offer will remain open following material changes in the terms of the Exchange Offer or in the information concerning such Exchange Offer will depend upon the facts and circumstances of such changes, including the relative materiality of the changes. With respect to a change in consideration, the Exchange Offer will remain open for a minimum five business day period. If the terms of the Exchange Offer are amended in a manner determined by the Company to constitute a material change, the Company will promptly disclose any such amendment in a manner reasonably calculated to inform Eligible Holders of such amendment, and the Company will extend the Exchange Offer for a minimum three business day period following the date that notice of such change is first published or sent to Eligible Holders to allow for adequate dissemination of such change, if the Exchange Offer would otherwise expire during such time period. If the Exchange Offer is terminated, Old Notes tendered pursuant to such Exchange Offer will be returned promptly to the tendering Eligible Holders.

For a withdrawal of a tender of Old Notes to be effective, a properly transmitted “Request Message” through ATOP should be submitted. Any such withdrawal instruction must:

- (a) specify the name of the DTC participant whose name appears on the security position as the owner of such Old Notes; and
- (b) contain the description of the Old Notes to be withdrawn (including the principal amount of the Old Notes to be withdrawn).

Any Old Notes validly tendered prior to the Withdrawal Date may not be withdrawn or revoked after such Withdrawal Date, except under certain limited circumstances in which the terms of the Exchange Offer are materially modified, including, without limitation, if we reduce the amount of consideration we are paying or as otherwise required by law. An Eligible Holder who has tendered its Old Notes after the Withdrawal Date but prior to the Expiration Date may not withdraw such Old Notes (except under certain limited circumstances in which the terms of the Exchange Offer are materially modified or as otherwise required by law), and will be eligible to receive only the Late Exchange Consideration in respect of such tendered Old Notes that have been accepted for exchange by us. Old Notes validly withdrawn may thereafter be retendered and redelivered at any time on or before the Expiration Date by following the procedures described under “—Procedures for Tendering Old Notes.”

We will determine all questions as to the form and validity (including time of receipt) of any instruction of withdrawal of a tender, in our sole discretion, which determination shall be final and binding. None of us, the Trustees, the Dealer Managers, the Information and Exchange Agent or any other person will be under any duty to give notification of any defect or irregularity in any instruction of withdrawal of a tender or incur any liability for failure to give any such notification.

If we are delayed in our acceptance for exchange of, or issuance of New Notes in exchange for, any Old Notes (together with any applicable cash amounts), or if we are unable to accept for exchange any Old Notes or issue New Notes in exchange therefor pursuant to the Exchange Offer for any reason, then, without prejudice to our rights hereunder, but subject to applicable law, tendered Old Notes may be retained by the Information and Exchange Agent on our behalf and may not be validly withdrawn (subject to Rule 14e-1 under the Exchange Act, which requires that we issue or pay the consideration offered or return the Old Notes deposited by or on behalf of the Eligible Holders promptly after the termination or withdrawal of the Exchange Offer).

### **Acceptance of Old Notes**

Subject to the terms of the Exchange Offer and upon satisfaction or waiver by us (if applicable) of the conditions thereto, we will accept for exchange Old Notes validly tendered at or prior to the Early Participation Date or the Expiration Date. We will return promptly to Eligible Holders any Old Notes not accepted for exchange for any reason without expense to such Eligible Holders.

After the Information and Exchange Agent receives Agent's Messages with respect to all of the Old Notes properly tendered, we will notify the Information and Exchange Agent the Old Notes to be accepted for exchange. The notice may be oral if we promptly confirm such notice in writing.

We expressly reserve the right, in our sole discretion, to extend the Withdrawal Date, the Early Participation Date, or Expiration Date, and not accept for exchange any Old Notes not previously accepted, (i) if any of the conditions to such Exchange Offer shall not have been satisfied or validly waived by us (if applicable) or (ii) in order to comply in whole or in part with any applicable law.

In all cases, the consideration for Old Notes accepted for exchange pursuant to the Exchange Offer will be paid only after timely receipt by the Information and Exchange Agent of: (i) a properly transmitted Agent's Message; and (ii) a Book-Entry Confirmation of the Old Notes into the Information and Exchange Agent's account at DTC.

For purposes of the Exchange Offer, we will have accepted for exchange validly tendered Old Notes, if and when we give oral or written notice to the Information and Exchange Agent of our acceptance thereof. In all cases, exchanges of Old Notes pursuant to the Exchange Offer will be made by the deposit of any consideration with the Information and Exchange Agent, which will act as your agent for the purposes of receiving the New Notes and cash from us, and transmitting any interest and delivering the New Notes to you.

### **Issuance of New Notes**

Assuming the conditions to the Exchange Offer are satisfied or waived, we will issue the New Notes in book-entry form on the applicable Settlement Date in exchange for Old Notes that are validly tendered and accepted in the Exchange Offer.

We reserve the right, in our sole discretion, but subject to applicable law, to (a) delay acceptance of Old Notes tendered under the Exchange Offer or the issuance of New Notes in exchange for validly tendered Old Notes (subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return Old Notes deposited by or on behalf of the Eligible Holders promptly after the termination or withdrawal of the Exchange Offer) or (b) terminate the Exchange Offer at any time at or prior to the Expiration Date if the conditions thereto are not satisfied or waived by us.

For purposes of the Exchange Offer, we will have accepted for exchange validly tendered Old Notes (or defectively tendered Old Notes with respect to which we have waived such defect) if and when we give oral (promptly confirmed in writing) or written notice thereof to the Information and Exchange Agent. We will pay any cash amounts and the Accrued Interest Payment by depositing such payment with DTC. Subject to the terms and conditions of the Exchange Offer, delivery of the New Notes, payment of any cash amounts and the Accrued Interest Payment will be made by the Issuer on the Settlement Date upon receipt of such notice. With respect to tendered Old Notes that are to be returned to Eligible Holders, such Old Notes will be credited to the account maintained at DTC from which such Old Notes were delivered after the expiration or termination of the Exchange Offer.

If, for any reason, acceptance for exchange of tendered Old Notes, or issuance of New Notes or delivery of any cash amounts or the Accrued Interest Payment in exchange for validly tendered Old Notes, pursuant to the Exchange Offer is delayed, or we are unable to accept tendered Old Notes for exchange or to issue New Notes or deliver any cash amounts or the Accrued Interest Payment in exchange for validly tendered Old Notes pursuant to the Exchange Offer, then such Old Notes will remain blocked through ATOP, without prejudice to our rights described under "—Expiration Date; Extensions" and "—Conditions to the Exchange Offer" and "—Withdrawal of Tendered Old Notes" above, but subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return the Old Notes tendered promptly after the termination or withdrawal of the Exchange Offer.

If any tendered Old Notes are not accepted for exchange for any reason pursuant to the terms and conditions of the Exchange Offer, such Old Notes will be credited to an account maintained at DTC from which such Old Notes were delivered promptly following the Expiration Date or the termination of the Exchange Offer.

Subject to any tax withholdings applicable to the Argentine Entity Offerees or to Non-Cooperating Jurisdiction Offerees, Eligible Holders of Old Notes tendered for exchange and accepted by us pursuant to the Exchange Offer will be entitled to accrued and unpaid interest on their Old Notes to, but excluding, the Settlement Date, which interest shall be payable on the Settlement Date. Under no circumstances will any additional interest be payable

because of any delay by the Information and Exchange Agent or DTC in the transmission of funds to Eligible Holders of accepted Old Notes or otherwise.

Tendering Eligible Holders of Old Notes accepted in the Exchange Offer will not be obligated to pay brokerage commissions or fees to us, the Dealer Managers or the Information and Exchange Agent or, except as set forth below, to pay transfer taxes with respect to the exchange of their Old Notes.

### **Transfer Taxes**

We will pay all transfer taxes, if any, applicable to the transfer and exchange of Old Notes to us in the Exchange Offer. If transfer taxes are imposed for any reason other than the transfer and tender to us, the amount of those transfer taxes, whether imposed on the registered holders or any other persons, will be payable by the tendering Eligible Holder. Transfer taxes that will not be paid by us include taxes, if any, imposed:

- if New Notes in book-entry form are to be registered in the name of any person other than the person on whose behalf an Agent's Message was sent;
- if tendered Old Notes is to be registered in the name of any person other than the person on whose behalf an Agent's Message was sent; or
- if any cash payment or the Accrued Interest Payment in respect of the Exchange Offer is being made to any person other than the person on whose behalf an Agent's Message was sent.

If satisfactory evidence of payment of or exemption from transfer taxes that are not required to be borne by us is not submitted with the Agent's Message, the amount of those transfer taxes will be billed directly to the tendering Eligible Holder and/or withheld from any payments due with respect to the Old Notes tendered by such Eligible Holder.

### **Additional Amounts**

The Issuer intends to make all payments and deliveries without withholding or deduction. In the event that the Issuer is required or compelled by law or by the interpretation made by any competent or judicial authority to deduct or withhold a portion of any amount payable to holders of the Old Notes pursuant to the Exchange Offer on account of any taxes, levies, fees, assessments or other governmental charges, the Issuer will pay, subject to the exclusions mentioned below, such additional amounts as may be necessary to ensure that the amounts received by any such holder of Old Notes after such withholding or deduction (including any withholding or deduction with respect to such additional amounts) shall equal the amount that such holder of Old Notes would have received in the absence of such withholding or deduction. The payment of any additional amounts in respect of the Exchange Consideration is subject to the same exclusions as set forth in "Description of the New Notes—Optional Redemption" (substituting "Old Notes" for any references to "New Notes"). The payment of any additional amounts in respect of the applicable Accrued Interest is subject to exclusions set forth in "Terms and Conditions of the Notes—Additional Amounts" of the Old Notes Indenture.

Eligible Holders of the Old Notes who are Argentine Entity Offerees or Non-Cooperating Jurisdiction Offerees who participate in the Exchange Offer may be subject to certain tax withholdings resulting from the exchange of their Old Notes. See "Taxation—Certain Argentine Tax Considerations." The Issuer will not be required to pay any additional amounts or other gross-up amounts in respect of such tax withholdings.

In the case of tax withholding applicable in accordance with the preceding paragraphs, the Issuer will deduct the relevant amount from the cash payments in respect of Accrued Interest payable to the Eligible Holders who validly tendered their Old Notes. If the total amount of the cash payments is withheld by the Issuer for the purposes of the applicable tax withholding, any outstanding amounts thereunder will be deducted by the Issuer from the Exchange Consideration, first in cash, if applicable, and then in a principal amount of New Notes equal to the remaining amount of the applicable tax withholding. The aggregate principal amount of any such New Notes issued after such deduction will be rounded down to the nearest U.S.\$1.00 principal amount.

### **Certain Consequences to Holders of Old Notes Not Tendering in the Exchange Offer**

Any of the Old Notes that are not tendered to us at or prior to the Expiration Date or are not accepted for exchange will remain outstanding, will mature on their maturity dates and will continue to accrue interest in accordance with, and will otherwise be entitled to all the rights and privileges under, the Old Notes Indenture. The trading markets for Old Notes that are not exchanged could become more limited than the existing trading markets for the Old Notes. More limited trading markets might adversely affect the liquidity, market prices and price volatility of the Old Notes. If markets for Old Notes that are not exchanged exist or develop, the Old Notes may trade at a discount to the prices at which they would trade if the principal amount outstanding had not been reduced.

### **Information and Exchange Agent**

Morrow Sodali International LLC has been appointed as the Information and Exchange Agent for the Exchange Offer. All correspondence in connection with the Exchange Offer should be sent or delivered by each Eligible Holder of Old Notes, or a beneficial owner's custodian bank, depository, broker, trust company or other nominee, to the Information and Exchange Agent at the email address and telephone numbers set forth on the back cover page of this Exchange Offer Memorandum. We will pay the Information and Exchange Agent reasonable and customary fees for its services and will reimburse it for its out-of-pocket expenses in connection therewith.

Questions concerning tender procedures and requests for additional copies of this Exchange Offer Memorandum should be directed to the Information and Exchange Agent at the email address and telephone numbers set forth on the back cover page of this Exchange Offer Memorandum. Holders of Old Notes may also contact their custodian bank, depository, broker, trust company or other nominee for assistance concerning the Exchange Offer.

Notwithstanding anything else contained in this Exchange Offer Memorandum or any other document in connection hereto, the Information and Exchange Agent may refrain without liability from doing anything that would or might in its opinion be contrary to any law (including any economic or financial sanctions law (and including sanctions enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively "Sanctions"))) or may result in the Information and Exchange Agent becoming a Sanctions Restricted Person (as defined herein) and may without liability do anything which is, in its opinion, necessary to comply with Sanctions or to avoid becoming a Sanctions Restricted Person.

### **Dealer Managers**

We have retained Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Santander US Capital Markets LLC to act as the Dealer Managers in connection with the Exchange Offer. We will pay the Dealer Managers a reasonable and customary fee for soliciting tenders in the Exchange Offer. We will also reimburse the Dealer Managers for their reasonable out-of-pocket expenses. The obligations of the Dealer Managers to perform such function are subject to certain conditions. We have agreed to indemnify the Dealer Managers against certain liabilities, including liabilities under the federal securities laws, in connection with their services. Questions regarding the terms of the Exchange Offer may be directed to any of the Dealer Managers at the addresses and telephone numbers set forth on the back cover page of this Exchange Offer Memorandum.

At any given time, the Dealer Managers may trade Old Notes or other of our securities for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Old Notes. To the extent the Dealer Managers or their affiliates hold Old Notes during the Exchange Offer, they or their respective affiliates may tender such Old Notes under the Exchange Offer.

From time to time in the ordinary course of business, the Dealer Managers and their affiliates have provided, and may provide in the future, investment or commercial banking services to us and our affiliates in the ordinary course of business for customary compensation.

In addition, in the ordinary course of their business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company or its affiliates. The Dealer Managers and their affiliates may also make investment recommendations and/or publish or

express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

If any of the Dealer Managers or their affiliates have a lending relationship with us, certain of those dealer managers or their affiliates may hedge their credit exposure to us consistent with their customary risk management policies. Typically, these dealer managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Old Notes or the New Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Old Notes or the New Notes offered hereby.

None of the Company, the Dealer Managers, the Trustees or the Information and Exchange Agent make any recommendation as to whether or not Eligible Holders of Old Notes should exchange their Old Notes in the Exchange Offer.

None of the Dealer Managers, the Trustees or the Information and Exchange Agent assumes any responsibility for the accuracy or completeness of the information concerning us or our affiliates or the Old Notes contained or referred to in this Exchange Offer Memorandum or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

The Issuer will not make any payment to brokers, dealers or others soliciting acceptances of the Exchange Offer other than the Dealer Managers and the Local Placement Agents, and as described under “—Processing Fee.”

Any questions or requests for assistance or for additional copies of the Exchange Offer Documents may be directed to the Information and Exchange Agent at one of the telephone numbers provided on the back cover of this Exchange Offer Memorandum. Holders may also contact the Dealer Managers at the telephone numbers provided on the back cover of this Exchange Offer Memorandum for assistance concerning the Exchange Offer Memorandum.

#### **Local Placement Agents**

Banco Santander Argentina S.A., Banco Itaú Argentina S.A., Itaú Valores S.A. and Industrial and Commercial Bank of China (Argentina) S.A.U. have been appointed as Argentine placement agents, under the local placement agreement, and shall perform certain placement efforts related to the Exchange Offer directed to holders of notes who are Argentine residents, answering questions and providing assistance to such holders, in coordination with the Dealer Managers’ efforts outside Argentina. The Local Placement Agents shall not solicit or receive tenders from Argentine holders of notes, nor it shall receive Eligibility Letters. Argentine holders of notes must make their own arrangements to participate in the Exchange Offer following the procedures in “—Procedures for Tendering Old Notes.”

#### **Processing Fee**

To reimburse the time and cost of processing the tender of Old Notes in the Exchange Offer, the Issuer will, subject to foreign exchange regulations in force in Argentina, pay a processing fee to brokers in Argentina acting on behalf of certain Eligible Holders. In Argentina, the processing fee will be payable to direct participants in Caja de Valores S.A.’s depositary system acting on behalf of beneficial owners of Old Notes in Argentina who are individuals tendering, through Caja de Valores, Old Notes for exchange in the Exchange Offer with respect to individual tenders of up to U.S.\$250,000 aggregate principal amount of Old Notes per each Eligible Holder that are accepted for exchange and will be in an amount equal to 0.25% of the principal amount of such tendered Old Notes that are accepted for exchange. This processing fee will be payable in Argentine pesos at the Communication “A” 3500 exchange rate published by the BCRA on the Argentine business day prior to the Settlement Date.

Direct participants in the Caja de Valores depositary system are not eligible to receive a processing fee with respect to Old Notes beneficially owned by them or by other institutions, or with respect to any Old Notes registered in their name unless such Old Notes are held by such direct participants as representatives and the related Old Notes are tendered for exchange on behalf of the individuals who are the beneficial owners of such Old Notes.

The processing fee will be credited to the account of the direct participant in Caja de Valores from which the Old Notes beneficially owned by individuals were tendered in Argentina. Caja de Valores will deliver the processing fee on behalf of the Issuer, based on calculation of the processing fee by, and following instructions of, the Issuer.

Outside of Argentina, no processing fee will be payable with respect to Old Notes that are not held in Caja de Valores.

**Other Fees and Expenses**

Tendering Eligible Holders of Old Notes will not be required to pay any fee or commission to the Dealer Managers. However, if a tendering Eligible Holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, such Eligible Holder may be required to pay brokerage fees or commissions.

## CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2023. This information should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this Exchange Offer Memorandum and the respective notes thereto and with “Presentation of Financial Information.” For purposes of this Exchange Offer Memorandum, we calculate our total consolidated capitalization as the sum of: (i) total loans; plus (ii) equity attributable to our shareholders:

|                                                                          | As of<br>March 31, 2023 <sup>(2)</sup><br>(unaudited)                    |
|--------------------------------------------------------------------------|--------------------------------------------------------------------------|
|                                                                          | (in thousands of pesos,<br>in constant currency as<br>of March 31, 2023) |
| <b>Loans</b> <sup>(1)</sup>                                              |                                                                          |
| Current Loans .....                                                      | 69,949,516                                                               |
| Non-Current Loans .....                                                  | —                                                                        |
| Total Loans .....                                                        | 69,949,516                                                               |
| <b>Shareholders’ Equity</b>                                              |                                                                          |
| Issued Capital .....                                                     | 1,152,527                                                                |
| Capital adjustment .....                                                 | 14,601,915                                                               |
| Irrevocable contributions .....                                          | 391,200                                                                  |
| Additional paid-in capital .....                                         | 3,795,540                                                                |
| Legal reserve .....                                                      | 3,909,998                                                                |
| Optional reserve .....                                                   | 47,640,380                                                               |
| Other reserves .....                                                     | 27,945,416                                                               |
| IFRS Special reserve .....                                               | 8,999,705                                                                |
| Retained earnings .....                                                  | 3,477,172                                                                |
| Shareholders’ equity attributable to controlling group                   | 111,913,853                                                              |
| Shareholders’ equity attributable to non-controlling third parties ..... | 392,768                                                                  |
| <b>Total shareholders’ equity</b> .....                                  | 112,306,621                                                              |

(1) As of March 31, 2023, we had secured debt of Ps.2,535,790 thousand corresponding to the Goldman Sachs Loan Agreement.

(2) This table does not include the U.S.\$30,513,915 aggregate principal amount of Argentine Series 1 Notes to be issued on or about July 14, 2023 under the Program. See “Summary—Recent Developments.”



## SUMMARY COMPARISON OF DIFFERENCES BETWEEN THE CURRENT TERMS OF OLD NOTES AND THE NEW NOTES

The following is a brief summary of the current terms of the Old Notes compared to the New Notes. The terms of each of the Old Notes and the New Notes are substantially the same except for (i) their respective interest rates, maturity dates and amortization schedules, (ii) certain covenants which are more or less restrictive and (iii) other modifications that do not amount to material changes in the terms of the New Notes, as compared to the Old Notes. The summary comparison set forth below is not complete and is qualified in its entirety by reference to the Old Notes Indenture and the New Notes Indenture and to the information set forth under “Description of the New Notes” and the related definitions contained therein. Unless otherwise specified, capitalized terms used herein have the meanings ascribed to them in the Old Notes Indenture and the New Notes Indenture, as applicable, and in this Exchange Offer Memorandum.

The terms of the New Notes shall be substantially identical to the terms of the Old Notes except for the following (dates included are indicative based on the expected issue date):

|                                     | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Maturity Date</b>                | February 2, 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                          | August 16, 2027.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Interest Payment Dates</b>       | Interest on the Old Notes are payable semi-annually in arrears on February 2 and August 2 of each year, beginning on August 2, 2017.                                                                                                                                                                                                                                                                                                                                       | Interest on the New Notes will be payable semi-annually in arrears on February 16 and August 16 of each year, beginning on February 16, 2024.                                                                                                                                                                                                                                                                                                                                              |
| <b>Interest Rate</b>                | 7.750 % per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 9.50% per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Payment of Principal amounts</b> | February 2, 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                          | The principal amount of the New Notes will be payable in four consecutive semi-annual installments, starting on February 16, 2026. The final installment of the principal will, in any event, equal the then outstanding aggregate principal balance of the New Notes and will be paid by the Issuer. The final maturity of the New Notes will be August 16, 2027.<br><br>February 16, 2026: 25.000%<br>August 16, 2026: 25.000%<br>February 16, 2027: 25.000%<br>August 16, 2027: 25.000% |
| <b>Subsidiary Guarantors</b>        | Energética Argentina S.A. and Vientos Neuquinos I S.A.                                                                                                                                                                                                                                                                                                                                                                                                                     | Energética Argentina S.A. and Vientos Neuquinos I S.A.                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Future Note Guarantees</b>       | <i>Required Subsidiary Note Guarantees</i><br>The Issuer will not permit any Restricted Subsidiary thereof, directly or indirectly, to incur or Guarantee any Indebtedness (other than Non-Recourse Indebtedness) of the Issuer or any other Subsidiary Guarantor in excess of U.S.\$30 million (or its equivalent in any other currency), in the aggregate, at any one time outstanding, unless such Restricted Subsidiary (1) is a Subsidiary Guarantor or (2) becomes a | <i>Required Subsidiary Note Guarantees</i><br>The Issuer will not permit any Restricted Subsidiary thereof, directly or indirectly, to incur or Guarantee any Indebtedness (other than Non-Recourse Indebtedness) of the Issuer or any other Subsidiary Guarantor in excess of U.S.\$30 million (or its equivalent in any other currency) (other than unsecured intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance                         |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Subsidiary Guarantor within 30 days after such Incurrence or Guarantee by executing and delivering to the Trustee a supplemental indenture providing its Note Guarantee (and delivers to the Trustee an Opinion of Counsel with respect thereto), which Note Guarantee will rank senior in right of payment to or equally in right of payment with such company's other Indebtedness or Guarantee of such other Indebtedness, as applicable (any such Restricted Subsidiary a "Required Subsidiary Guarantor").</p> <p><i>Significant Subsidiary Note Guarantees</i></p> <p>If any Subsidiary of the Issuer or any Restricted Subsidiary becomes a Significant Subsidiary of the Issuer (other than an Unrestricted Subsidiary or a Project Finance Subsidiary) or if any Restricted Subsidiary thereof acquires or creates any Significant Subsidiary (other than an Unrestricted Subsidiary or a Project Finance Subsidiary) on or after the Issue Date, then any such Significant Subsidiary must become a Subsidiary Guarantor (a "Significant Subsidiary Guarantor"), execute a supplemental indenture providing for its Note Guarantee and deliver to the Trustee an Opinion of Counsel with respect thereto; provided that (1) such Significant Subsidiary Note Guarantee will be limited to the maximum amount that would not result in a breach or violation by such Significant Subsidiary Guarantor of any provision of any agreement to which it is a party existing at the time of such acquisition or creation, only to the extent that such provision was not adopted in connection with, or in contemplation of, such acquisition or creation or to avoid Guaranteeing the Old Notes, and (2) such Significant Subsidiary Guarantor shall not be required to execute any such supplemental indenture if the execution or enforcement of such supplemental indenture and the resultant Significant Subsidiary Note Guarantee thereunder is prohibited by, or in violation of, any applicable law to which such Significant Subsidiary Guarantor is subject and it has</p> | <p>Subsidiary), and/or Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary)), in the aggregate, at any one time outstanding, unless such Restricted Subsidiary (1) is a Subsidiary Guarantor or (2) becomes a Subsidiary Guarantor within 30 days after such Incurrence or Guarantee by executing and delivering to the New Notes Trustee a supplemental indenture providing its Note Guarantee (and delivers to the New Notes Trustee an Opinion of Counsel with respect thereto), which Note Guarantee will rank senior in right of payment to or equally in right of payment with such company's other Indebtedness or Guarantee of such other Indebtedness, as applicable (any such Restricted Subsidiary a "Required Subsidiary Guarantor"); provided that (a) such Required Subsidiary Guarantor shall not be required to execute any such supplemental indenture if the execution or enforcement of such supplemental indenture and the resultant Note Guarantee thereunder is prohibited by, or in violation of, any applicable law to which such Required Subsidiary Guarantor is subject and it has delivered to the New Notes Trustee an Opinion of Counsel to that effect, and (b) such Required Subsidiary Guarantor shall not be required to execute any such supplemental indenture if it is prevented by the existence of minority shareholders from Guaranteeing the New Notes and it has delivered to the New Notes Trustee an Officers' Certificate to that effect.</p> <p><i>Significant Subsidiary Note Guarantees</i></p> <p>If any Subsidiary of the Issuer or any Restricted Subsidiary becomes a Significant Subsidiary of the Issuer (other than an Unrestricted Subsidiary or a Project Finance Subsidiary) or if any Restricted Subsidiary thereof acquires or creates any Significant Subsidiary (other than an Unrestricted Subsidiary or a Project Finance Subsidiary) on or after the Issue Date, then any such Significant Subsidiary must become a Subsidiary Guarantor (a "Significant</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>delivered to the Trustee an Opinion of Counsel to that effect. Notwithstanding the foregoing, if at the time of such acquisition or creation, such Significant Subsidiary Guarantor has no Indebtedness, such Significant Subsidiary Guarantor shall not be required to become a Significant Subsidiary Guarantor or execute any such supplemental indenture providing for its Significant Subsidiary Note Guarantee. If at any time after such acquisition or creation, such Significant Subsidiary Guarantor Incurs any Indebtedness, within 30 days after the Incurrence thereof, such Significant Subsidiary Guarantor must become a Subsidiary Guarantor, execute a supplemental indenture and deliver to the Trustee an Opinion of Counsel in accordance with the preceding sentence.</p> | <p>Subsidiary Guarantor”), execute a supplemental indenture providing for its Note Guarantee and deliver to the New Notes Trustee an Opinion of Counsel with respect thereto; provided that (1) such Significant Subsidiary Note Guarantee will be limited to the maximum amount that would not result in a breach or violation by such Significant Subsidiary Guarantor of any provision of any agreement to which it is a party existing at the time of such acquisition or creation, only to the extent that such provision was not adopted in connection with, or in contemplation of, such acquisition or creation or to avoid Guaranteeing the New Notes, (2) such Significant Subsidiary Guarantor shall not be required to execute any such supplemental indenture if the execution or enforcement of such supplemental indenture and the resultant Significant Subsidiary Note Guarantee thereunder is prohibited by, or in violation of, any applicable law to which such Significant Subsidiary Guarantor is subject and it has delivered to the New Notes Trustee an Opinion of Counsel to that effect, and (3) such Significant Subsidiary Guarantor shall not be required to execute any such supplemental indenture if it is prevented by the existence of minority shareholders from Guaranteeing the New Notes and it has delivered to the New Notes Trustee an Officers’ Certificate to that effect.</p> <p>Notwithstanding the foregoing, if any such Significant Subsidiary Guarantor has no Indebtedness in excess of U.S.\$30 million (or its equivalent in any other currency) (other than unsecured intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance Subsidiary), and/or Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary)), such Significant Subsidiary Guarantor shall not be required to become a Significant Subsidiary Guarantor or execute any such supplemental</p> |

|                                                            | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>indenture providing for its Significant Subsidiary Note Guarantee.</p> <p>If at any time such Significant Subsidiary Guarantor Incurs any Indebtedness in excess of U.S.\$30 million (or its equivalent in any other currency) (other than unsecured intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance Subsidiary), and/or Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary)), within 30 days after the Incurrence thereof, such Significant Subsidiary Guarantor must become a Subsidiary Guarantor, execute a supplemental indenture and deliver to the New Notes Trustee an Opinion of Counsel in accordance with the preceding sentence.</p>                                                                                                                                                                                                                      |
| <b>Limitation on Incurrence of Additional Indebtedness</b> | <p>(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (other than Non-Recourse Indebtedness), except that the Issuer and any Restricted Subsidiary may Incur Indebtedness if immediately after giving pro forma effect to the Incurrence thereof and the application of the proceeds therefrom:</p> <ul style="list-style-type: none"> <li>(i) the Net Debt to EBITDA Ratio would not be greater than 3.50:1.00; and</li> <li>(ii) the Interest Coverage Ratio would be at least the ratio set forth in the table below opposite the period with respect to which such ratio is determined:</li> </ul> | <p>(a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (other than Non-Recourse Indebtedness), except that the Issuer and any Restricted Subsidiary may Incur Indebtedness if immediately after giving pro forma effect to the Incurrence thereof and the application of the proceeds therefrom:</p> <ul style="list-style-type: none"> <li>(i) the Net Debt to EBITDA Ratio would not be greater than 3.50:1.00;</li> <li>(ii) the Interest Coverage Ratio would be at least 2.50:1.00; and</li> <li>(iii) no Default or Event of Default shall have occurred and be continuing (or would result therefrom).</li> </ul> <p>(b) Notwithstanding clause (a) above, the Issuer and any Restricted Subsidiary may Incur the following Indebtedness ("Permitted Indebtedness"):</p> <ul style="list-style-type: none"> <li>(i) Indebtedness in respect of the New Notes and the Note Guarantees, excluding Additional New Notes and Guarantees thereof;</li> </ul> |

|                                                                                                     | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | New Notes |                         |                                                                                                     |           |                                                                                                    |           |                                                                    |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------|-----------------------------------------------------------------------------------------------------|-----------|----------------------------------------------------------------------------------------------------|-----------|--------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                     | <table><tr><th>Period</th><th>Interest Coverage Ratio</th></tr><tr><td>Commencing on (and including) February 2, 2017 and ending on (and including) December 31, 2018.....</td><td>2.00:1.00</td></tr><tr><td>Commencing on (and including) January 1, 2019 and ending on (and including) December 31, 2020.....</td><td>2.25:1.00</td></tr><tr><td>Commencing on (and including) January 1, 2021 and thereafter .....</td><td>2.50:1.00</td></tr></table> <p>(iii) and no Default or Event of Default shall have occurred and be continuing (or would result therefrom).</p> <p>(b) Notwithstanding clause (a) above, the Issuer and any Restricted Subsidiary may Incur the following Indebtedness (“Permitted Indebtedness”):</p> <p>(i) Indebtedness in respect of the Old Notes and the Note Guarantees, excluding Additional Notes and Guarantees thereof;</p> <p>(c) Indebtedness of the Issuer and any Restricted Subsidiary outstanding on the Issue Date;</p> <p>(i) Guarantees by any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) permitted to be Incurred by another provision of this covenant; <u>provided</u> that, if any such Guarantee is of Subordinated Indebtedness, then the Guarantee of such</p> | Period    | Interest Coverage Ratio | Commencing on (and including) February 2, 2017 and ending on (and including) December 31, 2018..... | 2.00:1.00 | Commencing on (and including) January 1, 2019 and ending on (and including) December 31, 2020..... | 2.25:1.00 | Commencing on (and including) January 1, 2021 and thereafter ..... | 2.50:1.00 | <p>(ii)Indebtedness of the Issuer and any Restricted Subsidiary outstanding on the Issue Date;</p> <p>(iii) Guarantees by any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) permitted to be Incurred by another provision of this covenant; <u>provided</u> that, if any such Guarantee is of Subordinated Indebtedness, then the Guarantee of such Subordinated Indebtedness shall be expressly subordinated to the prior payment in full of all obligations under the New Notes, the Note Guarantees and the New Notes Indenture;</p> <p>(iv) Indebtedness in respect of Hedging Obligations of the Issuer and any Restricted Subsidiary Incurred in the ordinary course of business not for speculative purposes;</p> <p>(v)intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance Subsidiary), and/or Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary); <u>provided</u> that:</p> <p>1. such Indebtedness must be (A) unsecured, and (B) if a Subsidiary Guarantor or the Issuer is the obligor and the obligee is the Issuer or a Restricted Subsidiary (other than a Project Finance Subsidiary) that is a Non-Guarantor, expressly subordinated to the prior payment in full of all obligations under the New</p> |
| Period                                                                                              | Interest Coverage Ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |                         |                                                                                                     |           |                                                                                                    |           |                                                                    |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Commencing on (and including) February 2, 2017 and ending on (and including) December 31, 2018..... | 2.00:1.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |                                                                                                     |           |                                                                                                    |           |                                                                    |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Commencing on (and including) January 1, 2019 and ending on (and including) December 31, 2020.....  | 2.25:1.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |                                                                                                     |           |                                                                                                    |           |                                                                    |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Commencing on (and including) January 1, 2021 and thereafter .....                                  | 2.50:1.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |                         |                                                                                                     |           |                                                                                                    |           |                                                                    |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Subordinated Indebtedness shall be expressly subordinated to the prior payment in full of all obligations under the Old Notes, the Note Guarantees and the Old Notes Indenture;</p> <p>(ii) Indebtedness in respect of Hedging Obligations of the Issuer and any Restricted Subsidiary Incurred in the ordinary course of business not for speculative purposes;</p> <p>(iii) intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance Subsidiary), Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary); <u>provided</u> that:</p> <ol style="list-style-type: none"> <li>such Indebtedness must be (A) unsecured, and (B) if a Subsidiary Guarantor or the Issuer is the obligor and the obligee is the Issuer or a Restricted Subsidiary (other than a Project Finance Subsidiary) that is a Non-Guarantor, expressly subordinated to the prior payment in full of all obligations under the Old Notes, the Note Guarantees and the Old Notes Indenture, and</li> <li>in the event that at any time and for any reason any such Indebtedness ceases to be owed to and held by the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), such Indebtedness shall be deemed to be Incurred</li> </ol> | <p>Notes, the Note Guarantees and the New Notes Indenture, and</p> <ol style="list-style-type: none"> <li>in the event that at any time and for any reason any such Indebtedness ceases to be owed to and held by the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), such Indebtedness shall be deemed to be Incurred by the Issuer or the applicable Restricted Subsidiary (other than a Project Finance Subsidiary), as the case may be, and not permitted by this subclause (v) at the time such event occurs;</li> <li>Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; <u>provided</u> that such Indebtedness is extinguished within five Business Days of receipt of notice of insufficient funds;</li> <li>Indebtedness in respect of severance payments, workers' compensation claims, payment obligations in connection with health or other social security benefits, unemployment insurance or other self-insurance obligations for employees, letters of credit, bankers' acceptances, payment obligations in connection with insurance premiums or similar obligations, security deposits, completion, performance, surety, appeal, bid, customs or similar bonds and reimbursement obligations (or letters of credit in connection with, in lieu of or in respect of each of the foregoing), in each case, Incurred in the ordinary</li> </ol> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>by the Issuer or the applicable Restricted Subsidiary (other than a Project Finance Subsidiary), as the case may be, and not permitted by this subclause (v) at the time such event occurs;</p> <p>(iv) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; <u>provided</u> that such Indebtedness is extinguished within five Business Days of receipt of notice of insufficient funds;</p> <p>(v) Indebtedness in respect of severance payments, workers' compensation claims, payment obligations in connection with health or other social security benefits, unemployment insurance or other self-insurance obligations for employees, letters of credit, bankers' acceptances, payment obligations in connection with insurance premiums or similar obligations, security deposits, completion, performance, surety, appeal, bid, customs or similar bonds and reimbursement obligations (or letters of credit in connection with, in lieu of or in respect of each of the foregoing), in each case, Incurred in the ordinary course of business by, or to the extent required by applicable Governmental Authorities in connection with the operations of, the Issuer or a Restricted Subsidiary;</p> <p>(vi) Refinancing Indebtedness in respect of:</p> | <p>course of business by, or to the extent required by applicable Governmental Authorities in connection with the operations of, the Issuer or a Restricted Subsidiary;</p> <p>(viii) Refinancing Indebtedness in respect of:</p> <ol style="list-style-type: none"> <li>1. Indebtedness Incurred pursuant to clause (a) above;</li> <li>2. Indebtedness Incurred pursuant to subclauses (i) (including Refinancing Indebtedness Incurred to defease the New Notes as provided in "Defeasance," to the extent the proceeds therefrom are applied concurrently to defease the New Notes), (ii), (viii) and (xi) of this clause (b); or</li> <li>3. Any Indebtedness Incurred to Refinance Indebtedness under 1. and 2. above, including additional Indebtedness incurred to pay premiums, defeasance costs, accrued interest and fees and expenses in connection therewith;</li> </ol> <p>(ix) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds or similar bonds securing any obligations of the Issuer or any Restricted Subsidiary pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Subsidiary (other than Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ol style="list-style-type: none"> <li>1. Indebtedness Incurred pursuant to clause (a) above; or</li> <li>2. Indebtedness Incurred pursuant to subclauses (i) (including Refinancing Indebtedness Incurred to defease the Old Notes as provided in "Defeasance," to the extent the proceeds therefrom are applied concurrently to defease the Old Notes), (ii), (viii) and (xi) of this clause (b);</li> </ol> <p>(vii) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds or similar bonds securing any obligations of the Issuer or any Restricted Subsidiary pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Subsidiary (other than Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition), so long as the principal amount thereof does not exceed, at any time, the gross proceeds (including non-cash proceeds) actually received by the Issuer or such Restricted Subsidiary in connection with such disposition;</p> <p>(viii) Indebtedness constituting reimbursement obligations in respect of trade or performance letters of credit entered into in the ordinary course of business which are not Incurred in</p> | <p>financing such acquisition), so long as the principal amount thereof does not exceed, at any time, the gross proceeds (including non-cash proceeds) actually received by the Issuer or such Restricted Subsidiary in connection with such disposition;</p> <p>(x) Indebtedness constituting reimbursement obligations in respect of trade or performance letters of credit entered into in the ordinary course of business which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Issuer and any Restricted Subsidiary;</p> <p>(xi) Acquired Indebtedness; <u>provided</u> that, after giving effect to the Incurrence thereof and the acquisition of such Restricted Subsidiary (other than a Project Finance Subsidiary), the Issuer could</p> <ol style="list-style-type: none"> <li>1. Incur at least U.S.\$1.00 of Indebtedness pursuant to the foregoing clause (a) of this covenant, or</li> <li>2. (x) the Interest Coverage Ratio would be at least equal to, or greater than, the Interest Coverage Ratio immediately prior to such transaction, and (y) the Net Debt to EBITDA Ratio would be at least equal to, or lower than, the Net Debt to EBITDA Ratio immediately prior to such transaction; <u>provided</u> that, with respect to the Person being acquired, (1) the Interest Coverage Ratio of such Person is at least 2.50:1.00</li> </ol> |



|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Issuer and any Restricted Subsidiary;</p> <p>(ix) Acquired Indebtedness; <u>provided</u> that, after giving effect to the Incurrence thereof and the acquisition of such Restricted Subsidiary (other than a Project Finance Subsidiary), the Issuer could</p> <ol style="list-style-type: none"> <li>1. Incur at least U.S.\$1.00 of Indebtedness pursuant to the foregoing clause (a) of this covenant, or</li> <li>2. (x) the Interest Coverage Ratio would be at least equal to, or greater than, the Interest Coverage Ratio immediately prior to such transaction, and (y) the Net Debt to EBITDA Ratio would be at least equal to, or lower than, the Net Debt to EBITDA Ratio immediately prior to such transaction; <u>provided</u> that, with respect to the Person being acquired, (1) the Interest Coverage Ratio of such Person is at least 2.50:1.00 and (2) the Net Debt to EBITDA Ratio of such Person is not greater than 3.50:1.00;</li> </ol> <p>(x) Indebtedness Incurred to finance all or any portion of the purchase price or cost of construction, development, improvement or modification of property of the Issuer or any Restricted Subsidiary (other than Project Finance Subsidiaries) to be used in a Permitted Business (A) at</p> | <p>and (2) the Net Debt to EBITDA Ratio of such Person is not greater than 3.50:1.00;</p> <p>(xii) Indebtedness Incurred to finance all or any portion of the purchase price or cost of construction, development, improvement or modification of property of the Issuer or any Restricted Subsidiary (other than Project Finance Subsidiaries) to be used in a Permitted Business in an aggregate principal amount not to exceed the greater of (x) U.S.\$130 million (or the equivalent in other currencies), or (y) 10.5% of Consolidated Net Tangible Assets at any time outstanding; <u>provided</u> that, after giving pro forma effect to the incurrence of such Indebtedness under this clause (xii), the Interest Coverage Ratio of the Issuer and its Restricted Subsidiaries would be at least 2.50:1.00; and</p> <p>(xiii) in addition to Indebtedness referred to in subclauses (i) through (xii) above of this clause (b), Indebtedness of the Issuer and any Restricted Subsidiary in an aggregate principal amount not to exceed the greater of (A) U.S.\$55 million (or the equivalent in other currencies), or (B) 5% of Consolidated Net Tangible Assets at any time outstanding.</p> <p>(c) Notwithstanding the foregoing, none of the Issuer or any Restricted Subsidiaries will Incur any Indebtedness (other than Non-Recourse Indebtedness) that is contractually subordinated in right of payment to any other Indebtedness, unless such Indebtedness is also expressly subordinated in right of payment to the New Notes or the Note Guarantees, as the case may be, to the</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>any time in an aggregate principal amount not to exceed the greater of (x) U.S.\$30 million (or the equivalent in other currencies), or (y) 3% of Consolidated Net Tangible Assets at any time outstanding and (B) after January 1, 2018 in an aggregate principal amount not to exceed the greater of (x) an additional U.S.\$100 million (or the equivalent in other currencies), or (y) an additional 7.5% of Consolidated Net Tangible Assets at any time outstanding; <u>provided</u> that, after giving pro forma effect to the incurrence of such Indebtedness under this clause (xii)(B), the Interest Coverage Ratio of the Issuer and its Restricted Subsidiaries would be at least 2.00:1.00 for the period beginning on January 1, 2018 and ending on December 31, 2018, 2.25 for the period beginning on January 1, 2019 and ending on December 31, 2020, and 2.50:1.00 for the period beginning on January 1, 2021 and thereafter; and</p> <p>(xi) in addition to Indebtedness referred to in subclauses (i) through (xii) above of this clause (b), Indebtedness of the Issuer and any Restricted Subsidiary in an aggregate principal amount not to exceed the greater of (A) U.S.\$55 million (or the equivalent in other currencies), or (B) 5% of Consolidated Net Tangible Assets at any time outstanding.</p> <p>(d) Notwithstanding the foregoing, none of the Issuer or any Restricted Subsidiaries will Incur any Indebtedness (other than Non-</p> | <p>same extent and on the same terms as such Indebtedness is subordinate to such other Indebtedness; <u>provided, however,</u> that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.</p> <p>(d) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this covenant:</p> <p>(i) the outstanding principal amount of any item of Indebtedness will be counted only once (without duplication for Guarantees or otherwise);</p> <p>(ii) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in subclauses (i) through (xiii) of clause (b) above, the Issuer may, in its sole discretion, divide and classify (or at any time reclassify) such item of Indebtedness in any manner that complies with this covenant; and</p> <p>(iii) the amount of Indebtedness (including Indebtedness issued at original issue discount) Incurred by a Person on the Incurrence date thereof shall equal the amount recognized as a liability on the balance sheet of such Person determined in accordance with IFRS. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | New Notes                                                                                                                                                                                        |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Recourse Indebtedness) that is contractually subordinated in right of payment to any other Indebtedness, unless such Indebtedness is also expressly subordinated in right of payment to the Old Notes or the Note Guarantees, as the case may be, to the same extent and on the same terms as such Indebtedness is subordinate to such other Indebtedness; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.</p> <p>(e) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this covenant:</p> <p>(i) the outstanding principal amount of any item of Indebtedness will be counted only once (without duplication for Guarantees or otherwise);</p> <p>(ii) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in subclauses (i) through (xiii) of clause (b) above, the Issuer may, in its sole discretion, divide and classify (or at any time reclassify) such item of Indebtedness in any manner that complies with this covenant; and</p> <p>(iii) the amount of Indebtedness (including Indebtedness issued at original issue discount) Incurred by a Person on the Incurrence date thereof shall equal the amount recognized as a liability on the balance sheet of such Person determined in accordance</p> | <p>Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant.</p> |

|                            | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | <p>with IFRS. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Restricted Payments</b> | <p>The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a “Restricted Payment”):</p> <p>(a) declare or pay any dividend or make any distribution or return of capital on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than:</p> <ul style="list-style-type: none"> <li>dividends or distributions payable in Qualified Capital Stock of the Issuer or such Restricted Subsidiary; or</li> <li>dividends, distributions or returns of capital payable to the Issuer and/or any Restricted Subsidiary (other than dividends, distributions or returns of capital made by a Project Finance Subsidiary to another Project Finance Subsidiary), and, if a Restricted Subsidiary has shareholders other than the Issuer or any other Restricted Subsidiary, to its other shareholders on a pro rata basis;</li> </ul> <p>(b) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer except for Capital Stock held by the Issuer or a Restricted Subsidiary</p> | <p>The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a “Restricted Payment”):</p> <p>(a) declare or pay any dividend or make any distribution or return of capital on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than: dividends or distributions payable in Qualified Capital Stock of the Issuer or such Restricted Subsidiary; or dividends, distributions or returns of capital payable to the Issuer and/or any Restricted Subsidiary (other than dividends, distributions or returns of capital made by a Project Finance Subsidiary to another Project Finance Subsidiary), and, if a Restricted Subsidiary has shareholders other than the Issuer or any other Restricted Subsidiary, to its other shareholders on a pro rata basis;</p> <p>(b) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer except for Capital Stock held by the Issuer or a Restricted Subsidiary (other than a Project Finance Subsidiary, but only to the extent that the purchase, redemption, acquisition or retirement is</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>(other than a Project Finance Subsidiary, but only to the extent that the purchase, redemption, acquisition or retirement is made by a Project Finance Subsidiary to another Project Finance Subsidiary);</p> <p>(c) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness, other than (i) interest payments (provided that no Default of Event of Default shall have occurred and be continuing), (ii) Indebtedness of the Issuer owing to and held by any Subsidiary Guarantor or Indebtedness of a Subsidiary Guarantor owing to and held by the Issuer or any other Subsidiary Guarantor permitted under clause (b)(v) of the covenant “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;” or</p> <p>(d) make any Restricted Investment;</p> <p>if at the time of the Restricted Payment and immediately after giving pro forma effect to such Restricted Payment:</p> <ol style="list-style-type: none"> <li>(1) a Default or Event of Default has occurred and is continuing (or would occur as a result thereof);</li> <li>(2) the Issuer is or would not be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to clause (a) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;”</li> <li>(3) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments declared or made subsequent to the Issue Date (excluding Restricted Payments made</li> </ol> | <p>made by a Project Finance Subsidiary to another Project Finance Subsidiary);</p> <p>(c) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness, other than (i) interest payments (provided that no Default of Event of Default shall have occurred and be continuing), (ii) Indebtedness of the Issuer owing to and held by any Subsidiary Guarantor or Indebtedness of a Subsidiary Guarantor owing to and held by the Issuer or any other Subsidiary Guarantor permitted under clause (b)(v) of the covenant “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;” or</p> <p>(d) make any Restricted Investment;</p> <p>if at the time of the Restricted Payment and immediately after giving pro forma effect to such Restricted Payment:</p> <ol style="list-style-type: none"> <li>(1) a Default or Event of Default has occurred and is continuing (or would occur as a result thereof);</li> <li>(2) the Issuer is or would not be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to clause (a) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;”</li> <li>(3) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments declared or made subsequent to the Issue Date (excluding Restricted Payments made pursuant to clauses (b) and (c) of the</li> </ol> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>pursuant to clauses (b) and (c) of the next succeeding paragraph) up to the date thereof shall exceed the sum of:</p> <p>(i) 100.0% of cumulative Consolidated Net Income (or, if Consolidated Net Income shall be a deficit, <i>minus</i> 100.0% of such deficit), accrued on a cumulative basis during the period, treated as one accounting period, beginning on July 1, 2016 and ending on the last day of the Issuer's most recent fiscal quarter for which financial statements of the Issuer have been provided to the Trustee pursuant to the Old Notes Indenture; <i>plus</i></p> <p>(ii) 50.0% of FONINVEMEM Receivables collected on a cumulative basis during the period beginning on July 1, 2016 and ending on the last day of the Issuer's most recent fiscal quarter for which financial statements of the Issuer have been provided to the Trustee pursuant to the Old Notes Indenture, and which FONINVEMEM Receivables are not otherwise disposed of in exchange for assets in a Permitted Business; <i>plus</i></p> <p>(iii) 100.0% of the aggregate net cash proceeds and the Fair Market Value of property received since the Issue Date by the Issuer from any Person from any:</p> <ol style="list-style-type: none"> <li>(x) contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock and, (y) issuance and sale of Qualified Capital Stock of the Issuer; or</li> <li>issuance and sale (and, in the case of Indebtedness of a</li> </ol> | <p>next succeeding paragraph) up to the date thereof shall exceed the sum of:</p> <p>(i) 100.0% of cumulative Consolidated Net Income (or, if Consolidated Net Income shall be a deficit, <i>minus</i> 100.0% of such deficit), accrued on a cumulative basis during the period, treated as one accounting period, beginning on January 1, 2023 and ending on the last day of the Issuer's most recent fiscal quarter for which financial statements of the Issuer have been provided to the New Notes Trustee pursuant to the New Notes Indenture; <i>plus</i></p> <p>(ii) 50.0% of FONINVEMEM Receivables collected on a cumulative basis during the period beginning on January 1, 2023 and ending on the last day of the Issuer's most recent fiscal quarter for which financial statements of the Issuer have been provided to the New Notes Trustee pursuant to the New Notes Indenture, and which FONINVEMEM Receivables are not otherwise disposed of in exchange for assets in a Permitted Business; <i>plus</i></p> <p>(iii) 100.0% of the aggregate net cash proceeds and the Fair Market Value of property received since the Issue Date by the Issuer from any Person from any:</p> <ol style="list-style-type: none"> <li>(x) contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock and, (y) issuance and sale of Qualified Capital Stock of the Issuer; or</li> <li>issuance and sale (and, in the case of Indebtedness of a</li> </ol> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Restricted Subsidiary (other than a Project Finance Subsidiary), at such time as it was a Restricted Subsidiary (other than a Project Finance Subsidiary)) of any Indebtedness included in clauses (a), (b), (c), (d) and (i) of the definition thereof of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) that has been converted into or exchanged for Qualified Capital Stock of the Issuer;</p> <p>excluding, in each case, any net cash proceeds (x) received from the Issuer or any Restricted Subsidiary, or (y) applied in accordance with clause (b) or (c) of the second paragraph of this covenant; <i>plus</i></p> <p>(iv) to the extent that any Restricted Investment is sold or otherwise liquidated or repaid or Designated as a Restricted Subsidiary, the cash proceeds with respect to such Restricted Investment (less the cost of disposition, if any) in the case of any sale, liquidation or repayment and the Fair Market Value of such Restricted Investments as of the date of Designation in the case of any Designation; <u>provided</u>, that if such Restricted Investment was made prior to the Issue Date, such amount shall not be included in determining the ability to make a Restricted Payment provided for in clauses (a), (b) and (c) of the first paragraph of this covenant; <i>plus</i></p> <p>(v) to the extent that:</p> | <p>Restricted Subsidiary (other than a Project Finance Subsidiary), at such time as it was a Restricted Subsidiary (other than a Project Finance Subsidiary)) of any Indebtedness included in clauses (a), (b), (c), (d) and (i) of the definition thereof of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) that has been converted into or exchanged for Qualified Capital Stock of the Issuer;</p> <p>excluding, in each case, any net cash proceeds (x) received from the Issuer or any Restricted Subsidiary, or (y) applied in accordance with clause (b) or (c) of the second paragraph of this covenant; <i>plus</i></p> <p>(iv) to the extent that any Restricted Investment is sold or otherwise liquidated or repaid or Designated as a Restricted Subsidiary, the cash proceeds with respect to such Restricted Investment (less the cost of disposition, if any) in the case of any sale, liquidation or repayment and the Fair Market Value of such Restricted Investments as of the date of Designation in the case of any Designation; <u>provided</u>, that if such Restricted Investment was made prior to the Issue Date, such amount shall not be included in determining the ability to make a Restricted Payment provided for in clauses (a), (b) and (c) of the first paragraph of this covenant; <i>plus</i></p> <p>(v) to the extent that:</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>1. any Unrestricted Subsidiary of the Issuer Designated as such on or after the Issue Date is redesignated as a Restricted Subsidiary and not as a Project Finance Subsidiary, the Fair Market Value of the Investment of the Issuer in such Subsidiary as of the date of such redesignation; and</p> <p>2. any Project Finance Subsidiary of the Issuer Designated as such on or after the Issue Date has such Designation revoked and such Project Finance Subsidiary remains a Restricted Subsidiary after the Issue Date, the Fair Market Value of the Investment of the Issuer in such Subsidiary as of the date of such revocation; <i>plus</i></p> <p>(vi) to the extent that the Issuer or a Restricted Subsidiary terminates all or any part of any commitment to make an Investment that was previously accounted for as a Restricted Payment under clause (g) of the next succeeding paragraph, the amount of the terminated commitment; <i>plus</i></p> <p>(vii) to the extent not included above under this clause, 100.0% of any dividends, distributions or cash received by the Issuer or its Restricted Subsidiaries from an Unrestricted Subsidiary, Project Finance Subsidiary or any Person in which the Issuer or a Restricted Subsidiary owns a minority interest.</p> <p>Notwithstanding the preceding paragraph, this covenant does not prohibit:</p> | <p>1. any Unrestricted Subsidiary of the Issuer Designated as <u>such</u> on or after the Issue Date is redesignated as a Restricted Subsidiary and not as a Project Finance Subsidiary, the Fair Market Value of the Investment of the Issuer in such Subsidiary as of the date of such redesignation; and</p> <p>2. any Project Finance Subsidiary of the Issuer Designated as such on or after the Issue Date has such Designation revoked and such Project Finance Subsidiary remains a Restricted Subsidiary after the Issue Date, the Fair Market Value of the Investment of the Issuer in such Subsidiary as of the date of such revocation; <i>plus</i></p> <p>(vi) to the extent that the Issuer or a Restricted Subsidiary terminates all or any part of any commitment to make an Investment that was previously accounted for as a Restricted Payment under clause (g) of the next succeeding paragraph, the amount of the terminated commitment; <i>plus</i></p> <p>(vii) to the extent not included above under this clause, 100.0% of any dividends, distributions or cash received by the Issuer or its Restricted Subsidiaries from an Unrestricted Subsidiary, Project Finance Subsidiary or any Person in which the Issuer or a Restricted Subsidiary owns a minority interest.</p> <p>Notwithstanding the preceding paragraph, this covenant does not prohibit:</p> |



|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>(a) the payment of any dividend within 60 days after the date of declaration of such dividend, if such dividend would have been permitted on the date of declaration pursuant to the preceding paragraph;</p> <p>(b) the distribution of any dividends or distributions received by the Issuer and/or any Restricted Subsidiary from Unrestricted Subsidiaries to the Issuer and/or any Restricted Subsidiary and, if a Restricted Subsidiary has shareholders other than the Issuer or any other Restricted Subsidiary, to its other shareholders on a pro rata basis;</p> <p>(c) any Restricted Payment either (i) in exchange for Qualified Capital Stock of the Issuer or (ii) through the application of the net cash proceeds received by the Issuer from (x) a substantially concurrent sale of Qualified Capital Stock of the Issuer or (y) a contribution to the Capital Stock of the Issuer (other than Disqualified Capital Stock), in each case, not received from a Restricted Subsidiary;</p> <p>(d) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Restricted Subsidiary, of:</p> <p style="padding-left: 40px;">(i) Qualified Capital Stock of the Issuer;<br/>or</p> <p style="padding-left: 40px;">(ii) Refinancing Indebtedness for such Subordinated Indebtedness;</p> <p>(e) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights to the extent such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights or</p> | <p>(a) the payment of any dividend within 60 days after the date of declaration of such dividend, if such dividend would have been permitted on the date of declaration pursuant to the preceding paragraph;</p> <p>(b) the distribution of any dividends or distributions received by the Issuer and/or any Restricted Subsidiary from Unrestricted Subsidiaries to the Issuer and/or any Restricted Subsidiary and, if a Restricted Subsidiary has shareholders other than the Issuer or any other Restricted Subsidiary, to its other shareholders on a pro rata basis;</p> <p>(c) any Restricted Payment either (i) in exchange for Qualified Capital Stock of the Issuer or (ii) through the application of the net cash proceeds received by the Issuer from (x) a substantially concurrent sale of Qualified Capital Stock of the Issuer or (y) a contribution to the Capital Stock of the Issuer (other than Disqualified Capital Stock), in each case, not received from a Restricted Subsidiary;</p> <p>(d) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Restricted Subsidiary, of:</p> <p style="padding-left: 40px;">(i) Qualified Capital Stock of the Issuer;<br/>or</p> <p style="padding-left: 40px;">Refinancing Indebtedness for such Subordinated Indebtedness;</p> <p>(e) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights to the extent such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights or</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>nominal cash payments in lieu of issuances of fractional shares;</p> <p>(f) the payment of dividends or distributions to fund the repurchase, redemption or other acquisition or retirement for value of any of the Issuer's or any Restricted Subsidiary's Capital Stock held by any then-existing or former director, officer or employee of the Issuer or any Restricted Subsidiary (or permitted transferees, assigns, estates, trusts or heirs of such director, officer or employee); provided, however, that the aggregate Restricted Payments made under this clause (f) do not exceed U.S.\$5 million (or the equivalent in other currencies) in any fiscal year of the Issuer; provided, further, that the amounts in any fiscal year may be increased by an amount not to exceed: (i) the cash proceeds received by the Issuer or any Restricted Subsidiary from the sale of Capital Stock of the Issuer or any Restricted Subsidiary to any present or former employees, directors, officers or consultants thereof (or their respective permitted transferees) following the Issue Date; plus (ii) the cash proceeds of "key man" life insurance policies received by the Issuer or a Restricted Subsidiary since the Issue Date;</p> <p>(g) the payment at any time of all or any part of a Restricted Investment, if at the time of the entering into the commitment to make the Restricted Investment, the making of such Restricted Investment would have been permitted under any provision of the Old Notes Indenture; provided that at the time of entering into such commitment to make the Restricted Investment (i) the entire amount of such commitment was permitted to be made as a Restricted Payment under the Old Notes Indenture as if the entire amount was made on the date of such commitment, and (ii) the entire amount of such commitment is included in the calculation</p> | <p>nominal cash payments in lieu of issuances of fractional shares;</p> <p>(f) the payment of dividends or distributions to fund the repurchase, redemption or other acquisition or retirement for value of any of the Issuer's or any Restricted Subsidiary's Capital Stock held by any then-existing or former director, officer or employee of the Issuer or any Restricted Subsidiary (or permitted transferees, assigns, estates, trusts or heirs of such director, officer or employee); <u>provided, however,</u> that the aggregate Restricted Payments made under this clause (f) do not exceed U.S.\$5 million (or the equivalent in other currencies) in any fiscal year of the Issuer; <u>provided, further,</u> that the amounts in any fiscal year may be increased by an amount not to exceed: (i) the cash proceeds received by the Issuer or any Restricted Subsidiary from the sale of Capital Stock of the Issuer or any Restricted Subsidiary to any present or former employees, directors, officers or consultants thereof (or their respective permitted transferees) following the Issue Date; <i>plus</i> (ii) the cash proceeds of "key man" life insurance policies received by the Issuer or a Restricted Subsidiary since the Issue Date;</p> <p>(g) the payment at any time of all or any part of a Restricted Investment, if at the time of the entering into the commitment to make the Restricted Investment, the making of such Restricted Investment would have been permitted under any provision of the New Notes Indenture; <u>provided</u> that at the time of entering into such commitment to make the Restricted Investment (i) the entire amount of such commitment was permitted to be made as a Restricted Payment under the New Notes Indenture as if the entire amount was made on the date of such commitment, and (ii) the entire amount of such commitment is included in the</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>required under clause (3) of the first paragraph above;</p> <p>(h) repurchases of Subordinated Indebtedness at a purchase price not greater than (i) 101.0% of the principal amount or accreted value, as applicable, of such Subordinated Indebtedness and accrued and unpaid interest thereon in the event of a Change of Control or (ii) 100% of the principal amount or accreted value, as applicable, of such Subordinated Indebtedness and accrued and unpaid interest thereon in the event of an Asset Sale, in connection with any change of control offer or asset sale offer required by the terms of such Subordinated Indebtedness, provided that (x) in the case of a Change of Control, the Issuer has first complied with and fully satisfied its obligations under the covenant described above under the caption “—Change of Control;” or (y) in the case of an Asset Sale, the Issuer has first complied with and fully satisfied its obligations under the covenant “Limitation on Asset Sales;”</p> <p>(i) the payment by the Issuer of any dividend payable and already declared as of the Issue Date with respect to periods prior to January 1, 2016 up to a maximum amount of U.S.\$145 million; and</p> <p>(j) Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (j), does not exceed at any time U.S.\$15 million (or the equivalent in other currencies), so long as no Default or Event of Default has occurred and is continuing (or would result therefrom) and so long as, after giving pro forma effect to the payment of such Restricted Payment, the Issuer is or would be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to “Limitation on Incurrence of Additional Indebtedness.”</p> | <p>calculation required under clause (3) of the first paragraph above;</p> <p>(h) repurchases of Subordinated Indebtedness at a purchase price not greater than (i) 101.0% of the principal amount or accreted value, as applicable, of such Subordinated Indebtedness and accrued and unpaid interest thereon in the event of a Change of Control or (ii) 100% of the principal amount or accreted value, as applicable, of such Subordinated Indebtedness and accrued and unpaid interest thereon in the event of an Asset Sale, in connection with any change of control offer or asset sale offer required by the terms of such Subordinated Indebtedness, <u>provided</u> that (x) in the case of a Change of Control, the Issuer has first complied with and fully satisfied its obligations under the covenant described above under the caption “—Change of Control;” or (y) in the case of an Asset Sale, the Issuer has first complied with and fully satisfied its obligations under the covenant “Limitation on Asset Sales;”</p> <p>(i) the payment by the Issuer of any dividend with respect to periods prior to January 1, 2023 up to a maximum amount of U.S.\$145 million; and</p> <p>(j) Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (j), does not exceed at any time U.S.\$15 million (or the equivalent in other currencies), so long as no Default or Event of Default has occurred and is continuing (or would result therefrom) and so long as, after giving pro forma effect to the payment of such Restricted Payment, the Issuer is or would be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant “Limitation on Incurrence of Additional Indebtedness.”</p> <p>The amount of any Restricted Payments not in cash will be the Fair Market Value on the date</p> |

|                           | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                           | The amount of any Restricted Payments not in cash will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by the Issuer or the applicable Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by the Issuer or the applicable Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Additional Amounts</b> | <p>All payments made by or on behalf of the Issuer, any Subsidiary Guarantor or any successor to any such person (each, a “Payor”) under, or with respect to, the Old Notes or the Note Guarantees, as the case may be, will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, “Taxes”) imposed, established, levied, collected or assessed by or on behalf of (1) Argentina or any political subdivision or Governmental Authority thereof or therein having the power to tax, (2) any jurisdiction from or through which payment on the Old Notes or the Note Guarantees is made by or on behalf of any Payor, or any political subdivision or Governmental Authority thereof or therein having the power to tax or (3) any other jurisdiction in which a Payor is organized, engaged in business or otherwise resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “Relevant Taxing Jurisdiction”), unless the withholding or deduction of such Taxes is then required by law or the interpretation or administration thereof.</p> <p>If any deduction or withholding for, or on account of, any Taxes of any Relevant Taxing Jurisdiction will at any time be required from any payments made with respect to the Old Notes, including payments of principal, premium, if any, redemption price or interest, the Payor will pay (together with such payments) such additional amounts (the “Additional Amounts”) as may be necessary in</p> | <p>All payments made by or on behalf of the Issuer, any Subsidiary Guarantor or any successor to any such Person (each, a “Payor”) under, or with respect to, the New Notes or the Note Guarantees, as the case may be, will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, “Taxes”) imposed, established, levied, collected or assessed by or on behalf of (1) Argentina or any political subdivision or Governmental Authority thereof or therein having the power to tax, (2) any jurisdiction from or through which payment on the New Notes or the Note Guarantees is made by or on behalf of any Payor, or any political subdivision or Governmental Authority thereof or therein having the power to tax or (3) any other jurisdiction in which a Payor is organized, engaged in business or otherwise resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “Relevant Taxing Jurisdiction”), unless the withholding or deduction of such Taxes is then required by law or the interpretation or administration thereof.</p> <p>If any deduction or withholding for, or on account of, any Taxes of any Relevant Taxing Jurisdiction will at any time be required from any payments made with respect to the New Notes, including payments of principal, premium, if any, redemption price or interest, the Payor will pay (together with such payments) such additional amounts (the “Additional Amounts”) as may be necessary in</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>order that the net amounts receivable by the Holders or beneficial owners of the Old Notes after such withholding or deduction (including any such deduction or withholding from such Additional Amounts) in respect of such Taxes shall equal the respective amounts which would have been receivable by each Holder or beneficial owner in respect of such payments in the absence of such withholding or deduction; <u>provided however</u>, that no such Additional Amounts will be payable with respect to:</p> <p>(k) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner of an Old Note (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, limited liability company, partnership or corporation) and the Relevant Taxing Jurisdiction (other than the mere ownership of such Old Note or the receipt of such payment in respect thereof);</p> <p>(l) any estate, inheritance, gift, value added, personal property, sales, use, excise, transfer or other similar Tax imposed with respect to such payment;</p> <p>(m) any Taxes which are imposed, payable or due because definitive Old Notes are presented for payment (where presentation is required) more than 30 days after the later of (i) the date such payment was due and (ii) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect will have been given to the Holders by the Trustee; except for Additional Amounts with respect to Taxes that would have been imposed had</p> | <p>order that the net amounts receivable by the Holders or beneficial owners of the New Notes after such withholding or deduction (including any such deduction or withholding from such Additional Amounts) in respect of such Taxes shall equal the respective amounts which would have been receivable by each Holder or beneficial owner in respect of such payments in the absence of such withholding or deduction; <u>provided however</u>, that no such Additional Amounts will be payable with respect to:</p> <p>(a) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner of a New Note (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, limited liability company, partnership or corporation) and the Relevant Taxing Jurisdiction (other than the mere ownership of such New Note or the receipt of such payment in respect thereof);</p> <p>(b) any estate, inheritance, gift, value added, personal property, sales, use, excise, transfer or other similar Tax imposed with respect to such payment;</p> <p>(c) any Taxes which are imposed, payable or due because definitive New Notes are presented for payment (where presentation is required) more than 30 days after the later of (i) the date such payment was due and (ii) if the full amount payable has not been received by the New Notes Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect will have been given to the Holders by the New Notes Trustee; except for Additional Amounts with respect to Taxes that would have been</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>the Holder presented the Old Note for payment during such 30-day period;</p> <p>(n) any Taxes that are imposed or withheld by reason of the failure of the Holder or beneficial owner of an Old Note to comply, at the Issuer's written request, with any certification, identification, information, documentation or other reporting requirements if (1) such compliance is required or imposed by a statute, treaty or regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes, (2) the Issuer has given the Holder or the beneficial owner at least 30 days' notice that the Holder or beneficial owner will be required to so comply, and (3) such compliance is not more onerous to the Holder or beneficial owner than would be comparable certification, information, documentation or other reporting requirements imposed under U.S. tax law, regulation and administrative practice (such as IRS Forms W-8 and W-9 or any comparable successor forms);</p> <p>(o) any Old Note presented for payment (where presentation is required) at an office of a paying agent in Argentina (provided the Old Notes can also be presented at an office of a paying agent outside of Argentina without any such withholding or deduction);</p> <p>(p) any Taxes payable other than by withholding or deduction from payments on the Old Notes;</p> <p>(q) any Taxes imposed pursuant to Sections 1471-1474 of the U.S. Internal Revenue Code of 1986, as amended, the U.S. Treasury regulations thereunder and any other official guidance thereunder ("FATCA"), any intergovernmental agreement entered into with respect to</p> | <p>imposed had the Holder presented the New Note for payment during such 30-day period;</p> <p>(d) any Taxes that are imposed or withheld by reason of the failure of the Holder or beneficial owner of a New Note to comply, at the Issuer's written request, with any certification, identification, information, documentation or other reporting requirements if (1) such compliance is required or imposed by a statute, treaty or regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes, (2) the Issuer has given the Holder or the beneficial owner at least 30 days' notice that the Holder or beneficial owner will be required to so comply, and (3) such compliance is not materially more onerous to the Holder or beneficial owner than would be comparable certification, information, documentation or other reporting requirements imposed under U.S. tax law, regulation and administrative practice (such as IRS Forms W-8 and W-9 or any comparable successor forms);</p> <p>(e) any New Note presented for payment (where presentation is required) at an office of a paying agent in Argentina (provided the New Note can also be presented at an office of a paying agent outside of Argentina without any such withholding or deduction);</p> <p>(f) any Taxes payable other than by withholding or deduction from payments on the New Notes;</p> <p>(g) any payment to any Holder who is a fiduciary or partnership or limited liability company or any Person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing, or relating to, FATCA, similar legislation under the laws of any other jurisdiction, or any such intergovernmental agreement;</p> <p>(r) any payment to any Holder who is a fiduciary or partnership or limited liability company or any person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or limited liability company or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner held such Old Note directly; or</p> <p>(s) any combination of the above.</p> <p>The Payor will (1) make any required withholding or deduction, and (2) remit the full amount deducted or withheld to the applicable taxing authority in the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide to the Trustee certified copies of tax receipts or, if such tax receipts are not reasonably available, such other documentation evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes. The Payor will attach to such documentation a certificate stating (i) that the amount of withholding Taxes evidenced by such documentation was paid in connection with payments in respect of the principal amount of Old Notes then outstanding, and (ii) the amount of such withholding Taxes paid per U.S. dollar principal amount of the Old Notes.</p> <p>If the Payor will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Old Notes, the Payor will deliver to the Trustee, at least three Business Days prior to the relevant payment date, an Officers' Certificate stating the fact that such</p> | <p>member of such a partnership or limited liability company or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner held such New Notes directly;</p> <p>(h) with respect to any taxes, duties, assessments or other governmental charges imposed by Argentina or any political subdivision thereof or any authority therein to the extent that the Issuer has determined, based on information obtained directly from the recipient or from third parties, that such taxes, duties, assessments or other governmental charges are imposed (A) due to the residence of the foreign recipient of the payment in a jurisdiction designated as a non-cooperating jurisdiction (jurisdicción no cooperante) or (B) due to the fact that the funds invested by the foreign recipient of the payment are originated in a jurisdiction designated as a non-cooperating jurisdiction (jurisdicción no cooperante), in each case as determined under applicable Argentine laws or regulation; or</p> <p>(i) any combination of the above.</p> <p>Notwithstanding any other provision of the terms hereof, any amounts to be paid on the New Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to Holders of Old Notes on the payment date (unless such obligation to pay Additional Amounts arises, or the Payor becomes aware of such obligation, less than three Business Days prior to the relevant payment date, in which case the Payor shall notify the Trustee promptly and shall deliver such Officers' Certificate as promptly as practicable thereafter). Each such Officers' Certificate shall be relied upon by the Trustee without further enquiry until receipt of a further Officers' Certificate addressing such matters.</p> <p>The Issuer will pay when due any stamp, court, documentary or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of the Old Notes, the Old Notes Indenture or any documentation with respect thereto, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside Argentina except those resulting from, or required to be paid in connection with, the enforcement of the Old Notes after the occurrence and during the continuance of any Event of Default and the Issuer agrees to indemnify each of the Trustee, the paying agents and the Holders of the Old Notes for any such amounts paid by the Trustee, the paying agents or such Holders with respect to the Old Notes in default.</p> <p>The foregoing obligations to pay Additional Amounts will survive any termination, defeasance or discharge of the Old Notes Indenture and any transfer by an investor of its Old Notes (or beneficial interest therein).</p> <p>Whenever in the Old Notes Indenture there is mentioned, in any context, (1) the payment of principal, premium, if any, or interest, (2) redemption prices or purchase prices in connection with the redemption or purchase of Old Notes or (3) any other amount payable</p> | <p>practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "FATCA Withholding"). Neither the Issuer nor any other Person will be required to pay any Additional Amounts in respect of FATCA Withholding.</p> <p>The Payor will (1) make any required withholding or deduction, and (2) remit the full amount deducted or withheld to the applicable taxing authority in the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide to the New Notes Trustee certified copies of tax receipts or, if such tax receipts are not reasonably available, such other documentation evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes. The Payor will attach to such documentation a certificate stating (i) that the amount of withholding Taxes evidenced by such documentation was paid in connection with payments in respect of the principal amount of New Notes then outstanding, and (ii) the amount of such withholding Taxes paid per U.S. dollar principal amount of the New Notes.</p> <p>If the Payor will be obligated to pay Additional Amounts with respect to any payment under or with respect to the New Notes, the Payor will deliver to the New Notes Trustee, at least three Business Days prior to the relevant payment date, an Officers' Certificate stating the fact that such Additional Amounts will be payable, the amounts so payable and will set forth such other information necessary to enable the New Notes Trustee to pay such Additional Amounts to Holders of New Notes on the payment date (unless such obligation to pay Additional Amounts arises, or the Payor becomes aware of such obligation, less than three Business Days prior to the relevant payment date, in which case the Payor shall notify the New Notes Trustee promptly and shall deliver such Officers' Certificate as promptly as practicable thereafter). Each such Officers' Certificate shall be relied upon by the New Notes Trustee</p> |



|                            | <b>Old Notes</b>                                                                                                                                                                                                                                                                             | <b>New Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            | <p>under or with respect to any Old Note, such mention shall be deemed also to refer to any Additional Amounts which may be payable as set forth in the Old Notes Indenture or in the Old Notes.</p>                                                                                         | <p>without further enquiry until receipt of a further Officers' Certificate addressing such matters.</p> <p>The Issuer will pay when due any stamp, court, documentary or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of the New Notes, the New Notes Indenture or any documentation with respect thereto, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside Argentina except those resulting from, or required to be paid in connection with, the enforcement of the New Notes after the occurrence and during the continuance of any Event of Default and the Issuer agrees to indemnify each of the New Notes Trustee, the paying agents and the Holders of the New Notes for any such amounts paid by the New Notes Trustee, the paying agents or such Holders with respect to the New Notes in default.</p> <p>The foregoing obligations to pay Additional Amounts will survive any termination, defeasance or discharge of the New Notes Indenture and any transfer by an investor of its New Notes (or beneficial interest therein).</p> <p>Whenever in the New Notes Indenture there is mentioned, in any context, (1) the payment of principal, premium, if any, or interest, (2) redemption prices or purchase prices in connection with the redemption or purchase of New Notes or (3) any other amount payable under or with respect to any New Note, such mention shall be deemed also to refer to any Additional Amounts which may be payable as set forth in the New Notes Indenture or in the New Notes.</p> |
| <b>Optional Redemption</b> | <p>We may redeem the Old Notes, in whole or in part, at any time before February 2, 2021, by paying the greater of (1) 100% of the principal amount of the Old Notes to be redeemed and (2) a "make whole" amount, in each case plus accrued and unpaid interest to the redemption date.</p> | <p>We may redeem the New Notes, in whole or in part, at any time before February 16, 2026 (the "First Call Date"), by paying the greater of (1) 100% of the principal amount of the New Notes to be redeemed and (2) a "make whole" amount, in each case plus accrued and unpaid interest to the redemption date, as described</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

|                                       | <b>Old Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>New Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | <p>At any time on or after February 2, 2021, we may redeem the Old Notes, in whole or in part, at the redemption prices set forth herein, plus accrued and unpaid interest to the redemption date.</p> <ul style="list-style-type: none"> <li>• Commencing on (and including) February 2, 2021 and ending on (but excluding) February 2, 2022: 103.875%</li> <li>• Commencing on (and including) February 2, 2022 and ending on (but excluding) February 2, 2023: 101.9375%</li> <li>• Commencing on (and including) February 2, 2023 and thereafter: 100.000%</li> </ul> <p>In addition, before February 2, 2021, we may redeem up to 35% of the Old Notes with net cash proceeds from an equity offering, at the redemption price set forth herein, plus accrued and unpaid interest thereon to the redemption date.</p> <p>We may redeem the Old Notes, in whole but not in part, at a price equal to 100% of the principal amount plus accrued and unpaid interest to the redemption date and any additional amounts, if any, upon the occurrence of certain changes in tax law.</p> | <p>under “Description of the New Notes—Optional Redemption.”</p> <p>At any time on or after the First Call Date, we may redeem the New Notes, in whole or in part, at the redemption prices set forth herein, plus accrued and unpaid interest to the redemption date.</p> <ul style="list-style-type: none"> <li>• Commencing on (and including) February 16, 2026 and ending on (but excluding) February 16, 2027: 104.75%</li> <li>• Commencing on (and including) February 16, 2027 and thereafter: 100.000%</li> </ul> <p>In addition, before the First Call Date, we may redeem up to 35% of the New Notes with net cash proceeds from an equity offering, at the redemption price set forth herein, plus accrued and unpaid interest thereon to the redemption date. See “Description of the New Notes—Optional Redemption—Optional Redemption upon Equity Event.”</p> <p>We may redeem the New Notes, in whole but not in part, at a price equal to 100% of the principal amount plus accrued and unpaid interest to the redemption date and any additional amounts, if any, upon the occurrence of certain changes in tax law. See “Description of the New Notes—Optional Redemption—Optional Redemption for Changes in Withholding Taxes.”</p> |
| <b>Optional Redemption Procedures</b> | <p>In the event that less than all of the Old Notes are to be redeemed at any time, selection of Old Notes for redemption will be made (1) in compliance with the requirements of the principal national securities exchange, if any, on which Old Notes are listed and any applicable depository procedures, (2) by lot or such other similar method in accordance with the applicable procedures of DTC (if the Old Notes are global notes), or (3) if there are no such requirements of such exchange or the Old Notes are not then listed on a national securities exchange, then by lot, in accordance with the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Notice of any optional redemption will be sent, at least 10, but not more than 60 days, before the redemption date to each Holder of New Notes to be redeemed (with a copy to the New Notes Trustee) at the address of such Holder appearing in the security register or otherwise in accordance with the procedures of DTC and the provisions described in “Notices.”</p> <p>Notice of any redemption (except as described under “Optional Redemption—Optional Redemption for Changes in Withholding Taxes”) may, at the discretion of the Issuer, be subject to the satisfaction (or waiver by the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>applicable procedure of DTC or by such other method the Trustee deems fair and reasonable. No Old Notes of a principal amount of U.S.\$150,000 or less may be redeemed in part and Old Notes of a principal amount in excess of U.S.\$150,000 may be redeemed in part in multiples of U.S.\$1,000 only.</p> <p>Notice of any optional redemption will be sent, at least 30, but not more than 60 days, before the redemption date to each Holder of Old Notes to be redeemed (with a copy to the Trustee) at the address of such Holder appearing in the security register or otherwise in accordance with the procedures of DTC and the provisions described in “Notices.” If Old Notes are to be redeemed in part only, the notice of redemption will state the portion of the principal amount thereof to be redeemed. A new Old Note in a principal amount equal to the unredeemed portion thereof (if any) will be issued in the name of the Holder thereof upon cancellation of the original Old Note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate).</p> <p>Old Notes called for redemption will become due on the date fixed for redemption. The Issuer will pay the redemption price for any Old Note together with accrued and unpaid interest thereon to, but excluding, the date of redemption and Additional Amounts, if any, then due and which will become due on the redemption rate as a result of the redemption or otherwise. On and after the redemption date, interest will cease to accrue on Old Notes or portions thereof called for redemption as long as the Issuer has deposited with the applicable paying agent funds in satisfaction of the applicable redemption price together with accrued and unpaid interest and Additional Amounts, if any, thereon pursuant to the Old Notes Indenture. Upon redemption, the redeemed Old Notes will be cancelled and cannot be reissued.</p> | <p>Issuer in its sole discretion) of one or more conditions precedent, which may include consummation of any related offering of equity interests, incurrence of Indebtedness or the occurrence of a Change of Control. If such optional redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer’s discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been (or, in the Issuer’s sole determination, may not be) satisfied (or waived by the Issuer in its sole discretion) by the redemption date, or by the redemption date so delayed.</p> <p>Subject to the foregoing, in the case of any optional redemption of less than all of the New Notes, such New Notes will be redeemed, to the extent permitted under applicable law and securities exchange rules, on a pro rata basis provided, however, that New Notes held in global form shall be selected for redemption in accordance with the applicable rules of DTC. If any New Notes are to be redeemed only in part, the notice of redemption relating to such New Notes shall state the portion of the principal amount thereof to be redeemed. The New Notes Trustee will record each such partial redemption in the register, and Holders of New Notes may request the issue of New Notes in the name of the Holder in principal amount equal to the unredeemed portion thereof upon surrender and cancellation of the original New Notes. No New Notes of a principal amount of U.S.\$1.00 or less may be redeemed in part.</p> <p>The Issuer will pay the redemption price for any New Note together with accrued and unpaid interest thereon to, but excluding, the date of redemption and Additional Amounts, if any, then due and which will become due on the redemption rate as a result of the</p> |

|                                                               | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | redemption or otherwise. On and after the redemption date, interest will cease to accrue on New Notes or portions thereof called for redemption as long as the Issuer has deposited with the applicable paying agent funds in satisfaction of the applicable redemption price together with accrued and unpaid interest and Additional Amounts, if any, thereon pursuant to the New Notes Indenture. Upon redemption, the redeemed New Notes will be cancelled and cannot be reissued.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Limitation on Merger, Consolidation and Sale of Assets</b> | <p>The Issuer will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets (determined on a consolidated basis), to any Person unless:</p> <p>(a) either:</p> <ul style="list-style-type: none"> <li>(i) the Issuer shall be the surviving, transferee or continuing Person, or</li> <li>(ii) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer and its Restricted Subsidiaries substantially as an entirety (the “Surviving Entity”): <ul style="list-style-type: none"> <li>1. shall be a corporation organized and validly existing under the laws of (x) the jurisdiction under which the Issuer is or was organized or under the laws of Argentina, (y) the United States of America, any state thereof or the District of Columbia or (z) any country which is a member country of the Organisation for Economic Co-Operation and Development; and</li> <li>2. shall expressly assume, by supplemental indenture,</li> </ul> </li> </ul> | <p>The Issuer will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets (determined on a consolidated basis), to any Person unless:</p> <p>(a) either:</p> <ul style="list-style-type: none"> <li>(i) the Issuer shall be the surviving, transferee or continuing Person, or</li> <li>(ii) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer and its Restricted Subsidiaries substantially as an entirety (the “Surviving Entity”): <ul style="list-style-type: none"> <li>1. shall be organized and validly existing under the laws of (x) the jurisdiction under which the Issuer is or was organized or under the laws of Argentina, (y) the United States of America, any state thereof or the District of Columbia or (z) any country which is a member country of the Organisation for Economic Co-Operation and Development; and</li> <li>2. shall expressly assume, by supplemental indenture,</li> </ul> </li> </ul> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>executed and delivered to the Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Old Notes and the performance and observance of every covenant of the Old Notes and the Old Notes Indenture on the part of the Issuer to be performed or observed;</p> <p>(b) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(ii)(2) above (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred in connection with or in respect of such transaction), the Issuer or such Surviving Entity, as the case may be, either (i) will be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to clause (a) of “Limitation on Incurrence of Additional Indebtedness” or (ii) will have (x) an Interest Coverage Ratio at least equal to, or greater than, the Interest Coverage Ratio immediately prior to such transaction, and (y) a Net Debt to EBITDA Ratio at least equal to, or lower than, the Net Debt to EBITDA Ratio immediately prior to such transaction;</p> <p>(c) if the Surviving Entity is not the Issuer, each Subsidiary Guarantor has confirmed by supplemental indenture that its Note Guarantee will apply to all the obligations of the Surviving Entity in respect of the Old Notes Indenture and the Old Notes;</p> <p>(d) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(ii)(2) above (including, without limitation,</p> | <p>executed and delivered to the New Notes Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the New Notes and the performance and observance of every covenant of the New Notes and the New Notes Indenture on the part of the Issuer to be performed or observed;</p> <p>(b) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(ii)(2) above (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred in connection with or in respect of such transaction), the Issuer or such Surviving Entity, as the case may be, either (i) will be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to clause (a) of “Limitation on Incurrence of Additional Indebtedness” or (ii) will have (x) an Interest Coverage Ratio at least equal to, or greater than, the Interest Coverage Ratio immediately prior to such transaction, and (y) a Net Debt to EBITDA Ratio at least equal to, or lower than, the Net Debt to EBITDA Ratio immediately prior to such transaction;</p> <p>(c) if the Surviving Entity is not the Issuer, each Subsidiary Guarantor has confirmed by supplemental indenture that its Note Guarantee will apply to all the obligations of the Surviving Entity in respect of the New Notes Indenture and the New Notes;</p> <p>(d) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(ii)(2) above (including, without limitation,</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing or would occur;</p> <p>(e) all requisite governmental approvals therefor shall have been obtained;</p> <p>(f) the Issuer or Surviving Entity, as the case may be, has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if required in connection with such transaction, the supplemental indenture, comply with the applicable provisions of the Old Notes Indenture, that all conditions precedent in the Old Notes Indenture relating to the transaction have been satisfied and that any such supplemental indenture constitutes the legal, valid and binding obligation of the Surviving Entity and each Subsidiary Guarantor; and</p> <p>(g) the Issuer or the Surviving Entity, as the case may be, has delivered to the Trustee an Opinion of Counsel to the effect that the beneficial owners of the Old Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such transaction and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred.</p> <p>The provisions of this covenant above will not apply to any consolidation or merger, or any</p> | <p>giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing or would occur;</p> <p>(e) all requisite governmental approvals therefor shall have been obtained; and</p> <p>(f) (f) the Issuer or Surviving Entity, as the case may be, has delivered to the New Notes Trustee an Officers' Certificate and an Opinion of Counsel, each stating that the consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if required in connection with such transaction, the supplemental indenture, comply with the applicable provisions of the New Notes Indenture, that all conditions precedent in the New Notes Indenture relating to the transaction have been satisfied and that any such supplemental indenture constitutes the legal, valid and binding obligation of the Surviving Entity and each Subsidiary Guarantor.</p> <p>The provisions of this covenant above will not apply to any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of properties and assets, of a Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer where the Issuer is the surviving, transferee or continuing Person, or to any merger of the Issuer into a wholly owned Restricted Subsidiary (other than a Project Finance Subsidiary) of the Issuer (other than subsections (f) and (g)) created for the purpose of holding the Capital Stock of the Issuer so long as the Indebtedness of the Issuer</p> |

|                                      | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      | <p>sale, assignment, transfer, lease, conveyance or other disposition of properties and assets, of a Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer where the Issuer is the surviving, transferee or continuing Person, or to any merger of the Issuer into a wholly owned Restricted Subsidiary (other than a Project Finance Subsidiary) of the Issuer (other than subsections (f) and (g)) created for the purpose of holding the Capital Stock of the Issuer so long as the Indebtedness of the Issuer and any Restricted Subsidiary taken as a whole is not increased thereby.</p> <p>Upon any consolidation, combination or merger or any transfer of all or substantially all of the properties and assets of the Issuer and the Restricted Subsidiaries in accordance with this covenant, in which the Issuer is not the continuing Person, the Surviving Entity formed by such consolidation or into which the Issuer is merged or to which such conveyance, lease or transfer is made will succeed to, will be substituted for, and may exercise every right and power of, the Issuer under the Old Notes Indenture, the Old Notes or the applicable Note Guarantee, as the case may be, with the same effect as if such Surviving Entity had been named as such. Upon such substitution, the Issuer will be released from its obligations under the Old Notes Indenture. For the avoidance of doubt, compliance with this covenant will not affect the obligations of the Issuer (including a Surviving Entity, if applicable) under “Change of Control,” if applicable.</p> | <p>and any Restricted Subsidiary taken as a whole is not increased thereby.</p> <p>Upon any consolidation, combination or merger or any transfer of all or substantially all of the properties and assets of the Issuer and the Restricted Subsidiaries in accordance with this covenant, in which the Issuer is not the continuing Person, the Surviving Entity formed by such consolidation or into which the Issuer is merged or to which such conveyance, lease or transfer is made will succeed to, will be substituted for, and may exercise every right and power of, the Issuer under the New Notes Indenture, the New Notes or the applicable Note Guarantee, as the case may be, with the same effect as if such Surviving Entity had been named as such. Upon such substitution, the Issuer will be released from its obligations under the New Notes Indenture. For the avoidance of doubt, compliance with this covenant will not affect the obligations of the Issuer (including a Surviving Entity, if applicable) under “Change of Control,” if applicable.</p> |
| <b>Modification of the Indenture</b> | <p>From time to time, the Issuer, the Subsidiary Guarantors and the Trustee, without the consent of the Holders, may amend, modify or supplement the Old Notes Indenture and the Old Notes for the following purposes:</p> <p>(a) to cure any ambiguity, defect or inconsistency contained therein in a manner that is not materially adverse to the interests of the Holders;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>From time to time, the Issuer, the Subsidiary Guarantors and the New Notes Trustee, without the consent of the Holders, may amend, modify or supplement the New Notes Indenture and the New Notes for the following purposes:</p> <p>(a) to cure any ambiguity, defect or inconsistency contained therein in a manner that is not materially adverse to the interests of the Holders;</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>(b) to provide for uncertificated Old Notes in addition to or in place of certificated Old Notes;</p> <p>(c) to provide for the assumption by a Surviving Entity of the obligations of the Issuer or any Restricted Subsidiary under the covenant of the Old Notes Indenture described under “Limitation on Merger, Consolidation and Sale of Assets;”</p> <p>(d) to make any change that would provide any additional rights or benefits to Holders;</p> <p>(e) to make any change that does not adversely affect in any material respect the legal rights of any Holder under the Old Notes Indenture;</p> <p>(f) to evidence and provide for the acceptance of an appointment by a successor trustee;</p> <p>(g) to conform the text of the Old Notes Indenture, the Old Notes and the Note Guarantees to any provision of “Description of the Notes,” to the extent such provision was intended to be a verbatim recitation of the text of the Old Notes Indenture, the Note Guarantees or the Old Notes (as applicable);</p> <p>(h) to comply with any requirement of the CNV, MERVAL or MAE;</p> <p>(i) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Old Notes Indenture; or</p> <p>(j) to surrender any right or power conferred upon the Issuer.</p> <p>In connection with executing any amendment, the Trustee will be entitled to rely on such evidence as it deems appropriate, including solely on an Opinion of Counsel and Officers’ Certificate. Other modifications and amendments of the Old Notes Indenture or the Old Notes and/or the Note Guarantees may be made with the consent of the Holders of a majority in principal amount of the then outstanding Old Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Old Notes) issued under the Old Notes Indenture, and any existing default or compliance with any provision of the Old Notes Indenture or the Old Notes outstanding thereunder may be waived with the consent of the Holders of a majority in principal amount</p> | <p>(b) to provide for uncertificated New Notes in addition to or in place of certificated New Notes;</p> <p>(c) to provide for the assumption by a Surviving Entity of the obligations of the Issuer or any Restricted Subsidiary under the covenant of the New Notes Indenture described under “Limitation on Merger, Consolidation and Sale of Assets;”</p> <p>(d) to make any change that would provide any additional rights or benefits to Holders;</p> <p>(e) to make any change that does not adversely affect in any material respect the legal rights of any Holder under the New Notes Indenture;</p> <p>(f) to evidence and provide for the acceptance of an appointment by a successor trustee;</p> <p>(g) to conform the text of the New Notes Indenture, the New Notes and the Note Guarantees to any provision of “Description of the New Notes,” to the extent such provision was intended to be a verbatim recitation of the text of the New Notes Indenture, the Note Guarantees or the New Notes (as applicable);</p> <p>(h) to comply with any requirement of the CNV, BYMA or MAE;</p> <p>(i) to provide for the issuance of Additional New Notes in accordance with the limitations set forth in the New Notes Indenture; or</p> <p>(j) to surrender any right or power conferred upon the Issuer.</p> <p>In connection with executing any amendment, the New Notes Trustee will be entitled to rely on such evidence as it deems appropriate, including solely on an Opinion of Counsel and Officers’ Certificate. Other modifications and amendments of the New Notes Indenture or the New Notes and/or the Note Guarantees may be made with the consent of the Holders of a majority in principal amount of the then outstanding New Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the New Notes) issued under the New Notes Indenture, and any existing default or compliance with any provision of the New Notes Indenture or the New Notes outstanding thereunder may be waived with the consent of</p> |



|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>of the then outstanding Old Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Old Notes), in each case, by the adoption of a resolution at a meeting of Holders of the Old Notes as set forth below; provided that, without the consent of each Holder affected thereby, no amendment or waiver may (with respect to any Old Notes held by a non-consenting Holder):</p> <ul style="list-style-type: none"> <li>(a) reduce the percentage of the principal amount of the outstanding Old Notes whose Holders must consent to an amendment, supplement or waiver;</li> <li>(b) modify any provisions of the Old Notes Indenture relating to the quorum required at meetings of Holders of the Old Notes and voting requirements thereof (including any modification to any meeting of Holders of Old Notes at which any resolution is adopted, except to increase any such percentage or to provide that certain other provisions of the Old Notes Indenture cannot be modified or waived without the consent of the Holder of each Old Note adversely affected thereby);</li> <li>(c) reduce the rate of, or change or have the effect of changing the time for payment of, interest, including defaulted interest, on any Old Notes;</li> <li>(d) reduce the principal of, premium on, or change or have the effect of changing the fixed maturity of, any Old Notes, or change the date on which any Old Notes may be subject to redemption (but not the required notices periods relating thereto), or reduce the redemption price therefor;</li> <li>(e) waive a Default or Event of Default in the payment of principal of, premium, if any, Additional Amounts or interest on the Old Notes (except a rescission of acceleration of the Old Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding Old Notes with respect to a nonpayment default and a waiver of the payment default that resulted from such acceleration);</li> <li>(f) make any Old Notes payable in a currency or place of payment other than that stated in the Old Notes;</li> </ul> | <p>the Holders of a majority in principal amount of the then outstanding new notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the New Notes), in each case, by the adoption of a resolution at a meeting of Holders of the New Notes as set forth below or pursuant to any other reliable means that ensure Holders of New Notes prior access to information and allow them to vote; provided that, without the consent of each Holder affected thereby, no amendment or waiver may (with respect to any New Notes held by a non-consenting Holder):</p> <ul style="list-style-type: none"> <li>(a) reduce the percentage of the principal amount of the outstanding New Notes whose Holders must consent to an amendment, supplement or waiver;</li> <li>(b) modify any provisions of the New Notes Indenture relating to the quorum required at meetings of Holders of the New Notes and voting requirements thereof (including any modification to any meeting of Holders of New Notes at which any resolution is adopted, except to increase any such percentage or to provide that certain other provisions of the New Notes Indenture cannot be modified or waived without the consent of the Holder of each New Note adversely affected thereby);</li> <li>(c) reduce the rate of, or change or have the effect of changing the time for payment of, interest, including defaulted interest, on any New Notes;</li> <li>(d) reduce the principal of, premium on, or change or have the effect of changing the fixed maturity of, any New Notes, or change the date on which any New Notes may be subject to redemption (but not the required notices periods relating thereto), or reduce the redemption price therefor;</li> <li>(e) waive a Default or Event of Default in the payment of principal of, premium, if any, Additional Amounts or interest on the new notes (except a rescission of acceleration of the New Notes by the Holders of at least a majority in aggregate principal amount of the then outstanding New Notes with respect to a nonpayment default and a waiver of the payment default that resulted from such acceleration);</li> </ul> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>(g) make any change in provisions of the Old Notes Indenture entitling each Holder to receive payment of principal of, premium, if any, Additional Amounts, and interest on such Old Note on or after the due date thereof or to bring suit to enforce such payment;</li> <li>(h) amend, change or modify in any material respect the obligation of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred;</li> <li>(i) eliminate or modify in any manner any Subsidiary Guarantor's obligations with respect to its obligations under any Old Note Guarantee which adversely affects Holders in any material respect, except as contemplated in the Old Notes Indenture;</li> <li>(j) make any change in the provisions of the Old Notes Indenture described under "Additional Amounts" that adversely affects the rights of any Holder or amend the terms of the Old Notes in a way that would result in a loss of exemption from any applicable taxes;</li> <li>(k) amend the contractual right in the Old Notes to institute suit for any payment on or with respect to the Old Notes or the Note Guarantees on or after the respective due dates provided for in the Old Notes and the Old Notes Indenture; and</li> <li>(l) make any adverse change to the ranking of the Old Notes.</li> </ul> <p>The Old Notes Indenture contains provisions for convening meetings of Holders of the Old Notes (at the expense of the Issuer) to consider matters affecting their interests, but nothing in the Old Notes Indenture shall require the Issuer or the Trustee to convene a meeting except that the Issuer shall convene a meeting upon the request of Holders as provided below. A meeting of the Holders of the Old Notes may be called by the Board of Directors of the Issuer or its Supervisory Committee, the Trustee or upon the request of the Holders of at least 5.0% in principal amount of the outstanding Old Notes. If a meeting is held pursuant to the written request of Holders of the Old Notes, such meeting will be convened within 40 days from the date such written request is received</p> | <ul style="list-style-type: none"> <li>(f) make any New Notes payable in a currency or place of payment other than that stated in the New Notes;</li> <li>(g) make any change in provisions of the New Notes Indenture entitling each Holder to receive payment of principal of, premium, if any, Additional Amounts, and interest on such New Notes on or after the due date thereof or to bring suit to enforce such payment;</li> <li>(h) amend, change or modify in any material respect the obligation of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred;</li> <li>(i) eliminate or modify in any manner any Subsidiary Guarantor's obligations with respect to its obligations under any Note Guarantee which adversely affects Holders in any material respect, except as contemplated in the New Notes Indenture;</li> <li>(j) make any change in the provisions of the New Notes Indenture described under "Additional Amounts" that adversely affects the rights of any Holder or amend the terms of the New Notes in a way that would result in a loss of exemption from any applicable taxes;</li> <li>(k) amend the contractual right in the New Notes to institute suit for any payment on or with respect to the New Notes or the Note Guarantees on or after the respective due dates provided for in the New Notes and the New Notes Indenture; and</li> <li>(l) make any adverse change to the ranking of the New Notes.</li> </ul> <p>The New Notes Indenture contains provisions for convening meetings of Holders of the New Notes (at the expense of the Issuer) to consider matters affecting their interests, but nothing in the New Notes Indenture shall require the Issuer or the New Notes Trustee to convene a meeting except that the Issuer shall convene a meeting upon the request of Holders as provided below. A meeting of the Holders of the New Notes may be called by the Board of Directors of the Issuer or its Supervisory Committee, the New Notes Trustee or upon the request of the Holders of at least 5.0% in principal amount of the outstanding New Notes. If a meeting is held pursuant to the written request of Holders of the New Notes,</p> |

|  | <b>Old Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>New Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>by the Issuer. Any such meeting will be held in the City of Buenos Aires.</p> <p>Meetings of holders of the Old Notes will be held in accordance with the Negotiable Obligations Law. Meetings may be ordinary or extraordinary. Any proposed amendment to the terms and conditions of the Old Notes shall be dealt with at an extraordinary meeting.</p> <p>Notice of any meeting of the Holders of the Old Notes (which will include the date, place and time of the meeting, the agenda therefor and the requirements for attendance) will be given as set forth under “Notices” not less than 10 nor more than 30 days prior to the date fixed for the meeting and will be published by or on behalf of the Issuer and at the Issuer’s expense for five business days in Argentina in the Official Gazette of Argentina (Boletín Oficial), in a newspaper of wide circulation in Argentina and in the Merval’s Informative Bulletin (as long as the Old Notes are listed and traded on the Merval). Meetings of the Holders may be simultaneously convened for two dates, in case the initial meeting were to be adjourned for lack of quorum. However, for meetings that include in the agenda items requiring unanimous approval by the Holders or the amendment of any of the terms and conditions of the Old Notes, notice of a new meeting resulting from adjournment of the initial meeting for lack of quorum will be given not less than eight days prior to the date fixed for such new meeting and will be published for three business days in the Official Gazette of Argentina, a newspaper of wide circulation in Argentina and the Merval’s Informative Bulletin (as long as the Old Notes are listed and traded on the Merval).</p> <p>To be entitled to vote at a meeting of Holders, a person shall be (i) a Holder of one or more Old Notes as of the relevant record date or (ii) a person appointed by an instrument in writing as proxy by such a Holder of one or more Old Notes.</p> | <p>such meeting will be convened within 40 days from the date such written request is received by the Issuer. Any such meeting will be held in the City of Buenos Aires.</p> <p>Pursuant to the Negotiable Obligations Law, approval of any amendment, supplement or waiver by the Holders requires the consent of such Holders to be obtained pursuant to a meeting of Holders of New Notes held in accordance with the provisions described hereunder or pursuant to any other reliable means that ensures Holders of New Notes prior access to information and allows them to vote, in accordance with Section 14 of the Negotiable Obligations Law (as amended by Section 151 of the Argentine Productive Financing Law No. 27,440) and any other applicable regulation. It is not necessary for Holders of New Notes to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.</p> <p>Meetings of Holders will be convened and held in accordance with the provisions of the Negotiable Obligations Law and the Argentine Corporations Law No. 19,550 (as amended). Meetings may be ordinary meetings or extraordinary meetings. Any proposed amendment to the terms and conditions of the New Notes shall be dealt with at an extraordinary meeting. Any such meeting will be held in the City of Buenos Aires, Argentina; provided, however, that as long as it is permitted under Argentine law, the Issuer or the New Notes Trustee may determine to hold any such meetings simultaneously in New York City by means of telecommunications which permit the participants to hear and speak to each other.</p> <p>Notice of any meeting of the Holders of the New Notes (which will include the date, place and time of the meeting, the agenda therefor and the requirements for attendance) will be given as set forth under “Notices” not less than 10 nor more than 30 days prior to the date fixed</p> |

|  | <b>Old Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>New Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>The quorum at any ordinary meeting called to adopt a resolution will be persons holding or representing a majority in aggregate principal amount of the Old Notes then outstanding and at any reconvened adjourned meeting for lack of quorum will be any person(s) present at such reconvened adjourned meeting of noteholders of the Old Notes.</p> <p>The quorum at any extraordinary meeting called to adopt a resolution will be persons holding or representing at least 60% in aggregate principal amount of the Old Notes then outstanding and at any reconvened adjourned meeting for lack of quorum will be persons holding or representing at least 30% in aggregate principal amount of the Old Notes then outstanding. In the absence of a quorum at any such meeting, the meeting may be adjourned for a period of not less than 8 days nor more than 30 days, as determined by the chairman of the meeting. At any extraordinary meeting adjourned for lack of quorum, the persons entitled to vote 30% of the aggregate principal amount of all Old Notes at the time outstanding (or such greater percentage as may be required under applicable Argentine law) will constitute a quorum at any such reconvened adjourned extraordinary meeting.</p> <p>At any such meeting at which the proper quorum is present, any resolution to modify or amend, or to waive compliance with, any of the provisions of the Old Notes, or the Old Notes Indenture (other than the provisions referred to above requiring the consent of each Holder affected thereby), will be effectively passed and decided if approved by the persons entitled to vote not less than a majority of the aggregate principal amount of all Old Notes at the time outstanding, present or represented at the meeting.</p> <p>Any instrument given by or on behalf of any Holder in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent</p> | <p>for the meeting and will be published by or on behalf of the Issuer and at the Issuer's expense for five business days in Argentina in the Official Gazette of Argentina (Boletín Oficial), in a newspaper of wide circulation in Argentina and in the Bulletin of the BCBA (as long as the New Notes are listed and traded on BYMA) or such other informative systems of the markets in which the New Notes are listed as is applicable. Meetings of the Holders may be simultaneously convened for two dates, in case the initial meeting were to be adjourned for lack of quorum. However, for meetings that include in the agenda items requiring unanimous approval by the Holders or the amendment of any of the terms and conditions of the New Notes, notice of a new meeting resulting from adjournment of the initial meeting for lack of quorum will be given not less than eight days prior to the date fixed for such new meeting and will be published for three business days in the Official Gazette of Argentina, a newspaper of wide circulation in Argentina and the Bulletin of the BCBA (as long as the New Notes are listed and traded on BYMA) or such other informative systems of the markets in which the New Notes are listed, as is applicable.</p> <p>To be entitled to vote at a meeting of Holders, a Person shall be (i) a Holder of one or more New Notes as of the relevant record date or (ii) a Person appointed by an instrument in writing as proxy by such a Holder of one or more New Notes.</p> <p>The quorum at any ordinary meeting called to adopt a resolution will be Persons holding or representing a majority in aggregate principal amount of the New Notes then outstanding and at any reconvened adjourned meeting for lack of quorum will be any Person(s) present at such reconvened adjourned meeting of Holders.</p> <p>The quorum at any extraordinary meeting called to adopt a resolution will be Persons holding or representing at least 60% in aggregate principal amount of the New Notes</p> |

|  | <b>Old Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>New Notes</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Holders of such Old Note. Any modifications, amendments or waivers to the Old Notes Indenture or to the Old Notes will be conclusive and binding upon all Holders of such Old Notes whether or not they have given such consent or were present at any meeting, and on all Old Notes.</p> <p>The Trustee will designate the record date for determining the Holders of Old Notes entitled to vote at any meeting and will provide notice to such Holders in the manner set forth in the Old Notes Indenture. The Holder of an Old Note may, at any meeting of Holders of Old Notes at which such Holder is entitled to vote, cast one vote for each U.S. dollar in principal amount of the Old Notes held by such Holder in which the Old Notes are denominated.</p> <p>For purposes of the above, any Old Note authenticated and delivered pursuant to the Old Notes Indenture will, as of any date of determination, be deemed to be “outstanding,” except:</p> <ul style="list-style-type: none"> <li>(a) Old Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;</li> <li>(b) Old Notes that have been called for redemption or tendered for repurchase in accordance with their terms or which have become due and payable at maturity or otherwise and with respect to which monies sufficient to pay the principal thereof and any premium, interest, Additional Amounts or other amount thereon have been deposited with the Trustee; or</li> <li>(c) Old Notes in lieu of or in substitution for which other notes have been authenticated and delivered pursuant to the Old Notes Indenture;</li> </ul> <p>provided that in determining whether the Holders of the requisite principal amount of outstanding Old Notes (including Holders that are present at a meeting of Holders of such Old Notes for quorum purposes) have consented to or voted in favor of any notice, consent, waiver, amendment, modification or supplement under the Old Notes Indenture, Old Notes of such series owned directly or indirectly by the</p> | <p>then outstanding and at any reconvened adjourned meeting for lack of quorum will be Persons holding or representing at least 30% in aggregate principal amount of the New Notes then outstanding. In the absence of a quorum at any such meeting, the meeting may be adjourned for a period of not less than 8 days nor more than 30 days, as determined by the chairman of the meeting. At any extraordinary meeting adjourned for lack of quorum, the Persons entitled to vote 30% of the aggregate principal amount of all New Notes at the time outstanding (or such greater percentage as may be required under applicable Argentine law) will constitute a quorum at any such reconvened adjourned extraordinary meeting.</p> <p>At any such meeting at which the proper quorum is present, any resolution to modify or amend, or to waive compliance with, any of the provisions of the New Notes, or the New Notes Indenture (other than the provisions referred to above requiring the consent of each Holder affected thereby), will be effectively passed and decided if approved by the Persons entitled to vote not less than a majority of the aggregate principal amount of all New Notes at the time outstanding, present or represented at the meeting.</p> <p>Any instrument given by or on behalf of any Holder in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such New Notes. Any modifications, amendments or waivers to the New Notes Indenture or to the new no New Notes will be conclusive and binding upon all Holders of such New Notes whether or not they have given such consent or were present at any meeting, and on all New Notes.</p> <p>The Issuer or the New Notes Trustee, as applicable, will designate the record date for determining the Holders of New Notes entitled to vote at any meeting and will provide notice to such Holders in the manner set forth in the</p> |

|  | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Issuer, any Subsidiary Guarantor or any of their respective Subsidiaries and Affiliates will be disregarded and deemed not to be outstanding, except that in determining whether the Trustee shall be protected in relying upon any such notice, consent, waiver, amendment, modification or supplement, only Old Notes that the Trustee actually knows to be so owned shall be so disregarded.</p> <p>Promptly after the execution by the Issuer, each Subsidiary Guarantor and the Trustee of any supplement or amendment to the Old Notes Indenture, the Issuer will give notice thereof to the Holders of the Old Notes and, if applicable, to the CNV, setting forth in general terms the substance of such supplement or amendment. Any failure by the Issuer or the Trustee to give such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplement or amendment to the Old Notes Indenture.</p> <p>The consent of the Holders is not necessary under the Old Notes Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment, supplement or waiver. After an amendment, supplement or waiver under the Indenture becomes effective, the Issuer will be required to give notice to the Holders as provided under “Notices” briefly describing such amendment, supplement or waiver. The failure to give such notice to all Holders, or any defect therein, will not impair or affect the validity of such amendment, supplement or waiver.</p> | <p>New Notes Indenture. The Holder of a New Notes may, at any meeting of Holders of New Notes at which such Holder is entitled to vote, cast one vote for each U.S. dollar in principal amount of the New Notes held by such Holder in which the New Notes are denominated.</p> <p>For purposes of the above, any New Notes authenticated and delivered pursuant to the New Notes Indenture will, as of any date of determination, be deemed to be “outstanding,” except:</p> <ul style="list-style-type: none"> <li>(a) New Notes theretofore canceled by the New Notes Trustee or delivered to the Issuer or the New Notes Trustee for cancellation;</li> <li>(b) New Notes that have been called for redemption or tendered for repurchase in accordance with their terms or which have become due and payable at maturity or otherwise and with respect to which monies sufficient to pay the principal thereof and any premium, interest, Additional Amounts or other amount thereon have been deposited with the Issuer or with the New Notes Trustee; or</li> <li>(c) New Notes in lieu of or in substitution for which other New Notes have been authenticated and delivered pursuant to the New Notes Indenture;</li> </ul> <p>provided, however, that in determining whether the Holders of the requisite principal amount of outstanding New Notes (including Holders that are present at a meeting of Holders of such New Notes for quorum purposes) have consented to or voted in favor of any notice, consent, waiver, amendment, modification or supplement under the New Notes Indenture, New Notes of such series owned directly or indirectly by the Issuer, any Subsidiary Guarantor or any of their respective Subsidiaries and Affiliates will be disregarded and deemed not to be outstanding, except that in determining whether the New Notes Trustee shall be protected in relying upon any such notice, consent, waiver, amendment, modification or supplement, only New Notes that the New Notes Trustee actually knows to be so owned shall be so disregarded.</p> |

|  | Old Notes | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  |           | <p>Promptly after the execution by the Issuer, each Subsidiary Guarantor and the New Notes Trustee of any supplement or amendment to the New Notes Indenture, the Issuer will give notice thereof to the Holders of the New Notes and, if applicable, to the CNV, setting forth in general terms the substance of such supplement or amendment. Any failure by the Issuer or the New Notes Trustee to give such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplement or amendment to the New Notes Indenture.</p> <p>In the event that the New Notes are listed on BYMA and the MAE, such meeting of Holders and notices thereof will also comply with the applicable rules of BYMA and the MAE, as applicable.</p> <p>Meetings of Holders and related matters not expressly set forth herein will be governed by the provisions of the Negotiable Obligations Law, including, without limitation, the provisions of Articles 354 and 355 of the Argentine Companies Law No. 19,550, as amended, through the application of the provisions of Article 14 of the Negotiable Obligations Law.</p> <p>Any modifications, amendments or waivers to the New Notes Indenture or to the New Notes may also be approved by Holders pursuant to a written action consented to by Holders of the requisite percentage of New Notes under the New Notes Indenture. Such actions may be taken through the consent procedures of DTC or any other applicable depositary clearing system, or reliable means that ensure Holders prior access to information and allow them to vote, in accordance with Section 14 of the Negotiable Obligations Law and any other applicable law or regulation.</p> <p>The consent of the Holders is not necessary under the New Notes Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed</p> |

|                            | Old Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | New Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | amendment, supplement or waiver. After an amendment, supplement or waiver under the New Notes Indenture becomes effective, the Issuer will be required to give notice to the Holders as provided under “Notices” briefly describing such amendment, supplement or waiver. The failure to give such notice to all Holders, or any defect therein, will not impair or affect the validity of such amendment, supplement or waiver.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Certain Definitions</b> | <p>“<i>Capitalized Lease Obligations</i>” means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under IFRS. For purposes of this definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with IFRS.</p>                                                                                                                                                                                                                                                     | <p>“<i>Capitalized Lease Obligations</i>” means, at the time any determination thereof is to be made, the amount of liabilities in respect of capital leases that transfers to the lessee, substantially, all the risks and rewards incidental to ownership of an asset. The amount of Indebtedness represented by such obligations will be the capitalized amounts of such obligations at the time any determination thereof is to be made, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such leases prior to the first date such leases may be terminated without penalty. For the avoidance of doubt, it excludes any operating leases or portion thereof treated as debt by application of IFRS 16 and any liability in respect of a lease or hire purchase contract which would, in accordance with IFRS in force prior to January 1, 2019, have been treated as an operating lease.</p> |
|                            | <p>“<i>Consolidated Total Indebtedness</i>” means, with respect to the Issuer and its Restricted Subsidiaries, as of any date of determination, an amount equal to the aggregate amount (without duplication) of all Indebtedness (other than Non-Recourse Indebtedness) of the Issuer and its Restricted Subsidiaries outstanding at such time, in all cases determined on a consolidated basis in accordance with IFRS and as set forth in the most recently available consolidated balance sheet of the Issuer provided or caused to be provided to the Holders and the Trustee pursuant to the covenant “Reports to Holders;” <u>provided</u>,</p> | <p>“<i>Consolidated Total Indebtedness</i>” means, with respect to the Issuer and its Restricted Subsidiaries, as of any date of determination, an amount equal to the aggregate amount (without duplication) of all Indebtedness (other than Non-Recourse Indebtedness) of the Issuer and its Restricted Subsidiaries outstanding at such time, in all cases determined on a consolidated basis in accordance with IFRS and as set forth in the most recently available consolidated balance sheet of the Issuer provided or caused to be provided to the Holders and the New Notes Trustee pursuant to “—Certain Covenants—Reports to Holders;”.</p>                                                                                                                                                                                                                                                                                                      |



|  | <b>Old Notes</b>                                                                                                                                                                                                                                          | <b>New Notes</b>                                                                                                                                                                                                                                          |
|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <u>however</u> , that CAMMESA Indebtedness shall be excluded from this definition.                                                                                                                                                                        |                                                                                                                                                                                                                                                           |
|  | “ <i>FONINVEMEM Receivables</i> ” means accounts receivable due to the Issuer or any of its Restricted Subsidiaries in connection with FONINVEMEM in an amount equal to or less than U.S.\$451 million (net of value-added taxes), plus accrued interest. | “ <i>FONINVEMEM Receivables</i> ” means accounts receivable due to the Issuer or any of its Restricted Subsidiaries in connection with FONINVEMEM in an amount equal to or less than U.S.\$130 million (net of value-added taxes), plus accrued interest. |

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present our selected consolidated financial data for each of the periods indicated. You should read this information in conjunction with our Annual Consolidated Financial Statements and unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this Exchange Offer Memorandum and related notes, and the information under “Presentation of Financial and Other Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Exchange Offer Memorandum.

The financial consolidated information included herein is prepared and presented in accordance with IFRS, as issued by IASB.

We have derived our selected financial data as of and for the three-month periods ended March 31, 2023 and 2022 and as of and for the years ended December 31, 2022, 2021 and 2020 from our unaudited Interim Condensed Consolidated Financial Statements and our Annual Consolidated Financial Statements, respectively, included in this Exchange Offer Memorandum.

### Consolidated Statement of Comprehensive Income

|                                                                                                              | Three-Month Period Ended March 31,<br>(unaudited) |                                                                    |                             | Year Ended December 31,     |                                                                       |                   |                   |
|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------------------------------------------------|-------------------|-------------------|
|                                                                                                              | 2023                                              | 2023                                                               | 2022                        | 2022                        | 2022                                                                  | 2021              | 2020              |
|                                                                                                              | (in thousands of U.S.\$)(1)                       | (in thousands of pesos, in constant currency as of March 31, 2023) | (in thousands of U.S.\$)(1) | (in thousands of U.S.\$)(1) | (in thousands of pesos, in constant currency as of December 31, 2022) |                   |                   |
| Income from ordinary activities                                                                              | U.S.\$118,845                                     | Ps.24,839,778                                                      | Ps.21,432,340               | U.S.\$335,516               | Ps.70,126,231                                                         | Ps.67,052,171     | Ps.54,540,523     |
| Cost of sales .....                                                                                          | (84,656)                                          | (17,693,972)                                                       | (15,421,006)                | (259,251)                   | (54,186,012)                                                          | (44,429,237)      | (29,099,215)      |
| <b>Gross profit .....</b>                                                                                    | <b>34,189</b>                                     | <b>7,145,806</b>                                                   | <b>6,011,334</b>            | <b>76,265</b>               | <b>15,940,219</b>                                                     | <b>22,622,934</b> | <b>25,441,308</b> |
| Administrative expenses .....                                                                                | (5,544)                                           | (1,158,740)                                                        | (1,157,933)                 | (19,573)                    | (4,090,853)                                                           | (4,233,836)       | (4,452,702)       |
| Selling expenses .....                                                                                       | (2,214)                                           | (462,811)                                                          | (352,955)                   | (27,577)                    | (5,763,918)                                                           | (1,935,162)       | (5,721,762)       |
| Other income and expenses .....                                                                              | (140)                                             | (29,249)                                                           | (27,614)                    | (316)                       | (66,117)                                                              | (166,351)         | 479,081           |
| <b>Operating income .....</b>                                                                                | <b>26,291</b>                                     | <b>5,495,006</b>                                                   | <b>4,472,832</b>            | <b>28,799</b>               | <b>6,019,331</b>                                                      | <b>16,287,585</b> | <b>15,745,925</b> |
| Financial income .....                                                                                       | 18,707                                            | 3,909,861                                                          | 3,153,255                   | 56,095                      | 11,724,436                                                            | 10,956,278        | 9,984,720         |
| Financial expenses .....                                                                                     | (13,260)                                          | (2,771,417)                                                        | (2,664,890)                 | (41,361)                    | (8,644,927)                                                           | (12,276,332)      | (10,448,407)      |
| Exchange gain (loss) .....                                                                                   | (6,429)                                           | (1,343,733)                                                        | (150,121)                   | (8,686)                     | (1,815,466)                                                           | 2,013,242         | 817,514           |
| Loss on net monetary position (“RECPAM” for its acronym in Spanish) .....                                    | (23,433)                                          | (4,897,639)                                                        | (4,970,575)                 | (68,990)                    | (14,419,671)                                                          | (11,989,612)      | (5,820,494)       |
| Income from investments in other companies .....                                                             | 216                                               | 45,215                                                             | 124,735                     | 372                         | 77,760                                                                | 171,189           | 224,388           |
| <b>(Loss) Income before tax .....</b>                                                                        | <b>2,092</b>                                      | <b>437,293</b>                                                     | <b>(34,764)</b>             | <b>(33,771)</b>             | <b>(7,058,537)</b>                                                    | <b>5,162,350</b>  | <b>10,503,646</b> |
| Income tax .....                                                                                             | 2,158                                             | 450,907                                                            | 1,230,322                   | 44,713                      | 9,345,438                                                             | (2,177,967)       | (4,392,916)       |
| <b>Net income for the period/year .....</b>                                                                  | <b>4,250</b>                                      | <b>888,200</b>                                                     | <b>1,195,558</b>            | <b>10,942</b>               | <b>2,286,901</b>                                                      | <b>2,984,383</b>  | <b>6,110,730</b>  |
| <b>Income attributable to:</b>                                                                               |                                                   |                                                                    |                             |                             |                                                                       |                   |                   |
| Owners of parent company .....                                                                               | 4,211                                             | 880,180                                                            | 1,187,119                   | 10,210                      | 2,133,987                                                             | 2,997,630         | 6,111,877         |
| Non-controlling interest .....                                                                               | 39                                                | 8,020                                                              | 8,439                       | 732                         | 152,914                                                               | (13,247)          | (1,147)           |
| <b>Net income for the period/year .....</b>                                                                  | <b>4,250</b>                                      | <b>888,200</b>                                                     | <b>1,195,558</b>            | <b>10,942</b>               | <b>2,286,901</b>                                                      | <b>2,984,383</b>  | <b>6,110,730</b>  |
| Net earnings per share for the year:                                                                         |                                                   |                                                                    |                             |                             |                                                                       |                   |                   |
| Basic and diluted, net earnings for the period/year attributable to holders of ordinary equity instruments . | —                                                 | 0.076                                                              | 0.103                       | —                           | 0.185                                                                 | 0.260             | 0.530             |
| <b>Net income for the period/year .....</b>                                                                  | <b>4,250</b>                                      | <b>888,200</b>                                                     | <b>1,195,558</b>            | <b>10,942</b>               | <b>2,286,901</b>                                                      | <b>2,984,383</b>  | <b>6,110,730</b>  |
| <b>Other comprehensive income that shall not be reclassified to income in subsequent years</b>               |                                                   |                                                                    |                             |                             |                                                                       |                   |                   |
| Exchange difference due to translation .....                                                                 | —                                                 | —                                                                  | —                           | —                           | —                                                                     | —                 | (1,314,546)       |
| Actuarial gains (losses) from employee benefits .....                                                        | —                                                 | —                                                                  | —                           | (520)                       | (108,668)                                                             | 12,356            | 78,386            |

|                                                                                            | Three-Month Period Ended March 31,<br>(unaudited) |                                                                    |                             | Year Ended December 31,                                               |                    |                    |                  |
|--------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------|--------------------|--------------------|------------------|
|                                                                                            | 2023                                              | 2023                                                               | 2022                        | 2022                                                                  | 2022               | 2021               | 2020             |
|                                                                                            | (in thousands of U.S.\$)(1)                       | (in thousands of pesos, in constant currency as of March 31, 2023) | (in thousands of U.S.\$)(1) | (in thousands of pesos, in constant currency as of December 31, 2022) |                    |                    |                  |
| Effect of income tax related to employee benefits.....                                     | —                                                 | —                                                                  | —                           | 182                                                                   | 38,032             | —                  | (19,770)         |
| Proceeds from the sale of interest in subsidiaries .....                                   | —                                                 | —                                                                  | —                           | —                                                                     | —                  | (82,501)           | —                |
| <b>Other comprehensive income that shall be reclassified to income in subsequent years</b> |                                                   |                                                                    |                             |                                                                       |                    |                    |                  |
| Exchange difference due to translation of investments in subsidiaries .....                | (4,223)                                           | (882,644)                                                          | (1,638,129)                 | (9,457)                                                               | (1,976,511)        | (3,984,810)        | 507,915          |
| Gain (loss) from derivative valuation differences .....                                    | —                                                 | —                                                                  | —                           | —                                                                     | —                  | (262,896)          | 262,896          |
| Effect of Income Tax from derivatives .....                                                | —                                                 | —                                                                  | —                           | —                                                                     | —                  | 76,442             | (78,869)         |
| <b>Other comprehensive income for the period/year</b>                                      | <b>(4,223)</b>                                    | <b>(882,644)</b>                                                   | <b>(1,638,129)</b>          | <b>(9,794)</b>                                                        | <b>(2,047,147)</b> | <b>(4,241,409)</b> | <b>(563,988)</b> |
| <b>Net comprehensive income for the period/year .....</b>                                  | <b>27</b>                                         | <b>5,556</b>                                                       | <b>(442,571)</b>            | <b>1,147</b>                                                          | <b>239,754</b>     | <b>(1,257,026)</b> | <b>5,546,742</b> |
| Other comprehensive income attributable to:                                                |                                                   |                                                                    |                             |                                                                       |                    |                    |                  |
| Owners of parent company .....                                                             | (4,152)                                           | (867,886)                                                          | (1,624,260)                 | (9,724)                                                               | (2,032,471)        | (4,387,699)        | (563,359)        |
| Non-controlling interest .....                                                             | (71)                                              | (14,758)                                                           | (13,869)                    | (70)                                                                  | (14,676)           | 146,290            | (629)            |
| <b>Other comprehensive income for the period/year .....</b>                                | <b>(4,223)</b>                                    | <b>(882,644)</b>                                                   | <b>(1,638,129)</b>          | <b>(9,794)</b>                                                        | <b>(2,047,147)</b> | <b>(4,241,409)</b> | <b>(563,988)</b> |
| <b>Net comprehensive income attributable to:</b>                                           |                                                   |                                                                    |                             |                                                                       |                    |                    |                  |
| Owners of parent company .....                                                             | 59                                                | 12,294                                                             | (437,141)                   | 486                                                                   | 101,516            | (1,390,069)        | 5,548,517        |
| Non-controlling interest .....                                                             | (32)                                              | (6,738)                                                            | (5,430)                     | 661                                                                   | 138,238            | 133,043            | (1,776)          |
| <b>Net comprehensive income for the period/year .....</b>                                  | <b>27</b>                                         | <b>5,556</b>                                                       | <b>(442,571)</b>            | <b>1,147</b>                                                          | <b>239,754</b>     | <b>(1,257,026)</b> | <b>5,546,741</b> |

- (1) Solely for the convenience of the reader, we have translated peso amounts into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.209.01 per U.S.\$1.00 as of March 31, 2023. We make no representation that the Argentine peso or U.S. dollar amounts actually represent, could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.

## Consolidated Statement of Financial Position

|                                                      | As of March 31,<br>(unaudited) |         |                                                                    |             | As of December 31,          |         |      |             |                                                                       |             |      |             |
|------------------------------------------------------|--------------------------------|---------|--------------------------------------------------------------------|-------------|-----------------------------|---------|------|-------------|-----------------------------------------------------------------------|-------------|------|-------------|
|                                                      | 2023                           |         | 2023                                                               |             | 2022                        |         | 2022 |             | 2021                                                                  |             | 2020 |             |
|                                                      |                                |         | (in thousands of pesos, in constant currency as of March 31, 2023) |             |                             |         |      |             |                                                                       |             |      |             |
|                                                      | (in thousands of U.S.\$)(1)    |         |                                                                    |             | (in thousands of U.S.\$)(1) |         |      |             | (in thousands of pesos, in constant currency as of December 31, 2022) |             |      |             |
| NON-CURRENT ASSETS                                   |                                |         |                                                                    |             |                             |         |      |             |                                                                       |             |      |             |
| Investments in Subsidiaries.....                     | U.S.\$                         | 1,467   | Ps.                                                                | 306,618     | U.S.\$                      | 1,439   | Ps.  | 300,702     | Ps.                                                                   | 275,295     | Ps.  | 355,401     |
| Property, plant and equipment .                      |                                | 428,772 |                                                                    | 89,617,723  |                             | 365,351 |      | 76,361,962  |                                                                       | 85,873,819  |      | 102,664,203 |
| Intangible assets .....                              |                                | 24,571  |                                                                    | 5,135,530   |                             | 21,684  |      | 4,532,165   |                                                                       | 5,536,957   |      | 6,421,130   |
| Inventories .....                                    |                                | 11,460  |                                                                    | 2,395,253   |                             | 9,417   |      | 1,968,215   |                                                                       | 1,968,215   |      | 2,448,704   |
| Accounts receivable from related parties.....        |                                | 48      |                                                                    | 9,937       |                             | 40      |      | 8,514       |                                                                       | 11,384      |      | 9,756       |
| Other financial assets.....                          |                                | 683     |                                                                    | 142,731     |                             | 683     |      | 142,731     |                                                                       | 2,507,443   |      | —           |
| Tax assets.....                                      |                                | 18,604  |                                                                    | 3,888,334   |                             | 13,669  |      | 2,856,881   |                                                                       | 726,679     |      | 3,111,741   |
| Other non-financial assets .....                     |                                | 2,026   |                                                                    | 423,532     |                             | 1,504   |      | 314,381     |                                                                       | 400,006     |      | 186,394     |
| Trade receivables and other accounts receivable..... |                                | 88,479  |                                                                    | 18,493,002  |                             | 83,751  |      | 17,504,764  |                                                                       | 32,728,216  |      | 54,368,355  |
| Deferred tax assets.....                             |                                | 31,571  |                                                                    | 6,598,593   |                             | 23,926  |      | 5,000,847   |                                                                       | 618,643     |      | 749,289     |
| Total non-current assets .....                       |                                | 607,680 |                                                                    | 127,011,253 |                             | 521,464 |      | 108,991,162 |                                                                       | 130,646,657 |      | 170,314,973 |
| CURRENT ASSETS                                       |                                |         |                                                                    |             |                             |         |      |             |                                                                       |             |      |             |
| Inventories .....                                    |                                | 70,412  |                                                                    | 14,716,760  |                             | 61,641  |      | 12,883,568  |                                                                       | 8,837,739   |      | 1,446,306   |

|                                                             | As of March 31,<br>(unaudited) |                                                                             | As of December 31,             |                                                                          |                    |                    |
|-------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------|--------------------------------|--------------------------------------------------------------------------|--------------------|--------------------|
|                                                             | 2023                           | 2023                                                                        | 2022                           | 2022                                                                     | 2021               | 2020               |
|                                                             | (in thousands of<br>U.S.\$)(1) | (in thousands of<br>pesos, in constant<br>currency as of<br>March 31, 2023) | (in thousands of<br>U.S.\$)(1) | (in thousands of pesos, in constant<br>currency as of December 31, 2022) |                    |                    |
| Accounts receivable from<br>related parties.....            | 682                            | 142,535                                                                     | 374                            | 78,417                                                                   | 115,501            | 64,775             |
| Tax assets.....                                             | 9,457                          | 1,976,588                                                                   | 15,426                         | 3,224,206                                                                | 5,999,162          | 4,419,459          |
| Other financial assets.....                                 | 12,100                         | 2,529,005                                                                   | 10,256                         | 2,143,622                                                                | —                  | 4,965,625          |
| Other non-financial assets .....                            | 1,451                          | 303,334                                                                     | 1,095                          | 228,763                                                                  | 330,903            | 3,069,534          |
| Trade receivables and other<br>accounts receivable.....     | 191,254                        | 39,973,919                                                                  | 97,845                         | 20,450,523                                                               | 21,122,985         | 23,927,515         |
| Cash and Cash Equivalents .....                             | 38,566                         | 8,060,753                                                                   | 55,839                         | 11,670,847                                                               | 9,543,880          | 8,182,013          |
| <b>Total current assets .....</b>                           | <b>323,922</b>                 | <b>67,702,894</b>                                                           | <b>242,476</b>                 | <b>50,679,946</b>                                                        | <b>45,950,170</b>  | <b>46,075,227</b>  |
| <b>TOTAL ASSETS .....</b>                                   | <b>931,602</b>                 | <b>194,714,147</b>                                                          | <b>763,940</b>                 | <b>159,671,108</b>                                                       | <b>176,596,827</b> | <b>216,390,200</b> |
| <b>SHAREHOLDERS' EQUITY</b>                                 |                                |                                                                             |                                |                                                                          |                    |                    |
| Issued Capital .....                                        | 5,514                          | 1,152,527                                                                   | 5,514                          | 1,152,527                                                                | 1,152,527          | 1,152,527          |
| Capital adjustment .....                                    | 69,862                         | 14,601,915                                                                  | 56,424                         | 11,793,134                                                               | 11,793,134         | 11,793,134         |
| Irrevocable contributions.....                              | 1,872                          | 391,200                                                                     | 1,538                          | 321,455                                                                  | 321,455            | 321,455            |
| Additional paid-in capital.....                             | 18,160                         | 3,795,540                                                                   | 14,922                         | 3,118,852                                                                | 3,118,852          | 3,118,852          |
| Legal Reserve .....                                         | 18,707                         | 3,909,998                                                                   | 15,372                         | 3,212,904                                                                | 3,212,904          | 3,212,904          |
| IFRS Special Reserve.....                                   | 43,059                         | 8,999,705                                                                   | 35,382                         | 7,395,192                                                                | 7,395,192          | 7,395,192          |
| Optional reserve.....                                       | 227,934                        | 47,640,380                                                                  | 187,296                        | 39,146,813                                                               | 36,394,542         | 30,464,964         |
| Other reserves .....                                        | 133,704                        | 27,945,416                                                                  | 113,278                        | 23,676,322                                                               | 25,708,793         | 30,096,492         |
| Retained earnings .....                                     | 16,636                         | 3,477,172                                                                   | 10,210                         | 2,133,987                                                                | 2,997,630          | 6,111,876          |
| <b>Shareholders' Equity</b>                                 |                                |                                                                             |                                |                                                                          |                    |                    |
| <b>Attributable to Controlling Group .....</b>              | <b>535,447</b>                 | <b>111,913,853</b>                                                          | <b>439,936</b>                 | <b>91,951,186</b>                                                        | <b>92,095,029</b>  | <b>93,667,396</b>  |
| <b>Shareholders' Equity</b>                                 |                                |                                                                             |                                |                                                                          |                    |                    |
| <b>Attributable to Non-Controlling Third Parties .....</b>  | <b>1,879</b>                   | <b>392,768</b>                                                              | <b>1,571</b>                   | <b>328,280</b>                                                           | <b>190,042</b>     | <b>56,999</b>      |
| <b>TOTAL SHAREHOLDERS' EQUITY .....</b>                     | <b>537,327</b>                 | <b>112,306,621</b>                                                          | <b>441,507</b>                 | <b>92,279,466</b>                                                        | <b>92,285,071</b>  | <b>93,724,395</b>  |
| <b>NON-CURRENT LIABILITIES</b>                              |                                |                                                                             |                                |                                                                          |                    |                    |
| Liabilities for employee<br>compensations and benefits..... | 3,726                          | 778,808                                                                     | 2,856                          | 596,897                                                                  | 578,386            | 552,629            |
| Tax liabilities .....                                       | 1,903                          | 397,815                                                                     | 1,924                          | 402,034                                                                  | 826,095            | 1,401,386          |
| Deferred tax liabilities .....                              | 6,963                          | 1,455,402                                                                   | 4,871                          | 1,018,120                                                                | 6,429,440          | 8,488,343          |
| Provisions .....                                            | 2,361                          | 493,385                                                                     | 2,057                          | 429,984                                                                  | 489,865            | 521,372            |
| Accounts payable to related<br>parties .....                | 1,374                          | 287,104                                                                     | 1,344                          | 280,895                                                                  | 69,148             | 91,035             |
| Financial Liabilities.....                                  | —                              | —                                                                           | 231,860                        | 48,461,097                                                               | 61,478,139         | 88,372,623         |
| <b>Total non-current liabilities...</b>                     | <b>16,327</b>                  | <b>3,412,514</b>                                                            | <b>244,912</b>                 | <b>51,189,027</b>                                                        | <b>69,871,073</b>  | <b>99,427,388</b>  |
| <b>CURRENT LIABILITIES</b>                                  |                                |                                                                             |                                |                                                                          |                    |                    |
| Liabilities for employee<br>compensations and benefits..... | 6,150                          | 1,285,368                                                                   | 7,530                          | 1,573,794                                                                | 1,609,284          | 1,735,917          |
| Tax liabilities .....                                       | 1,743                          | 364,279                                                                     | 1,742                          | 364,156                                                                  | 338,051            | 1,011,634          |
| Accounts payable to related<br>parties .....                | 13,831                         | 2,890,859                                                                   | 11,186                         | 2,337,933                                                                | 1,850,497          | 2,805,125          |
| Financial Liabilities.....                                  | 334,671                        | 69,949,516                                                                  | 34,790                         | 7,271,410                                                                | 6,057,059          | 14,940,336         |
| Trade creditors and other<br>accounts payable.....          | 21,554                         | 4,504,990                                                                   | 22,273                         | 4,655,322                                                                | 4,585,792          | 2,745,405          |
| <b>Total current liabilities .....</b>                      | <b>377,948</b>                 | <b>78,995,012</b>                                                           | <b>77,521</b>                  | <b>16,202,615</b>                                                        | <b>14,440,683</b>  | <b>23,238,417</b>  |
| <b>TOTAL LIABILITIES .....</b>                              | <b>394,276</b>                 | <b>82,407,526</b>                                                           | <b>322,433</b>                 | <b>67,391,642</b>                                                        | <b>84,311,756</b>  | <b>122,665,805</b> |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES .....</b>     | <b>931,602</b>                 | <b>194,714,147</b>                                                          | <b>763,940</b>                 | <b>159,671,108</b>                                                       | <b>176,596,827</b> | <b>216,390,200</b> |

(1) Solely for the convenience of the reader, we have translated peso amounts into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.209.01 per U.S.\$1.00 as of March 31, 2023. We make no representation that the Argentine peso or U.S. dollar amounts actually represent, could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.

For a reconciliation of our Adjusted EBITDA with our net income under IFRS, see “Summary Consolidated Financial Information—Non-IFRS Information.”

## DESCRIPTION OF THE NEW NOTES

The following is a description of certain terms and conditions of the New Notes (as used in this “Description of the New Notes,” the “new notes”). The new notes will be issued by AES Argentina Generación S.A. (the “Issuer”) pursuant to an indenture to be dated as of the Issue Date (the “New Notes Indenture”) among the Issuer, as issuer, Energética Argentina S.A. and Vientos Neuquinos I S.A., as subsidiary guarantors, Citibank, N.A., as trustee (the “New Notes Trustee”), co-registrar, paying agent and transfer agent, La Sucursal de Citibank, N.A. establecida en la República Argentina, as registrar, Argentine paying agent, Argentine transfer agent and representative of the trustee in Argentina. The Issuer and each Subsidiary Guarantor (as defined below) will be jointly and severally liable for all obligations under the new notes and the New Notes Indenture. The new notes are subject to the provisions of the New Notes Indenture. Holders will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the New Notes Indenture.

In this section, references to the “Issuer” are to AES Argentina Generación S.A., as issuer, and not to any of its subsidiaries. References to a “Subsidiary Guarantor” are to such guarantor, and not to any of its subsidiaries. References to “new notes” are to the new notes originally issued on the Issue Date and Additional New Notes, if any, unless the context otherwise requires.

For U.S. securities law purposes, the new notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See “Transfer Restrictions.” The Issuer will not be required to, nor does the Issuer currently intend to, offer to exchange the new notes for notes registered under the Securities Act or otherwise register the new notes for resale under the Securities Act. The New Notes Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended, or subject to the terms of the U.S. Trust Indenture Act of 1939, as amended. Accordingly, the terms of the new notes include only those stated in the New Notes Indenture.

We intend to apply to list the new notes on the Official List of the Luxembourg Stock Exchange for trading on its Euro MTF Market. We cannot assure you that such application or listing will be accepted. If and so long as the new notes are listed on the Official List of the Luxembourg Stock Exchange for trading on its Euro MTF Market and it is required by the rules of such exchange, we will maintain a listing agent in Luxembourg.

We intend to apply to have the new notes listed and admitted for trading on BYMA and on the MAE. The new notes will constitute non-convertible notes (*obligaciones negociables simples no convertibles en acciones*) under the Argentine Negotiable Obligations Law, will be issued and placed in accordance with such law, the Argentine Capital Markets Law, Decree No. 1023/2013 implementing the Capital Markets Law, as amended and supplemented, rules issued by the CNV pursuant to General Resolution No. 622/2013, as amended and supplemented, and any other applicable law and/or regulation, and will have the benefits provided thereby and will be subject to the procedural requirements therein set forth.

The new notes will constitute our Series 2 notes issued under the Program, will be our direct, unsecured and unsubordinated obligations and will rank *pari passu* with our existing and future unsecured and unsubordinated Indebtedness, other than obligations given preferential or senior ranking by statute or by operation of law. The creation of the Program has been authorized by Resolution No. RESFC-2022-21990-APN-DIR#CNV dated as of October 19, 2022.

The issuance of the new notes was approved by resolution of the Issuer’s Board of Directors adopted on July 12, 2023, which delegated the definition and decision of certain conditions to certain members of the Board of Directors and officers of the Issuer.

The registered holder of a new note (a “Holder”) will be treated as the owner of it for all purposes. Only registered Holders will have rights under the New Notes Indenture. As described in the section “Form of Notes, Clearing and Settlement,” the new notes will initially be issued in global form and, except as described in such section, The Depository Trust Company (“DTC”), or its nominee will be the only registered Holder of the new notes.

The following is a summary of the material provisions of the New Notes Indenture and does not purport to be complete and is qualified in its entirety by reference to the provisions of the New Notes Indenture. Because this is a summary, it may not contain all the information that is important to investors. Investors should read the New Notes Indenture in its entirety because it, and not this description, defines your rights as a Holder of the new notes. Copies

of the proposed form of the New Notes Indenture are available as described under “Listing and General Information” and, for so long as the new notes are admitted to listing on the Official List of the Luxembourg Stock Exchange for trading on its Euro MTF Market and it is required by the rules of such exchange, at the office of the listing agent in Luxembourg.

You can find the definitions of certain terms used in this description under “—Certain Definitions.” The capitalized terms defined in “—Certain Definitions” below are used in this “Description of the Notes” as so defined.

## **General**

The new notes will:

- be general unsecured and unsubordinated obligations of the Issuer,
- rank equal in right of payment with all other existing and future Senior Indebtedness of the Issuer,
- rank senior in right of payment to all existing and future Subordinated Indebtedness of the Issuer, if any,
- be effectively subordinated to all existing and future secured Indebtedness of the Issuer, to the extent of the value of the assets securing such Indebtedness and to obligations preferred by statute or by operation of law,
- be jointly and severally guaranteed on an unsecured and unsubordinated basis by any future Subsidiary Guarantor (as defined below; as of the Issue Date, Energética Argentina S.A. and Vientos Neuquinos I S.A. will be Subsidiary Guarantors of the new notes), and
- be structurally subordinated to all existing and future Indebtedness and other liabilities (including trade payables) of the Subsidiaries of each of the Issuer and any future Subsidiary Guarantor that do not provide a Note Guarantee.

As of March 31, 2023, the Issuer had Ps.69,949 million (U.S.\$335 million) of Indebtedness outstanding, of which Ps.2,535 million (U.S.\$12 million) was secured Indebtedness and Ps.67,413 million (U.S.\$323 million) was unsecured Indebtedness.

## **Additional New Notes**

Subject to the limitations set forth under “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness” and without notice to, or the consent of, the Holders, the Issuer may incur additional Indebtedness. At the Issuer’s option, this additional Indebtedness may consist of additional new notes (the “Additional New Notes”) issued in one or more transactions, which have substantially similar terms (other than issue price, issue date and first interest payment date) as the new notes issued on the Issue Date; provided that Additional New Notes will not bear the same CUSIP number as the new notes, unless such Additional New Notes are fungible with the new notes for U.S. federal income tax purposes. The new notes and the Additional New Notes, if any, will be treated as a single series for all purposes under the New Notes Indenture and Holders of Additional New Notes would have the right to vote together with Holders of new notes issued on the Issue Date as one class under the New Notes Indenture for all purposes, including waivers and amendments.

## **Principal, Maturity and Interest**

The principal amount of the new notes will be payable in four consecutive semi-annual installments, starting on February 16, 2026, on the payment dates and in the principal amounts set forth in the table below; provided that (i) any partial prepayment of the principal amount of the new notes pursuant to “—Optional Redemption” or other repurchases of the new notes to the extent that such new notes are cancelled shall reduce the principal amount due on each succeeding payment date on a pro rata basis for the amount of principal paid in connection with any such prepayment or repurchase over the remaining payment dates and (ii) any issuance of Additional New Notes shall increase the principal amount due on each succeeding payment date on a pro rata basis for the principal amount of Additional New Notes issued. Notice of any such reduction or increase, as the case may be, including an updated amortization schedule, shall be provided to the Holders and the Issuer shall deliver an Officers’ Certificate to the New

Notes Trustee including such updated amortization schedule, which shall be conclusive and binding absent manifest error. The final installment of the principal will, in any event, equal the then outstanding aggregate principal balance of the new notes and will be paid by the Issuer. The final maturity of the new notes will be August 16, 2027.

| <b>Scheduled Payment Date</b>        | <b>Percentage of Original Outstanding Principal Amount Payable<sup>(1)</sup></b> |
|--------------------------------------|----------------------------------------------------------------------------------|
| February 16, 2026 .....              | 25.000%                                                                          |
| August 16, 2026 .....                | 25.000%                                                                          |
| February 16, 2027 .....              | 25.000%                                                                          |
| August 16, 2027 <sup>(2)</sup> ..... | 25.000%                                                                          |

- (1) Subject to reduction on a pro rata basis for any decrease in principal amounts outstanding as a result of any partial prepayment of the principal amount of the new notes pursuant to “Optional Redemption” or other repurchases of the new notes to the extent that such new notes are cancelled. Subject to increase on a pro rata basis for any increase in principal amounts outstanding as a result of the issuance of additional new notes. Any calculation of the installment of principal will be increased to the nearest whole U.S. dollar.
- (2) The final installment of principal will, in any event, equal the then-outstanding aggregate principal balance of the new notes.

The Issuer will issue notes in minimum denominations of U.S.\$1.00 and integral multiples of U.S.\$1.00 in excess thereof. The new notes will not be entitled to the benefit of any mandatory sinking fund.

Interest on the new notes will accrue at the rate of 9.50% per annum and will be payable semi-annually in arrears on each February 16 and August 16, commencing on February 16, 2024. Payments will be made to the persons who are registered Holders at the close of business on each February 11 and August 11, respectively, immediately preceding the applicable interest payment date.

Interest on the new notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the issue date for such new notes. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The redemption of new notes with unpaid and accrued interest to the date of redemption will not affect the right of Holders of record on a record date to receive interest due on an interest payment date.

Principal of, and premium, if any, Additional Amounts, if any, and interest on the new notes will be payable at the office or agency of the Issuer maintained for such purpose or, at the option of the applicable paying agent, payment of interest may be made by check mailed to the Holders of the new notes at their respective addresses set forth in the register of Holders; provided that all payments of principal, premium, if any, Additional Amounts, if any, and interest with respect to notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Until otherwise designated by the Issuer, the Issuer’s office or agency will be the office of the New Notes Trustee maintained for such purpose.

Initially, the New Notes Trustee will act as paying agent and co-registrar for the new notes. The Issuer may appoint other paying agents instead of, or in addition to, the New Notes Trustee. For so long as the new notes are listed on BYMA or on any other authorized securities market in Argentina, the Issuer will maintain a paying agent in Argentina. La Sucursal de Citibank, N.A. establecida en la República Argentina, will initially act as Argentine paying agent and Argentine registrar. The Issuer may change any paying agent, registrar and co-registrar without notice to Holders. The Issuer will pay principal, premium, if any, Additional Amounts, if any, and interest payments on notes in global form registered in the name of or held on behalf of DTC or its nominee, as the case may be, to the registered Holder of such global note.

## Note Guarantees

Pursuant to the New Notes Indenture and the new notes, the obligations of the Issuer will be, subsequent to the Issue Date and upon the occurrence of the conditions described under “—Future Note Guarantees,” fully and unconditionally guaranteed, jointly and severally, on an unsecured basis, by (i) the Required Subsidiary Guarantors, as described under “—Future Note Guarantees— Required Subsidiary Note Guarantees” (the “Required Subsidiary Note Guarantees”), and (ii) the Significant Subsidiary Guarantors, as described under “—Future Note Guarantees— Significant Subsidiary Note Guarantees” (the “Significant Subsidiary Note Guarantees” and, together with the Required Subsidiary Note Guarantees, the “Note Guarantees”).

The Note Guarantees will:

- be the general unsecured and unsubordinated obligation of each Subsidiary Guarantor unlimited in amount,
- provide that each Subsidiary Guarantor will be jointly and severally liable for all amounts due on or in respect of the new notes, including amounts due in respect of principal, interest, premium or Additional Amounts, if any, or otherwise,
- rank equal in right of payment with all other existing and future Senior Indebtedness of the Subsidiary Guarantors,
- rank senior in right of payment to all existing and future Subordinated Indebtedness of the Subsidiary Guarantors, if any,
- be effectively subordinated to all existing and future secured Indebtedness of each Subsidiary Guarantor to the extent the assets securing such Indebtedness, and
- be structurally subordinated to all existing and future Indebtedness and other liabilities (including trade payables) of the Subsidiaries of the Subsidiary Guarantors that do not guarantee the new notes.

On the Issue Date, Energética Argentina S.A. and Vientos Neuquinos I S.A. will be Restricted Subsidiaries under the New Notes Indenture and Subsidiary Guarantors of the new notes.

Each Restricted Subsidiary that provides a Note Guarantee after the Issue Date and executes the applicable supplemental indenture to the New Notes Indenture will become a Subsidiary Guarantor.

The Note Guarantees will be limited as necessary to the maximum amount that would not render the obligations of any Subsidiary Guarantor subject to avoidance under applicable fraudulent conveyance provisions of applicable law or under similar laws affecting the rights of creditors generally. By virtue of this limitation, the obligations of a Subsidiary Guarantor under the applicable Note Guarantee could be significantly less than amounts payable with respect to the new notes. See “Risk Factors—Risks Relating to the New Notes—The New Notes may be effectively subordinated to any existing and future indebtedness of our subsidiaries.”

### ***Future Note Guarantees***

#### ***Required Subsidiary Note Guarantees***

The Issuer will not permit any Restricted Subsidiary thereof, directly or indirectly, to Incur or Guarantee any Indebtedness (other than Non-Recourse Indebtedness) of the Issuer or any other Subsidiary Guarantor in excess of U.S.\$30 million (or its equivalent in any other currency) (other than unsecured intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance Subsidiary), and/or Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary)), in the aggregate, at any one time outstanding, unless such Restricted Subsidiary (1) is a Subsidiary Guarantor or (2) becomes a Subsidiary Guarantor within 30 days after such Incurrence or Guarantee by executing and delivering to the New Notes Trustee a supplemental indenture providing its Note Guarantee (and delivers to the New Notes Trustee an Opinion of Counsel with respect thereto), which Note Guarantee will rank senior in right of payment to or equally in right of payment with such company’s other Indebtedness or Guarantee of such other Indebtedness, as applicable (any such Restricted Subsidiary a “Required Subsidiary Guarantor”); provided that (a) such Required Subsidiary Guarantor shall not be required to execute any such supplemental



indenture if the execution or enforcement of such supplemental indenture and the resultant Note Guarantee thereunder is prohibited by, or in violation of, any applicable law to which such Required Subsidiary Guarantor is subject and it has delivered to the New Notes Trustee an Opinion of Counsel to that effect, and (b) such Required Subsidiary Guarantor shall not be required to execute any such supplemental indenture if it is prevented by the existence of minority shareholders from Guaranteeing the new notes and it has delivered to the New Notes Trustee an Officers' Certificate to that effect.

#### *Significant Subsidiary Note Guarantees*

If any Subsidiary of the Issuer or any Restricted Subsidiary becomes a Significant Subsidiary of the Issuer (other than an Unrestricted Subsidiary or a Project Finance Subsidiary) or if any Restricted Subsidiary thereof acquires or creates any Significant Subsidiary (other than an Unrestricted Subsidiary or a Project Finance Subsidiary) on or after the Issue Date, then any such Significant Subsidiary must become a Subsidiary Guarantor (a "Significant Subsidiary Guarantor"), execute a supplemental indenture providing for its Note Guarantee and deliver to the New Notes Trustee an Opinion of Counsel with respect thereto; provided that (1) such Significant Subsidiary Note Guarantee will be limited to the maximum amount that would not result in a breach or violation by such Significant Subsidiary Guarantor of any provision of any agreement to which it is a party existing at the time of such acquisition or creation, only to the extent that such provision was not adopted in connection with, or in contemplation of, such acquisition or creation or to avoid Guaranteeing the new notes, (2) such Significant Subsidiary Guarantor shall not be required to execute any such supplemental indenture if the execution or enforcement of such supplemental indenture and the resultant Significant Subsidiary Note Guarantee thereunder is prohibited by, or in violation of, any applicable law to which such Significant Subsidiary Guarantor is subject and it has delivered to the New Notes Trustee an Opinion of Counsel to that effect, and (3) such Significant Subsidiary Guarantor shall not be required to execute any such supplemental indenture if it is prevented by the existence of minority shareholders from Guaranteeing the new notes and it has delivered to the New Notes Trustee an Officers' Certificate to that effect.

Notwithstanding the foregoing, if any such Significant Subsidiary Guarantor has no Indebtedness in excess of U.S.\$30 million (or its equivalent in any other currency) (other than unsecured intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance Subsidiary), and/or Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary)), such Significant Subsidiary Guarantor shall not be required to become a Significant Subsidiary Guarantor or execute any such supplemental indenture providing for its Significant Subsidiary Note Guarantee.

If at any time such Significant Subsidiary Guarantor Incurs any Indebtedness in excess of U.S.\$30 million (or its equivalent in any other currency) (other than unsecured intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance Subsidiary), and/or Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary)), within 30 days after the Incurrence thereof, such Significant Subsidiary Guarantor must become a Subsidiary Guarantor, execute a supplemental indenture and deliver to the New Notes Trustee an Opinion of Counsel in accordance with the preceding sentence.

#### *Release of the Note Guarantees*

The Note Guarantees will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect) upon:

- a sale, assignment, transfer, conveyance or other disposition (including by way of consolidation or merger) of the applicable Subsidiary Guarantor or the sale or disposition of all or substantially all the assets of the applicable Subsidiary Guarantor to a Person other than the Issuer or a Restricted Subsidiary thereof, to the extent such sale or disposition is otherwise permitted by the New Notes Indenture;
- the Designation in accordance with the New Notes Indenture of the applicable Subsidiary Guarantor as an Unrestricted Subsidiary or the applicable Subsidiary Guarantor otherwise ceases to be a Restricted Subsidiary in accordance with the New Notes Indenture;
- defeasance or discharge of the new notes, as provided in "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge;"

- solely in the case of a Required Subsidiary Note Guarantee created pursuant to the covenant described under “—Future Note Guarantees—Required Subsidiary Note Guarantees,” upon the repayment or repurchase of the relevant Indebtedness or release or discharge of the Guarantee that resulted in the creation of such Required Subsidiary Note Guarantee pursuant to that covenant, except a discharge or release by or as a result of payment under such Guarantee; or
- solely in the case of a Significant Subsidiary Note Guarantee created pursuant to the covenant described under “—Future Note Guarantees—Significant Subsidiary Note Guarantees,” if the applicable Significant Subsidiary Guarantor ceases to be a Significant Subsidiary and no other Indebtedness in excess of U.S.\$30 million (or its equivalent in any other currency), in the aggregate, of the Issuer or any Restricted Subsidiary is Guaranteed by such Significant Subsidiary Guarantor; or
- payment in full of the aggregate principal amount of all new notes then outstanding and all other obligations under the New Notes Indenture and the new notes then due and owing.

Upon any occurrence giving rise to a release of a Note Guarantee as specified above, the New Notes Trustee, upon receipt of an Officers’ Certificate from the Issuer and an Opinion of Counsel each stating that all conditions precedent to such release have been satisfied, will execute any documents reasonably required in order to evidence or effect such release, discharge and termination in respect of such Note Guarantee. None of the Issuer, any Subsidiary Guarantor and the New Notes Trustee will be required to make a notation on the new notes to reflect any Note Guarantee or any such release, termination or discharge.

#### **Additional Amounts**

All payments made by or on behalf of the Issuer, any Subsidiary Guarantor or any successor to any such Person (each, a “Payor”) under, or with respect to, the new notes or the Note Guarantees, as the case may be, will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (collectively, “Taxes”) imposed, established, levied, collected or assessed by or on behalf of (1) Argentina or any political subdivision or Governmental Authority thereof or therein having the power to tax, (2) any jurisdiction from or through which payment on the new notes or the Note Guarantees is made by or on behalf of any Payor, or any political subdivision or Governmental Authority thereof or therein having the power to tax or (3) any other jurisdiction in which a Payor is organized, engaged in business or otherwise resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a “Relevant Taxing Jurisdiction”), unless the withholding or deduction of such Taxes is then required by law or the interpretation or administration thereof.

If any deduction or withholding for, or on account of, any Taxes of any Relevant Taxing Jurisdiction will at any time be required from any payments made with respect to the new notes, including payments of principal, premium, if any, redemption price or interest, the Payor will pay (together with such payments) such additional amounts (the “Additional Amounts”) as may be necessary in order that the net amounts receivable by the Holders or beneficial owners of the new notes after such withholding or deduction (including any such deduction or withholding from such Additional Amounts) in respect of such Taxes shall equal the respective amounts which would have been receivable by each Holder or beneficial owner in respect of such payments in the absence of such withholding or deduction; provided however, that no such Additional Amounts will be payable with respect to:

- any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or beneficial owner of a new note (or between a fiduciary, settlor, beneficiary, member, partner or shareholder of, the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, limited liability company, partnership or corporation) and the Relevant Taxing Jurisdiction (other than the mere ownership of such new note or the receipt of such payment in respect thereof);
- any estate, inheritance, gift, value added, personal property, sales, use, excise, transfer or other similar Tax imposed with respect to such payment;
- any Taxes which are imposed, payable or due because definitive notes are presented for payment (where presentation is required) more than 30 days after the later of (i) the date such payment was due and (ii) if the full amount payable has not been received by the New Notes Trustee on or prior to such due date, the

date on which, the full amount having been so received, notice to that effect will have been given to the Holders by the New Notes Trustee; except for Additional Amounts with respect to Taxes that would have been imposed had the Holder presented the new note for payment during such 30-day period;

- (d) any Taxes that are imposed or withheld by reason of the failure of the Holder or beneficial owner of a new note to comply, at the Issuer's written request, with any certification, identification, information, documentation or other reporting requirements if (1) such compliance is required or imposed by a statute, treaty or regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes, (2) the Issuer has given the Holder or the beneficial owner at least 30 days' notice that the Holder or beneficial owner will be required to so comply, and (3) such compliance is not materially more onerous to the Holder or beneficial owner than would be comparable certification, information, documentation or other reporting requirements imposed under U.S. tax law, regulation and administrative practice (such as IRS Forms W-8 and W-9 or any comparable successor forms);
- (e) any new note presented for payment (where presentation is required) at an office of a paying agent in Argentina (provided the new notes can also be presented at an office of a paying agent outside of Argentina without any such withholding or deduction);
- (f) any Taxes payable other than by withholding or deduction from payments on the new notes;
- (g) any payment to any Holder who is a fiduciary or partnership or limited liability company or any Person other than the sole beneficial owner of such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or limited liability company or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner held such new note directly;
- (h) with respect to any taxes, duties, assessments or other governmental charges imposed by Argentina or any political subdivision thereof or any authority therein to the extent that the Issuer has determined, based on information obtained directly from the recipient or from third parties, that such taxes, duties, assessments or other governmental charges are imposed (A) due to the residence of the foreign recipient of the payment in a jurisdiction designated as a non-cooperating jurisdiction (jurisdicción no cooperante) or (B) due to the fact that the funds invested by the foreign recipient of the payment are originated in a jurisdiction designated as a non-cooperating jurisdiction (jurisdicción no cooperante), in each case as determined under applicable Argentine laws or regulation; or
- (i) any combination of the above.

Notwithstanding any other provision of the terms hereof, any amounts to be paid on the new notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "FATCA Withholding"). Neither the Issuer nor any other Person will be required to pay any Additional Amounts in respect of FATCA Withholding.

The Payor will (1) make any required withholding or deduction, and (2) remit the full amount deducted or withheld to the applicable taxing authority in the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will provide to the New Notes Trustee certified copies of tax receipts or, if such tax receipts are not reasonably available, such other documentation evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes. The Payor will attach to such documentation a certificate stating (i) that the amount of withholding Taxes evidenced by such documentation was paid in connection with payments in respect of the principal amount of new notes then outstanding, and (ii) the amount of such withholding Taxes paid per U.S. dollar principal amount of the new notes.

If the Payor will be obligated to pay Additional Amounts with respect to any payment under or with respect to the new notes, the Payor will deliver to the New Notes Trustee, at least three Business Days prior to the relevant payment date, an Officers' Certificate stating the fact that such Additional Amounts will be payable, the amounts so

payable and will set forth such other information necessary to enable the New Notes Trustee to pay such Additional Amounts to Holders of new notes on the payment date (unless such obligation to pay Additional Amounts arises, or the Payor becomes aware of such obligation, less than three Business Days prior to the relevant payment date, in which case the Payor shall notify the New Notes Trustee promptly and shall deliver such Officers' Certificate as promptly as practicable thereafter). Each such Officers' Certificate shall be relied upon by the New Notes Trustee without further enquiry until receipt of a further Officers' Certificate addressing such matters.

The Issuer will pay when due any stamp, court, documentary or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of the new notes, the New Notes Indenture or any documentation with respect thereto, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside Argentina except those resulting from, or required to be paid in connection with, the enforcement of the new notes after the occurrence and during the continuance of any Event of Default and the Issuer agrees to indemnify each of the New Notes Trustee, the paying agents and the Holders of the new notes for any such amounts paid by the New Notes Trustee, the paying agents or such Holders with respect to the new notes in default.

The foregoing obligations to pay Additional Amounts will survive any termination, defeasance or discharge of the New Notes Indenture and any transfer by an investor of its new notes (or beneficial interest therein).

Whenever in the New Notes Indenture, in this description or in the new notes, there is mentioned, in any context, (1) the payment of principal, premium, if any, or interest, (2) redemption prices or purchase prices in connection with the redemption or purchase of new notes or (3) any other amount payable under or with respect to any new note, such mention shall be deemed also to refer to any Additional Amounts which may be payable as set forth in the New Notes Indenture or in the new notes.

### **Optional Redemption**

Except as set forth below, the new notes are not redeemable at the option of the Issuer.

*Optional Redemption with Make-Whole Premium.* Prior to February 16, 2026 (the "First Call Date"), the Issuer may redeem the new notes, at its option, in whole or in part, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

- (1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming that the principal installment of the new notes due on the date that is the First Call Date is paid when due and the remaining principal due on the new notes is called on the First Call Date at the redemption price set forth under "Percentage" in the table below under "—Optional Redemption without a Make-Whole Premium") on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 75 basis points less (b) interest accrued to the date of redemption, and
  - (2) 100% of the principal amount of the new notes to be redeemed,
- plus, in either case, accrued and unpaid interest thereon to, but excluding, the redemption date.

"Treasury Rate" means, with respect to any redemption date, the yield determined by the Issuer in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Issuer after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities—Treasury constant maturities—Nominal" (or any successor caption or heading). In determining the Treasury Rate, the Issuer shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the First Call Date (the "Remaining Life"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the First Call Date on a straight-line basis (using the actual number of days) using such yields and

rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third Business Day preceding the redemption date H.15 or any successor designation or publication is no longer published, the Issuer shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the First Call Date, as applicable. If there is no United States Treasury security maturing on the First Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the First Call Date, one with a maturity date preceding the First Call Date and one with a maturity date following the First Call Date, the Issuer shall select the United States Treasury security with a maturity date preceding the First Call Date. If there are two or more United States Treasury securities maturing on the First Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Issuer shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semiannual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Issuer's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error. The New Notes Trustee shall have no obligation to calculate or verify any calculation of the redemption price.

*Optional Redemption without a Make-Whole Premium.* At any time and from time to time on or after the First Call Date, the Issuer may redeem the new notes, at its option, in whole or in part, at the following redemption prices, expressed as percentages of the principal amount on the redemption date, *plus* Additional Amounts and accrued and unpaid interest to, but excluding, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period commencing on February 16 of any year set forth below:

| Year                | Percentage |
|---------------------|------------|
| 2026                | 104.75%    |
| 2027 and thereafter | 100.000%   |

*Optional Redemption upon Equity Event.* In addition, at any time and from time to time, on or prior to the First Call Date the Issuer may, at its option, use the net cash proceeds of one or more Equity Events to redeem in the aggregate up to 35.0% of the aggregate principal amount of the new notes (including any Additional New Notes) at a redemption price equal to 109.50% of the principal amount thereof, *plus* Additional Amounts and accrued and unpaid interest to, but excluding, the date of redemption (subject to the right of the Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that at least 65.0% of the original aggregate principal amount of the new notes must remain outstanding immediately after giving effect to each such redemption (excluding any new notes held by the Issuer or any of its Subsidiaries). Any such redemption shall occur within 90 days after the date of the closing of the relevant Equity Event.

“*Equity Event*” means a public or private offering for cash occurring after the Issue Date, of Qualified Capital Stock of the Issuer or any Restricted Subsidiary thereof (to the extent the proceeds thereof are contributed to the common equity of the Issuer or a Restricted Subsidiary thereof).

*Optional Redemption for Changes in Withholding Taxes.* The Issuer may redeem the new notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) at a redemption price equal to 100.0% of the outstanding principal amount of the new notes, together with Additional Amounts, if any, and accrued and unpaid interest to, but excluding, the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if, as a result of (1) any amendment to, or change in, the laws (or any rules, regulations or rulings issued thereunder) or treaties of a Relevant Taxing Jurisdiction, or (2) any amendment to, or change in, application, administration or official interpretation of such laws, rules, regulations, rulings or treaties (including, without limitation, the holding of a court of competent jurisdiction), which amendment or change becomes effective on or after the Issue Date (or, if a Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction on a date after the Issue Date, after such later date), a Payor would be obligated, after taking all reasonable measures to avoid this requirement (it being understood that changing the jurisdiction of incorporation of a Payor or the location of a Payor's principal executive office shall not be a reasonable measure), to pay any Additional Amounts following the date on which such amendment or change becomes effective, provided, however, that (i) no notice of redemption for tax reasons may be given earlier than 90 days prior to the earliest date on which the Payor would be obligated to pay these Additional Amounts if a payment on the new notes were then due, and (ii) at the time such notice of redemption is given such obligation to pay such Additional Amounts remains in effect.

Prior to giving any notice of redemption pursuant to this provision, the Issuer will deliver to the New Notes Trustee:

- a certificate signed by a duly authorized representative stating that the Issuer is entitled to effect the redemption pursuant to the terms of the New Notes Indenture and setting forth a statement of facts showing that the conditions precedent to the Issuer's right to redeem have occurred, and
- an Opinion of Counsel of the Relevant Taxing Jurisdiction to the effect that the Payor has or will become obligated to pay such Additional Amounts as a result of such change or amendment, and that the Payor cannot avoid the obligation to pay such Additional Amounts by taking reasonable measures available to it.

*Optional Redemption Procedures.* Notice of any optional redemption will be sent, at least 10, but not more than 60 days, before the redemption date to each Holder of new notes to be redeemed (with a copy to the New Notes Trustee) at the address of such Holder appearing in the security register or otherwise in accordance with the procedures of DTC and the provisions described in "—Notices."

Notice of any redemption (except as described under "Optional Redemption—Optional Redemption for Changes in Withholding Taxes") may, at the discretion of the Issuer, be subject to the satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent, which may include consummation of any related offering of equity interests, incurrence of Indebtedness or the occurrence of a Change of Control. If such optional redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been (or, in the Issuer's sole determination, may not be) satisfied (or waived by the Issuer in its sole discretion) by the redemption date, or by the redemption date so delayed.

Subject to the foregoing, in the case of any optional redemption of less than all of the new notes, such new notes will be redeemed, to the extent permitted under applicable law and securities exchange rules, on a pro rata basis provided, however, that new notes held in global form shall be selected for redemption in accordance with the applicable rules of DTC. If any new notes are to be redeemed only in part, the notice of redemption relating to such new notes shall state the portion of the principal amount thereof to be redeemed. The New Notes Trustee will record each such partial redemption in the register, and Holders of new notes may request the issue of new notes in the name of the Holder in principal amount equal to the unredeemed portion thereof upon surrender and cancellation of the original new notes. No new notes of a principal amount of U.S.\$1.00 or less may be redeemed in part.

The Issuer will pay the redemption price for any new note together with accrued and unpaid interest thereon to, but excluding, the date of redemption and Additional Amounts, if any, then due and which will become due on the redemption date as a result of the redemption or otherwise. On and after the redemption date, interest will cease to accrue on new notes or portions thereof called for redemption as long as the Issuer has deposited with the applicable

paying agent funds in satisfaction of the applicable redemption price together with accrued and unpaid interest and Additional Amounts, if any, thereon pursuant to the New Notes Indenture. Upon redemption, the redeemed new notes will be cancelled and cannot be reissued.

### **Change of Control**

Upon the occurrence of a Change of Control, each Holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of U.S.\$1.00) of the Holder's new notes at a purchase price in cash equal to 101.0% of the principal amount thereof, *plus* Additional Amounts and accrued and unpaid interest thereon to, but excluding, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) (the "Change of Control Payment").

Within 30 days following the date upon which a Change of Control occurred, the Issuer will send a notice to each Holder, with a copy to the New Notes Trustee, describing the transaction or transactions that constitute(s) the Change of Control and offering to purchase the new notes as described above (a "Change of Control Offer"). The Change of Control Offer shall state, among other things, the purchase date (the "Change of Control Payment Date"), which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, except as may be required by law.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (a) accept for payment all new notes or portions of new notes properly tendered pursuant to the Change of Control Offer;
- (b) deposit with the applicable paying agent or tender agent for such Change of Control Offer, as applicable, an amount equal to the Change of Control Payment in respect of all new notes or portions of new notes properly tendered; and
- (c) deliver or cause to be delivered to the New Notes Trustee the new notes so accepted together with an Officers' Certificate stating the principal amount outstanding of new notes being redeemed by the Issuer.

The paying agent(s) or tender agent for such Change of Control Offer, as applicable, will promptly deliver to each Holder of new notes properly tendered the Change of Control Payment for such new notes, and the New Notes Trustee will promptly authenticate and deliver (or cause to be transferred by book-entry) to each Holder a new note equal in principal amount to any unredeemed portion of the new notes surrendered, if any.

If only a portion of a new note is purchased pursuant to a Change of Control Offer, a new note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original new note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate); provided that the remaining principal amount of such Holder's new note will not be less than U.S.\$1.00 and will be in integral multiples of U.S.\$1.00 in excess thereof.

The Issuer will not be required to make a Change of Control Offer if (1) a third party makes the Change of Control Offer in a manner, at the times and otherwise in compliance with the requirements set forth in the New Notes Indenture applicable to a Change of Control Offer made by the Issuer, and purchases all new notes validly tendered and not withdrawn under such Change of Control Offer, or (2) notice of redemption for all outstanding new notes has been given pursuant to the New Notes Indenture as described above under the caption "—Optional Redemption," unless and until there is a default in payment of the applicable redemption price.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

Other existing and future Indebtedness of the Issuer may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that such Indebtedness be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the new notes upon a Change of Control could cause a default under such Indebtedness even if the Change of Control itself does not.

The ability of the Issuer to pay cash to the Holders of new notes following the occurrence of a Change of Control may be limited by its then-existing financial resources. If a Change of Control occurs, the Issuer may not have available funds sufficient to make the Change of Control Payment when necessary for all the new notes that might be delivered by Holders seeking to accept a Change of Control Offer. In the event the Issuer is required to purchase outstanding new notes pursuant to a Change of Control Offer, the Issuer expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations. However, the Issuer may not be able to obtain the financing required to complete a Change of Control Offer. In addition, the Change of Control purchase feature of the new notes may in certain circumstances make more difficult or discourage a sale or takeover of the Issuer and, thus, the removal of incumbent management thereof. Holders will not be entitled to require the Issuer to purchase their new notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction that is not a Change of Control.

One of the events that constitutes a Change of Control under the New Notes Indenture is the disposition of “all or substantially all” of the Issuer’s assets under certain circumstances. This term varies based upon the facts and circumstances of the subject transaction. As a consequence, in certain circumstances there may be uncertainty in ascertaining whether a particular transaction involved a disposition of “all or substantially all” of the property or assets of a Person. In the event that Holders elect to require the Issuer to purchase the new notes and the Issuer contests such election, there can be no assurance as to how a court interpreting New York law would interpret the phrase under certain circumstances.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of new notes in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the “Change of Control” provisions of the New Notes Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the New Notes Indenture by doing so. If it would be unlawful in any jurisdiction to make a Change of Control Offer, the Issuer will not be obligated to make such offer in such jurisdiction and will not be deemed to have breached its obligations under the New Notes Indenture by not making such an offer.

The obligation of the Issuer to make a Change of Control Offer may be waived or modified at any time prior to the occurrence of such Change of Control with the written consent of Holders of a majority in principal amount of the new notes.

## **Certain Covenants**

### ***Limitation on Incurrence of Additional Indebtedness***

- (a) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (other than Non-Recourse Indebtedness), except that the Issuer and any Restricted Subsidiary may Incur Indebtedness if immediately after giving pro forma effect to the Incurrence thereof and the application of the proceeds therefrom:
  - (i) the Net Debt to EBITDA Ratio would not be greater than 3.50:1.00;
  - (ii) the Interest Coverage Ratio would be at least 2.50:1.00; and
  - (iii) no Default or Event of Default shall have occurred and be continuing (or would result therefrom).
- (b) Notwithstanding clause (a) above, the Issuer and any Restricted Subsidiary may Incur the following Indebtedness (“Permitted Indebtedness”):
  - (i) Indebtedness in respect of the new notes and the Note Guarantees, excluding Additional New Notes and Guarantees thereof;
  - (ii) Indebtedness of the Issuer and any Restricted Subsidiary outstanding on the Issue Date;
  - (iii) Guarantees by any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) permitted to be Incurred by another provision of this covenant; provided that, if any such Guarantee is of Subordinated Indebtedness, then the Guarantee of



such Subordinated Indebtedness shall be expressly subordinated to the prior payment in full of all obligations under the new notes, the Note Guarantees and the New Notes Indenture;

- (iv) Indebtedness in respect of Hedging Obligations of the Issuer and any Restricted Subsidiary Incurred in the ordinary course of business not for speculative purposes;
- (v) intercompany Indebtedness of the Issuer to any Restricted Subsidiary (other than a Project Finance Subsidiary), and/or Indebtedness of any Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer or any other Restricted Subsidiary (other than a Project Finance Subsidiary); provided that:
  - 1. such Indebtedness must be (A) unsecured, and (B) if a Subsidiary Guarantor or the Issuer is the obligor and the obligee is the Issuer or a Restricted Subsidiary (other than a Project Finance Subsidiary) that is a Non-Guarantor, expressly subordinated to the prior payment in full of all obligations under the new notes, the Note Guarantees and the New Notes Indenture, and
  - 2. in the event that at any time and for any reason any such Indebtedness ceases to be owed to and held by the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), such Indebtedness shall be deemed to be Incurred by the Issuer or the applicable Restricted Subsidiary (other than a Project Finance Subsidiary), as the case may be, and not permitted by this subclause (v) at the time such event occurs;
- (vi) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five Business Days of receipt of notice of insufficient funds;
- (vii) Indebtedness in respect of severance payments, workers' compensation claims, payment obligations in connection with health or other social security benefits, unemployment insurance or other self-insurance obligations for employees, letters of credit, bankers' acceptances, payment obligations in connection with insurance premiums or similar obligations, security deposits, completion, performance, surety, appeal, bid, customs or similar bonds and reimbursement obligations (or letters of credit in connection with, in lieu of or in respect of each of the foregoing), in each case, Incurred in the ordinary course of business by, or to the extent required by applicable Governmental Authorities in connection with the operations of, the Issuer or a Restricted Subsidiary;
- (viii) Refinancing Indebtedness in respect of:
  - 1. Indebtedness Incurred pursuant to clause (a) above;
  - 2. Indebtedness Incurred pursuant to subclauses (i) (including Refinancing Indebtedness Incurred to defease the new notes as provided in "—Defeasance," to the extent the proceeds therefrom are applied concurrently to defease the new notes), (ii), (viii) and (xi) of this clause (b); or
  - 3. Any Indebtedness Incurred to Refinance Indebtedness under 1. and 2. above, including additional Indebtedness incurred to pay premiums, defeasance costs, accrued interest and fees and expenses in connection therewith;
- (ix) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds or similar bonds securing any obligations of the Issuer or any Restricted Subsidiary pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Subsidiary (other than Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition), so long as the principal amount thereof does not exceed, at any time, the gross proceeds (including non-cash proceeds) actually received by the Issuer or such Restricted Subsidiary in connection with such disposition;
- (x) Indebtedness constituting reimbursement obligations in respect of trade or performance letters of credit entered into in the ordinary course of business which are not Incurred in connection with the borrowing

of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Issuer and any Restricted Subsidiary;

- (xi) Acquired Indebtedness; provided that, after giving effect to the Incurrence thereof and the acquisition of such Restricted Subsidiary (other than a Project Finance Subsidiary), the Issuer could
    - 1. Incur at least U.S.\$1.00 of Indebtedness pursuant to the foregoing clause (a) of this covenant, or
    - 2. (x) the Interest Coverage Ratio would be at least equal to, or greater than, the Interest Coverage Ratio immediately prior to such transaction, and (y) the Net Debt to EBITDA Ratio would be at least equal to, or lower than, the Net Debt to EBITDA Ratio immediately prior to such transaction; provided that, with respect to the Person being acquired, (1) the Interest Coverage Ratio of such Person is at least 2.50:1.00 and (2) the Net Debt to EBITDA Ratio of such Person is not greater than 3.50:1.00;
  - (xii) Indebtedness Incurred to finance all or any portion of the purchase price or cost of construction, development, improvement or modification of property of the Issuer or any Restricted Subsidiary (other than Project Finance Subsidiaries) to be used in a Permitted Business in an aggregate principal amount not to exceed the greater of (x) U.S.\$130 million (or the equivalent in other currencies), or (y) 10.5% of Consolidated Net Tangible Assets at any time outstanding; provided that, after giving pro forma effect to the incurrence of such Indebtedness under this clause (xii), the Interest Coverage Ratio of the Issuer and its Restricted Subsidiaries would be at least 2.50:1.00; and
  - (xiii) in addition to Indebtedness referred to in subclauses (i) through (xii) above of this clause (b), Indebtedness of the Issuer and any Restricted Subsidiary in an aggregate principal amount not to exceed the greater of (A) U.S.\$55 million (or the equivalent in other currencies), or (B) 5% of Consolidated Net Tangible Assets at any time outstanding.
- (c) Notwithstanding the foregoing, none of the Issuer or any Restricted Subsidiaries will Incur any Indebtedness (other than Non-Recourse Indebtedness) that is contractually subordinated in right of payment to any other Indebtedness, unless such Indebtedness is also expressly subordinated in right of payment to the new notes or the Note Guarantees, as the case may be, to the same extent and on the same terms as such Indebtedness is subordinate to such other Indebtedness; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.
  - (d) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this covenant:
    - (i) the outstanding principal amount of any item of Indebtedness will be counted only once (without duplication for Guarantees or otherwise);
    - (ii) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in subclauses (i) through (xiii) of clause (b) above, the Issuer may, in its sole discretion, divide and classify (or at any time reclassify) such item of Indebtedness in any manner that complies with this covenant; and
    - (iii) the amount of Indebtedness (including Indebtedness issued at original issue discount) Incurred by a Person on the Incurrence date thereof shall equal the amount recognized as a liability on the balance sheet of such Person determined in accordance with IFRS. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant.
  - (e) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a non-U.S. currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving

credit Indebtedness; provided that, if such Indebtedness is Incurred to Refinance other Indebtedness denominated in a non-U.S. currency, and such Refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such Refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being Refinanced. The principal amount of any Indebtedness Incurred to Refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being Refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such Refinancing. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and any Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies.

### ***Limitation on Restricted Payments***

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a “Restricted Payment”):

- (a) declare or pay any dividend or make any distribution or return of capital on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than:
  - dividends or distributions payable in Qualified Capital Stock of the Issuer or such Restricted Subsidiary; or
  - dividends, distributions or returns of capital payable to the Issuer and/or any Restricted Subsidiary (other than dividends, distributions or returns of capital made by a Project Finance Subsidiary to another Project Finance Subsidiary), and, if a Restricted Subsidiary has shareholders other than the Issuer or any other Restricted Subsidiary, to its other shareholders on a pro rata basis;
- (b) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer except for Capital Stock held by the Issuer or a Restricted Subsidiary (other than a Project Finance Subsidiary, but only to the extent that the purchase, redemption, acquisition or retirement is made by a Project Finance Subsidiary to another Project Finance Subsidiary);
- (c) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness, other than (i) interest payments (provided that no Default or Event of Default shall have occurred and be continuing), (ii) Indebtedness of the Issuer owing to and held by any Subsidiary Guarantor or Indebtedness of a Subsidiary Guarantor owing to and held by the Issuer or any other Subsidiary Guarantor permitted under clause (b)(v) of the covenant “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;” or
- (d) make any Restricted Investment;

if at the time of the Restricted Payment and immediately after giving pro forma effect to such Restricted Payment:

- (1) a Default or Event of Default has occurred and is continuing (or would occur as a result thereof);
- (2) the Issuer is or would not be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to clause (a) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;”
- (3) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments declared or made subsequent to the Issue Date (excluding Restricted Payments made pursuant to clauses (b) and (c) of the next succeeding paragraph) up to the date thereof shall exceed the sum of:
  - (i) 100.0% of cumulative Consolidated Net Income (or, if Consolidated Net Income shall be a deficit, *minus* 100.0% of such deficit), accrued on a cumulative basis during the period, treated as one

accounting period, beginning on January 1, 2023 and ending on the last day of the Issuer's most recent fiscal quarter for which financial statements of the Issuer have been provided to the New Notes Trustee pursuant to the New Notes Indenture; *plus*

- (ii) 50.0% of FONINVEMEM Receivables collected on a cumulative basis during the period beginning on January 1, 2023 and ending on the last day of the Issuer's most recent fiscal quarter for which financial statements of the Issuer have been provided to the New Notes Trustee pursuant to the New Notes Indenture, and which FONINVEMEM Receivables are not otherwise disposed of in exchange for assets in a Permitted Business; *plus*
- (iii) 100.0% of the aggregate net cash proceeds and the Fair Market Value of property received since the Issue Date by the Issuer from any Person from any:
  - 1. (x) contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock and, (y) issuance and sale of Qualified Capital Stock of the Issuer; or
  - 2. issuance and sale (and, in the case of Indebtedness of a Restricted Subsidiary (other than a Project Finance Subsidiary), at such time as it was a Restricted Subsidiary (other than a Project Finance Subsidiary)) of any Indebtedness included in clauses (a), (b), (c), (d) and (i) of the definition thereof of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) that has been converted into or exchanged for Qualified Capital Stock of the Issuer;

excluding, in each case, any net cash proceeds (x) received from the Issuer or any Restricted Subsidiary, or (y) applied in accordance with clause (b) or (c) of the second paragraph of this covenant; *plus*

- (iv) to the extent that any Restricted Investment is sold or otherwise liquidated or repaid or Designated as a Restricted Subsidiary, the cash proceeds with respect to such Restricted Investment (less the cost of disposition, if any) in the case of any sale, liquidation or repayment and the Fair Market Value of such Restricted Investments as of the date of Designation in the case of any Designation; provided, that if such Restricted Investment was made prior to the Issue Date, such amount shall not be included in determining the ability to make a Restricted Payment provided for in clauses (a), (b) and (c) of the first paragraph of this covenant; *plus*
- (v) to the extent that:
  - 1. any Unrestricted Subsidiary of the Issuer Designated as such on or after the Issue Date is redesignated as a Restricted Subsidiary and not as a Project Finance Subsidiary, the Fair Market Value of the Investment of the Issuer in such Subsidiary as of the date of such redesignation; and
  - 2. any Project Finance Subsidiary of the Issuer Designated as such on or after the Issue Date has such Designation revoked and such Project Finance Subsidiary remains a Restricted Subsidiary after the Issue Date, the Fair Market Value of the Investment of the Issuer in such Subsidiary as of the date of such revocation; *plus*
- (vi) to the extent that the Issuer or a Restricted Subsidiary terminates all or any part of any commitment to make an Investment that was previously accounted for as a Restricted Payment under clause (g) of the next succeeding paragraph, the amount of the terminated commitment; *plus*
- (vii) to the extent not included above under this clause, 100.0% of any dividends, distributions or cash received by the Issuer or its Restricted Subsidiaries from an Unrestricted Subsidiary, Project Finance Subsidiary or any Person in which the Issuer or a Restricted Subsidiary owns a minority interest.

Notwithstanding the preceding paragraph, this covenant does not prohibit:

- (a) the payment of any dividend within 60 days after the date of declaration of such dividend, if such dividend would have been permitted on the date of declaration pursuant to the preceding paragraph;

- (b) the distribution of any dividends or distributions received by the Issuer and/or any Restricted Subsidiary from Unrestricted Subsidiaries to the Issuer and/or any Restricted Subsidiary and, if a Restricted Subsidiary has shareholders other than the Issuer or any other Restricted Subsidiary, to its other shareholders on a pro rata basis;
- (c) any Restricted Payment either (i) in exchange for Qualified Capital Stock of the Issuer or (ii) through the application of the net cash proceeds received by the Issuer from (x) a substantially concurrent sale of Qualified Capital Stock of the Issuer or (y) a contribution to the Capital Stock of the Issuer (other than Disqualified Capital Stock), in each case, not received from a Restricted Subsidiary;
- (d) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Restricted Subsidiary, of:
  - (i) Qualified Capital Stock of the Issuer; or
  - (ii) Refinancing Indebtedness for such Subordinated Indebtedness;
- (e) repurchases of Capital Stock deemed to occur upon exercise of stock options, warrants or other similar rights to the extent such Capital Stock represents a portion of the exercise price of such options, warrants or other similar rights or nominal cash payments in lieu of issuances of fractional shares;
- (f) the payment of dividends or distributions to fund the repurchase, redemption or other acquisition or retirement for value of any of the Issuer's or any Restricted Subsidiary's Capital Stock held by any then-existing or former director, officer or employee of the Issuer or any Restricted Subsidiary (or permitted transferees, assigns, estates, trusts or heirs of such director, officer or employee); provided, however, that the aggregate Restricted Payments made under this clause (f) do not exceed U.S.\$5 million (or the equivalent in other currencies) in any fiscal year of the Issuer; provided, further, that the amounts in any fiscal year may be increased by an amount not to exceed: (i) the cash proceeds received by the Issuer or any Restricted Subsidiary from the sale of Capital Stock of the Issuer or any Restricted Subsidiary to any present or former employees, directors, officers or consultants thereof (or their respective permitted transferees) following the Issue Date; *plus* (ii) the cash proceeds of "key man" life insurance policies received by the Issuer or a Restricted Subsidiary since the Issue Date;
- (g) the payment at any time of all or any part of a Restricted Investment, if at the time of the entering into the commitment to make the Restricted Investment, the making of such Restricted Investment would have been permitted under any provision of the New Notes Indenture; provided that at the time of entering into such commitment to make the Restricted Investment (i) the entire amount of such commitment was permitted to be made as a Restricted Payment under the New Notes Indenture as if the entire amount was made on the date of such commitment, and (ii) the entire amount of such commitment is included in the calculation required under clause (3) of the first paragraph above;
- (h) repurchases of Subordinated Indebtedness at a purchase price not greater than (i) 101.0% of the principal amount or accreted value, as applicable, of such Subordinated Indebtedness and accrued and unpaid interest thereon in the event of a Change of Control or (ii) 100% of the principal amount or accreted value, as applicable, of such Subordinated Indebtedness and accrued and unpaid interest thereon in the event of an Asset Sale, in connection with any change of control offer or asset sale offer required by the terms of such Subordinated Indebtedness, provided that (x) in the case of a Change of Control, the Issuer has first complied with and fully satisfied its obligations under the covenant described above under the caption "—Change of Control;" or (y) in the case of an Asset Sale, the Issuer has first complied with and fully satisfied its obligations under the covenant described below under the caption "—Limitation on Asset Sales;"
- (i) the payment by the Issuer of any dividend with respect to periods prior to January 1, 2023 up to a maximum amount of U.S.\$145 million; and
- (j) Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (j), does not exceed at any time U.S.\$15 million (or the equivalent in other currencies), so long as no Default or Event of Default has occurred and is continuing (or would result therefrom) and so long as, after giving pro forma effect to the payment of such Restricted Payment, the Issuer is or would be

able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to clause (a) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness.

The amount of any Restricted Payments not in cash will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by the Issuer or the applicable Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment.

#### ***Limitation on Asset Sales***

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, make an Asset Sale unless:

- (a) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets sold or otherwise disposed of; and
- (b) at least 75.0% of the consideration thereof received for the assets sold by the Issuer or the applicable Restricted Subsidiary, as the case may be, is in the form of (1) cash or Cash Equivalents, (2) securities, notes or other obligations that are converted into cash within 180 days of the acquisition thereof, (3) assets (other than current assets as determined in accordance with IFRS or Capital Stock) to be used by the Issuer or the applicable Restricted Subsidiary in a Permitted Business, (4) Capital Stock in a Person engaged solely in a Permitted Business that will become a Restricted Subsidiary as a result of such Asset Sale, (5) Indebtedness assumed pursuant to a customary novation or similar agreement or (6) a combination of any of the foregoing.

The Issuer or the applicable Restricted Subsidiary, as the case may be, may apply within 365 days of any Asset Sale an amount equal to 100.0% of the Net Cash Proceeds from any such Asset Sale to:

- (a) repay any Senior Indebtedness of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary unless the Asset Sale was made by a Project Finance Subsidiary) for borrowed money (including any such Senior Indebtedness represented by bonds, notes, debentures or other similar instruments) or constituting a Capitalized Lease Obligation at a price of no more than 100.0% of the principal amount of such Senior Indebtedness or Capitalized Lease Obligation, as the case may be, *plus* accrued and unpaid interest to the date of such repayment, in each case owing to a Person other than the Issuer or any Restricted Subsidiary; or
- (b) purchase or enter into a binding contract to purchase (or within such 365-day period, the Board of Directors shall have made a good faith determination to purchase; provided that the Issuer or the applicable Restricted Subsidiary shall have purchased or entered into a binding contract to purchase within 365 days of such good faith determination to purchase):
  - (i) assets (other than current assets as determined in accordance with IFRS or Capital Stock of a Person unless such Person is or becomes a Restricted Subsidiary (other than a Project Finance Subsidiary unless the Asset Sale was made by a Project Finance Subsidiary) as a result of such purchase) to be used by the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary unless the Asset Sale was made by a Project Finance Subsidiary) in a Permitted Business; or
  - (ii) Capital Stock of a Person engaged solely in a Permitted Business that will become, upon purchase, a Restricted Subsidiary (other than a Project Finance Subsidiary unless the Asset Sale was made by a Project Finance Subsidiary);

from a Person other than the Issuer or any Restricted Subsidiary;

- (c) to make Capital Expenditures; or
- (d) a combination of (a), (b) and (c) above.

To the extent there are any remaining Net Cash Proceeds that have not been applied as described in clause (a) through (d) of the second preceding paragraph 365 days after the Asset Sale, the Issuer will make an offer to purchase new notes (an “Asset Sale Offer”), at a purchase price equal to 100.0% of the principal amount of the new notes to be purchased, *plus* accrued and unpaid interest to, but excluding, the date of purchase. The Issuer will

purchase pursuant to an Asset Sale Offer from all tendering Holders on a *pro rata* basis, and, at the Issuer's option, on a *pro rata* basis with the Holders of any other Senior Indebtedness with similar provisions requiring the Issuer to offer to purchase the other Senior Indebtedness with the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of new notes and the other Senior Indebtedness to be purchased equal to such remaining Net Cash Proceeds; provided that no new notes or other Senior Indebtedness will be selected and purchased in unauthorized denominations. The Issuer may satisfy the obligations under this covenant with respect to the remaining Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 365-day period.

Notwithstanding the foregoing, the Issuer may defer an Asset Sale Offer until there is an aggregate amount of Net Cash Proceeds from one or more Asset Sales equal to or in excess of U.S.\$30 million (or the equivalent in other currencies). At that time, the entire amount of Net Cash Proceeds, and not just the amount in excess of U.S.\$30 million (or the equivalent in other currencies), will be applied as required pursuant to this covenant.

Each notice of an Asset Sale Offer will be provided to the Holders within 20 days following such 365th day, with a copy to the New Notes Trustee, offering to purchase the new notes as described above. Each notice of an Asset Sale Offer will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law. Upon receiving notice of an Asset Sale Offer, Holders may elect to tender their new notes in whole or in part in integral multiples of U.S.\$1.00 in exchange for cash; provided that the principal amount of such tendering Holder's new note shall not be less than U.S.\$1.00.

To the extent Holders of new notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw new notes or the other Senior Indebtedness in an aggregate amount exceeding the amount of remaining Net Cash Proceeds, the Issuer will purchase the new notes and the other Senior Indebtedness on a *pro rata* basis (based on amounts tendered) as set forth above. If only a portion of a new note is purchased pursuant to an Asset Sale Offer, a new note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original new note (or appropriate adjustments to the amount and beneficial interests in a Global Note will be made, as appropriate).

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws in connection with the purchase of new notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the "Asset Sale" provisions of the New Notes Indenture, the Issuer will comply with these laws and regulations and will not be deemed to have breached its obligations under the "Asset Sale" provisions of the New Notes Indenture by doing so. If it would be unlawful in any jurisdiction to make an Asset Sale Offer, the Issuer will not be obligated to make such offer in such jurisdiction and will not be deemed to have breached its obligations under the New Notes Indenture by doing so.

Upon completion of an Asset Sale Offer, the amount of remaining Net Cash Proceeds will be reset at zero. Accordingly, to the extent that the aggregate amount of new notes and other Senior Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of remaining Net Cash Proceeds, the Issuer may use any remaining Net Cash Proceeds in any manner not otherwise prohibited by the New Notes Indenture.

#### ***Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries***

The Issuer may designate after the Issue Date any of its Subsidiaries as an "Unrestricted Subsidiary" or a "Project Finance Subsidiary" under the New Notes Indenture (a "Designation") only if:

- (a) no Default or Event of Default shall have occurred and be continuing at the time of, or after giving effect to, such Designation, and any transactions between the Issuer or any other Restricted Subsidiary and such Subsidiary to be designated as an Unrestricted Subsidiary or Project Finance Subsidiary, as applicable, are in compliance with "—Limitation on Transactions with Affiliates;" and
- (b) the Issuer would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation) as a Restricted Payment pursuant to the first paragraph or clause (j) of the second paragraph of "—Limitation on Restricted Payments" or, in the case of a Designation of a Project Finance Subsidiary only, clause (n) or (o) of the definition of "Permitted Investment" in an amount (the "Designation Amount") equal to the

amount of the Issuer's Investment in such Subsidiary on such date (as determined in accordance with the second paragraph of the definition of "Investment").

None of the Issuer or the Restricted Subsidiaries will at any time provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary or Project Finance Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary or Project Finance Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) or be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary or Project Finance Subsidiary unless such credit support or Indebtedness was permitted to be Incurred as Indebtedness under the covenant "—Limitations on Incurrence of Additional Indebtedness."

The Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary or Project Finance Subsidiary (a "Revocation") only if:

- (a) no Default or Event of Default has occurred and is continuing at the time of and after giving effect to such Revocation; and
- (b) all Liens and Indebtedness of such Unrestricted Subsidiary or Project Finance Subsidiary, as applicable, outstanding immediately following such Revocation would, if Incurred at such time, be permitted to be Incurred pursuant to the New Notes Indenture.

Upon a Restricted Subsidiary becoming an Unrestricted Subsidiary or a Project Finance Subsidiary,

- (a) all existing Investments of the Issuer or any other Restricted Subsidiary therein (valued at the proportional share of the Person holding the Investment, of the Fair Market Value of the assets of the Unrestricted Subsidiary or Project Finance Subsidiary, as the case may be, less liabilities) will be deemed made at that time;
- (b) all existing Capital Stock or Indebtedness of the Issuer or any other Restricted Subsidiary held by it will be deemed Incurred at that time, and all Liens on property of the Issuer and any other Restricted Subsidiary held by it will be deemed Incurred at that time;
- (c) all existing transactions between it and the Issuer or any other Restricted Subsidiary will be deemed entered into at that time;
- (d) it is released at that time from its Note Guarantee, if any; and
- (e) with respect to any Unrestricted Subsidiary, it will cease to be subject to the provisions of the New Notes Indenture as a Restricted Subsidiary.

Upon an Unrestricted Subsidiary or a Project Finance Subsidiary becoming, or being deemed to become, a Restricted Subsidiary,

- (a) all of its Indebtedness and Disqualified Capital Stock or Preferred Stock will be deemed Incurred at that time for purposes of "—Limitations on Incurrence of Additional Indebtedness;"
- (b) Investments therein previously charged under "—Limitation on Restricted Payments" will be credited thereunder;
- (c) it may be required to provide a Note Guarantee; and
- (d) with respect to any Unrestricted Subsidiary, it will thenceforward be subject to the provisions of the New Notes Indenture as a Restricted Subsidiary and, with respect to any Project Finance Subsidiary, it will cease to be subject to the provisions of the New Notes Indenture as a Project Finance Subsidiary.

The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary or Project Finance Subsidiary, as applicable, shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary. All Designations and Revocations, other than those made on the Issue Date pursuant to the New Notes Indenture, must be evidenced by resolutions of the Board of Directors of the Issuer delivered to the New Notes Trustee certifying compliance with the preceding provisions.



### ***Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries***

Except as provided in the following paragraph, the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (a) pay dividends or make any other distributions on its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;
- (b) make loans or advances to the Issuer or any other Restricted Subsidiary (it being understood that the subordination of loans or advances made to the Issuer or any other Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances); or
- (c) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.

The paragraph above will not apply to encumbrances or restrictions existing under or by reason of:

- (a) applicable law, rule, regulation, order, approval, concession, permit or similar restriction (including, without limitation, (1) by any national stock exchange on which the Issuer or Restricted Subsidiary has its Capital Stock listed, and (2) pursuant to any fiduciary obligations imposed by law);
- (b) the New Notes Indenture, the new notes or the Note Guarantees;
- (c) the terms of any Indebtedness or other agreement existing on the Issue Date and any extensions, renewals, replacements, amendments or refinancings thereof; provided that such extension, renewal, replacement, amendment or refinancing is not, taken as a whole, materially more restrictive with respect to such encumbrances or restrictions than those in existence on the Issue Date;
- (d) customary non-assignment provisions in contracts, agreements, leases, permits and licenses;
- (e) restrictions with respect to a Restricted Subsidiary imposed pursuant to a binding agreement which has been entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of the Issuer or a Restricted Subsidiary; provided that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold and such sale or disposition is permitted under the New Notes Indenture;
- (f) customary restrictions imposed on the transfer of copyrighted or patented materials;
- (g) encumbrances or restrictions imposed by the terms of Indebtedness Incurred to finance all or any part of the purchase price or cost of construction, development, improvement or modification of assets of the Issuer or any other Restricted Subsidiary in the ordinary course of business that impose encumbrances and restrictions only on the assets so acquired, constructed, developed, improved or modified, as applicable;
- (h) customary provisions in a joint venture or other similar agreement with respect to a Restricted Subsidiary that was entered into in the ordinary course of business;
- (i) any agreement governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired and that it is not created as a result of, in connection with, or in anticipation of any such transaction;
- (j) restrictions on the transfer of assets subject to any Permitted Lien securing Indebtedness permitted to be Incurred pursuant to the provisions of the covenant described under “—Limitations on Incurrence of Additional Indebtedness;”
- (k) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts or other arrangements entered into or agreed to in the ordinary course of business;

- (l) encumbrances or restrictions on Project Finance Subsidiaries imposed by the terms of Non-Recourse Indebtedness;
- (m) with respect to any agreement governing Indebtedness of any Restricted Subsidiary that is permitted to be Incurred by the covenant described under the heading “—Limitation on Incurrence of Additional Indebtedness” and any extensions, renewals, replacements, amendments or refinancings thereof permitted under the New Notes Indenture; provided that (i) the encumbrance or restriction is not materially disadvantageous to the Holders of the new notes than is customary in comparable financings and (ii) the Issuer determines in good faith that on the date of the Incurrence of such Indebtedness, that such encumbrance or restriction would not be expected to materially impair the Issuer’s ability to make principal or interest payments on the new notes; provided, further, that such extension, renewal, replacement, amendment or refinancing is not, taken as a whole, materially more restrictive with respect to such encumbrances or restrictions than those in existence in such agreement being extended, renewed, amended or refinanced; or
- (n) Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being Refinanced.

#### ***Limitation on Liens***

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, Incur any Indebtedness secured, directly or indirectly, by a Lien (other than Permitted Liens) on any property, assets, income or profits of the Issuer or any Restricted Subsidiary without effectively providing that the new notes and the Note Guarantees shall be secured equally and ratably with (or prior to) such Indebtedness with a Lien on the same properties and assets securing such Indebtedness, so long as such Indebtedness shall be so secured.

#### ***Limitation on Sale and Leaseback Transactions***

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction unless:

- (a) the Issuer or such Restricted Subsidiary would be entitled to:
  - (i) Incur Indebtedness in an amount equal to the Attributable Indebtedness with respect to such Sale and Leaseback Transaction pursuant to the covenant described under the caption “—Limitation on Incurrence of Additional Indebtedness;” and
  - (ii) create a Lien on such property or asset securing such Attributable Indebtedness without equally and ratably securing the new notes pursuant to the covenant described under the caption “—Limitation on Liens” in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions; and
- (b) the net proceeds received by the Issuer or the applicable Restricted Subsidiary in accordance with such Sale and Leaseback Transaction are at least equal to the Fair Market Value of such property.

#### ***Limitation on Merger, Consolidation and Sale of Assets***

The Issuer will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets (determined on a consolidated basis), to any Person unless:

- (a) either:
  - (i) the Issuer shall be the surviving, transferee or continuing Person, or
  - (ii) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the

properties and assets of the Issuer and its Restricted Subsidiaries substantially as an entirety (the “Surviving Entity”):

1. shall be organized and validly existing under the laws of (x) the jurisdiction under which the Issuer is or was organized or under the laws of Argentina, (y) the United States of America, any state thereof or the District of Columbia or (z) any country which is a member country of the Organisation for Economic Co-Operation and Development; and
  2. shall expressly assume, by supplemental indenture, executed and delivered to the New Notes Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the new notes and the performance and observance of every covenant of the new notes and the New Notes Indenture on the part of the Issuer to be performed or observed;
- (b) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(ii)(2) above (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred in connection with or in respect of such transaction), the Issuer or such Surviving Entity, as the case may be, either (i) will be able to Incur at least U.S.\$1.00 of additional Indebtedness pursuant to clause (a) of “—Limitation on Incurrence of Additional Indebtedness” or (ii) will have (x) an Interest Coverage Ratio at least equal to, or greater than, the Interest Coverage Ratio immediately prior to such transaction, and (y) a Net Debt to EBITDA Ratio at least equal to, or lower than, the Net Debt to EBITDA Ratio immediately prior to such transaction;
- (c) if the Surviving Entity is not the Issuer, each Subsidiary Guarantor has confirmed by supplemental indenture that its Note Guarantee will apply to all the obligations of the Surviving Entity in respect of the New Notes Indenture and the new notes;
- (d) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(ii)(2) above (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred or anticipated to be Incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing or would occur;
- (e) all requisite governmental approvals therefor shall have been obtained; and
- (f) the Issuer or Surviving Entity, as the case may be, has delivered to the New Notes Trustee an Officers’ Certificate and an Opinion of Counsel, each stating that the consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if required in connection with such transaction, the supplemental indenture, comply with the applicable provisions of the New Notes Indenture, that all conditions precedent in the New Notes Indenture relating to the transaction have been satisfied and that any such supplemental indenture constitutes the legal, valid and binding obligation of the Surviving Entity and each Subsidiary Guarantor.

The provisions of this covenant above will not apply to any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of properties and assets, of a Restricted Subsidiary (other than a Project Finance Subsidiary) to the Issuer where the Issuer is the surviving, transferee or continuing Person, or to any merger of the Issuer into a wholly owned Restricted Subsidiary (other than a Project Finance Subsidiary) of the Issuer (other than subsections (f) and (g)) created for the purpose of holding the Capital Stock of the Issuer so long as the Indebtedness of the Issuer and any Restricted Subsidiary taken as a whole is not increased thereby.

Upon any consolidation, combination or merger or any transfer of all or substantially all of the properties and assets of the Issuer and the Restricted Subsidiaries in accordance with this covenant, in which the Issuer is not the continuing Person, the Surviving Entity formed by such consolidation or into which the Issuer is merged or to which such conveyance, lease or transfer is made will succeed to, will be substituted for, and may exercise every right and power of, the Issuer under the New Notes Indenture, the new notes or the applicable Note Guarantee, as the case may be, with the same effect as if such Surviving Entity had been named as such. Upon such substitution, the Issuer will be released from its obligations under the New Notes Indenture. For the avoidance of doubt, compliance with this covenant will not affect the obligations of the Issuer (including a Surviving Entity, if applicable) under “—Change of Control,” if applicable.

### ***Limitation on Transactions with Affiliates***

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each, an “Affiliate Transaction”), unless:

- (a) the terms of such Affiliate Transaction are no less favorable in all material respects to the Issuer or the applicable Restricted Subsidiary than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm’s-length basis from a Person that is not an Affiliate of the Issuer or the applicable Restricted Subsidiary;
- (b) in the event that such Affiliate Transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, equal to or in excess of U.S.\$10.0 million (or the equivalent in other currencies), the terms of such Affiliate Transaction shall be approved by a majority of the members of the Board of Directors of the Issuer (including a majority of the disinterested members thereof, but only to the extent there are disinterested members with respect to such Affiliate Transaction), as set forth in an Officers’ Certificate of the Issuer, delivered to the New Notes Trustee, stating that such Affiliate Transaction complies with this covenant; and
- (c) in the event that such Affiliate Transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, equal to or in excess of U.S.\$20.0 million (or the equivalent in other currencies), (1) the terms of such Affiliate Transaction shall be approved by a majority of the members of the Board of Directors of the Issuer (including a majority of the disinterested members thereof, but only to the extent there are disinterested members with respect to such Affiliate Transaction), as set forth in an Officers’ Certificate of the Issuer, delivered to the New Notes Trustee, stating that such Affiliate Transaction complies with this covenant, and (2) the Issuer will, prior to the consummation thereof, obtain a favorable opinion as to the fairness of such Affiliate Transaction to the Issuer or the applicable Restricted Subsidiary (if any) from a financial point of view from an Independent Financial Advisor and deliver the same to the New Notes Trustee.

The paragraph above will not apply to:

- (a) Affiliate Transactions between or among any two or more of the Issuer and any Restricted Subsidiary (other than a Project Finance Subsidiary) and Affiliate Transactions between or among a Project Finance Subsidiary and any other Project Finance Subsidiary;
- (b) reasonable fees and compensation paid to, and any indemnity and insurance provided on behalf of (and entering into related agreements with), officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary, but only to the extent that the Board of Directors of the Issuer or the applicable Restricted Subsidiary, as the case may be, in good faith shall have approved the terms thereof;
- (c) any issuance or sale of Capital Stock (other than Disqualified Capital Stock) of the Issuer;
- (d) any agreements as in effect on the Issue Date or any payments or other actions taken under any agreement in effect as of the Issue Date or any amendment, supplement, restatement, replacement, renewal, extension, refinancing thereof or thereto (so long as the renewed or replaced agreement, when taken as a whole, is not materially more disadvantageous to the Holders than the original agreement in effect on the Issue Date) or any transaction contemplated thereby;
- (e) Affiliate Transactions of the Issuer or any Restricted Subsidiary with a Person that is not an Affiliate thereof and that is merged with or into the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), and, in any such case, such transaction is not entered into as a result of or in connection with or in anticipation of such merger or such Person becoming a Restricted Subsidiary;
- (f) transactions with joint ventures or other similar arrangements entered into in the ordinary course of business, on market terms and consistent with past practice or industry practices;

- (g) the provision of administrative services to any joint venture, Unrestricted Subsidiary or Project Finance Subsidiary on substantially the same terms of the services provided to or by Restricted Subsidiaries or other transactions to such entities on terms consistent with generally accepted transfer pricing guidelines;
- (h) any Restricted Payments made in compliance with “—Limitation on Restricted Payments” and Permitted Investments permitted under the New Notes Indenture; and
- (i) loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) for travel, moving and other relocation expenses, in each case made in the ordinary course of business and not exceeding U.S.\$3 million (or the equivalent in other currencies) outstanding at any one time.

### ***Conduct of Business***

The Issuer and each Restricted Subsidiary will not engage in any business other than a Permitted Business.

### ***Maintenance of Ratings***

The Issuer shall, for so long as any new notes are outstanding, use commercially reasonable efforts to maintain ratings on the new notes from at least one of the Rating Agencies (provided that the Issuer shall not be required to maintain any minimum credit rating).

### ***Reports to Holders***

So long as the new notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish to Holders, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Pursuant to the New Notes Indenture, the Issuer will furnish or cause to be furnished to the Holders and to the New Notes Trustee (for distribution only to the Holders, upon their request), copies of the following items:

- (a) the annual consolidated financial statements of the Issuer audited by an internationally recognized firm of independent public accountants within 120 days after the end of the Issuer’s fiscal year, and, unaudited consolidated quarterly financial statements of the Issuer (including a balance sheet, income statement and cash flow statement for the fiscal quarter and year-to-date period then ended and the corresponding fiscal quarter and year-to-date period from the prior year, except that the comparison of the balance sheet will be as of the end of the previous fiscal year) within 60 days of the end of each of the first three fiscal quarters of each fiscal year. Such annual and quarterly financial statements will be prepared in accordance with IFRS and be accompanied by a “management discussion and analysis” of the results of operations and liquidity and capital resources of the Issuer and its consolidated Subsidiaries on a consolidated basis for the periods presented in a level of detail comparable to the management discussion and analysis of the results of operations and liquidity and capital resources contained in the offering memorandum. All of the foregoing documents will be in English; and
- (b) copies (including English translations of documents prepared in another language) of all public filings made with any securities exchange or securities regulatory agency or authority within thirty (30) Business Days of such filing,

provided that any such information, reports or notices will be deemed to have been delivered to the New Notes Trustee on the date such information, reports or notices are posted by the Issuer on its website or by the CNV, BYMA, MAE or Luxembourg Stock Exchange on their respective websites, as long as the New Notes Trustee has been notified in writing that such document has been posted on the applicable website.

Delivery of reports, information and documents to the New Notes Trustee is for informational purposes only and its respective receipt of such reports shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer’s or any other Person’s compliance with any of its covenants under the New Notes Indenture or the new notes (as to which the New Notes Trustee is entitled to rely conclusively on Officers’ Certificates).

## **Covenant Suspension**

If on any date following the Issue Date (1) the new notes have an Investment Grade Rating from any two Rating Agencies, and (2) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (1) and (2) being collectively referred to as a “Covenant Suspension Event”), the Issuer and the Restricted Subsidiaries will not be subject to the covenants under the New Notes Indenture described under the following headings (collectively, the “Suspended Covenants”):

- (a) “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;”
- (b) “—Certain Covenants—Limitation on Restricted Payments;”
- (c) “—Certain Covenants—Limitation on Asset Sales;”
- (d) “—Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;”
- (e) clause (b) of the first paragraph of “—Certain Covenants—Limitation on Merger, Consolidation and Sale of Assets;” and
- (f) “—Certain Covenants—Limitation on Transactions with Affiliates.”

In the event that the Issuer and the Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the “Reversion Date”), the new notes cease to have an Investment Grade Rating from any two Rating Agencies, then the Issuer and the Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. The period of time between the occurrence of a Covenant Suspension Event and the Reversion Date is referred to as the “Suspension Period.” Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with any of the Suspended Covenants solely during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period).

On the Reversion Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to clause (a) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness” or one of the clauses set forth in subclauses (i) through (xiii) of clause (b) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness” (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to the Indebtedness Incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be permitted to be Incurred pursuant to “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness,” such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under subclause (ii) of clause (b) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness.” With respect to Restricted Payments made after any such reinstatement, the amount of Restricted Payments made will be calculated as though the covenant described under “—Certain Covenants—Limitation on Restricted Payments” had been in effect prior to, but not during, the Suspension Period.

There can be no assurance that the new notes will achieve or maintain Investment Grade Ratings.

The Issuer shall provide the New Notes Trustee with prompt written notice of the commencement of any Suspension Period or Reversion Date. The New Notes Trustee shall have no obligation to forward any such notice to Holders.

## **Events of Default**

Events of Default with respect to the new notes in the New Notes Indenture will include (each, an “Event of Default”):

- (a) default in the payment when due of the principal of or premium, if any, on any new notes, including the failure to make a required payment to purchase new notes tendered pursuant to an optional redemption, Change of Control Offer or an Asset Sale Offer;

- (b) default in the payment when due of any interest or Additional Amounts, if any, on any new notes and such default shall continue unremedied for a period of 30 days;
- (c) the failure to perform or comply with any of the provisions described under “—Certain Covenants—Limitation on Merger, Consolidation and Sale of Assets;”
- (d) the failure by the Issuer or any Restricted Subsidiary to comply with any other covenant, agreement or obligation contained in the New Notes Indenture or in the new notes for 60 days or more after written notice to the Issuer from the New Notes Trustee or from the Holders of at least 25.0% in aggregate principal amount of the outstanding new notes;
- (e) default by the Issuer or any Restricted Subsidiary under any Indebtedness (whether such Indebtedness now exists or is created after the Issue Date) which:
  - (i) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness after the expiration of any applicable grace period provided in such Indebtedness on the date of such default and has not been cured or waived; or
  - (ii) results in the acceleration of such Indebtedness prior to its Stated Maturity;
 and the aggregate principal or accreted amount of Indebtedness covered by subclauses (i) or (ii) at the relevant time is equal to or exceeds U.S.\$25 million (or the equivalent in other currencies) individually or in the aggregate;
- (f) with respect to either the Issuer or any Restricted Subsidiary, any final judgment or final order for the payment of money in excess of U.S.\$25 million (to the extent not covered by insurance as acknowledged in writing by the insurer) is rendered against the Issuer or such Restricted Subsidiary and such final judgment or final order remains undischarged or unstayed for a period of 60 days after such judgment becomes final and non-appealable;
- (g) certain events of bankruptcy described in the New Notes Indenture affecting the Issuer or a Restricted Subsidiary that is or would be a Significant Subsidiary, or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; and
- (h) except as permitted by the New Notes Indenture, any Note Guarantee is held to be unenforceable or invalid in a judicial proceeding or ceases for any reason to be in full force and effect or any of Subsidiary Guarantor denies or disaffirms its obligations under a Note Guarantee (as applicable).

If an Event of Default (other than an Event of Default specified in clause (g) above with respect to the Issuer) shall occur and is continuing, the New Notes Trustee or the Holders of at least 25.0% in principal amount of outstanding new notes may declare the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the new notes to be immediately due and payable by notice in writing to the Issuer (and the New Notes Trustee if given by the Holders) specifying the Event of Default and that it is a “notice of acceleration.” If an Event of Default specified in clause (g) above occurs with respect to the Issuer, then the unpaid principal of (and premium, if any) and accrued and unpaid interest on all the new notes will become immediately due and payable without any declaration or other act on the part of the New Notes Trustee or any Holder.

At any time after a declaration of acceleration with respect to the new notes as described in the preceding paragraph, the Holders of a majority in principal amount of the outstanding new notes may rescind and cancel such declaration and its consequences by written notice to the Issuer:

- (a) if the rescission would not conflict with any judgment or decree;
- (b) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration; provided, however, that in the event of the cure or waiver of an Event of Default of the type described in clause (g) of the description above of Events of Default (other than with respect to the Issuer), the New Notes Trustee shall have received an Officers’ Certificate and an Opinion of Counsel confirming that such Event of Default has been cured or waived;

- (c) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and
- (d) if the Issuer has paid to the New Notes Trustee, the co-registrar, the paying agent, the transfer agent and any agent thereof, the compensation due to each of them and reimbursed the New Notes Trustee, the co-registrar, the paying agent, the transfer agent and any agent thereof for any expenses, disbursements and advances (including without limitation, reasonable and documented counsel fees and expenses) incurred or made by each of them outstanding at that time.

No rescission will affect any subsequent Default or impair any rights relating thereto.

The Holders of a majority in principal amount of outstanding new notes by notice to the New Notes Trustee and the Issuer may waive any existing Default or Event of Default under the New Notes Indenture, and its consequences, except a Default in the payment of the principal of, premium, if any, Additional Amounts or interest on any new notes.

The New Notes Trustee is under no obligation to exercise any of its rights or powers under the New Notes Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the New Notes Trustee indemnity and/or security satisfactory to it. Subject to all provisions of the New Notes Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the New Notes Trustee or exercising any trust or power conferred on the New Notes Trustee.

No Holder of any new notes will have any right to institute any proceeding with respect to the New Notes Indenture or for any remedy thereunder, unless:

- (a) such Holder gives to the New Notes Trustee written notice of a continuing Event of Default;
- (b) Holders of at least 25.0% in principal amount of the then outstanding new notes make a written request to pursue the remedy;
- (c) such Holders of the new notes provide to the New Notes Trustee indemnity satisfactory to it against any cost, liability or expense;
- (d) the New Notes Trustee does not comply within 60 days after receipt of such notice and offer of indemnity; and
- (e) during such 60-day period the Holders of a majority in aggregate principal amount of the then outstanding notes do not give the New Notes Trustee a written direction which, in the opinion of the New Notes Trustee, is inconsistent with the request,

provided that a Holder of a new note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such new note on or after the respective due dates expressed in such new note.

The Issuer is required, upon becoming aware of any Default or Event of Default, to deliver to the New Notes Trustee as promptly as practicable (and in any event within ten Business Days) an Officers' Certificate describing any event that would constitute a Default or Events of Default, the status thereof and what action the Issuer is taking or proposes to take in respect thereof. In the absence of any such notice of Default or Event of Default from the Issuer and any description of Default or Event of Default in such Officers' Certificate, the New Notes Trustee shall not be deemed to have notice or be charged with knowledge of any Default or Event of Default. In addition, the Issuer is required to deliver to the New Notes Trustee, within 120 days after the end of each fiscal year, an Officers' Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous fiscal year. The New Notes Indenture provides that, if a Default or Event of Default occurs, is continuing and the New Notes Trustee has received notice thereof, the New Notes Trustee must give to each Holder notice of the Default or Event of Default within 45 days after it is known to the New Notes Trustee. Except in the case of a Default or Event of Default in the payment of principal of, premium, if any, Additional Amounts or interest on any new note, the New Notes Trustee may withhold notice if and so long as a trust officer in good faith determines that withholding notice is in the interests of the Holders.



### ***Legal Defeasance and Covenant Defeasance***

The Issuer may, at its option and at any time, elect to have its obligations and the obligations of the Subsidiary Guarantors discharged with respect to, as applicable, the outstanding new notes, the Note Guarantees and the New Notes Indenture (“Legal Defeasance”). Such Legal Defeasance means that the Note Guarantees in effect at that time will be automatically released and that the Issuer and the Subsidiary Guarantors will be deemed to have paid and discharged the entire Indebtedness represented by the outstanding notes on the 91st day after the deposit specified in clause (a) of the third following paragraph, except for:

- (a) the rights of Holders to receive payments in respect of principal, premium, if any, interest and Additional Amounts, if any, on the new notes when such payments are due;
- (b) the Issuer’s obligations with respect to the new notes concerning issuing temporary new notes, registration of new notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payments;
- (c) the rights, powers, trust, duties and immunities of the New Notes Trustee, the paying agent, the co-registrar and the transfer agent and the obligations of the Issuer and the Subsidiary Guarantors in connection therewith; and
- (d) the Legal Defeasance provisions of the New Notes Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and the Subsidiary Guarantors released with respect to certain covenants (including the obligation to make Change of Control Offers and Asset Sale Offers) that are described in the New Notes Indenture (“Covenant Defeasance”). Thereafter, any omission to comply with such obligations will not constitute a Default or Event of Default with respect to the new notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, reorganization and insolvency events) described under “Events of Default” will no longer constitute an Event of Default with respect to the new notes, and the Note Guarantees in effect at that time will be automatically released.

In order to exercise either Legal Defeasance or Covenant Defeasance under the New Notes Indenture:

- (a) the Issuer must irrevocably deposit with the New Notes Trustee, in trust, for the benefit of the Holders cash, in U.S. dollars, U.S. Government Obligations or a combination thereof, in such amounts as will be sufficient (without reinvestment), in the opinion of a nationally recognized firm of independent public accountants or investment bank, to pay the principal of, premium, if any, interest and Additional Amounts, if any, on the new notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;
- (b) in the case of Legal Defeasance, the Issuer must deliver to the New Notes Trustee an Opinion of Counsel from counsel qualified in the United States reasonably acceptable to the New Notes Trustee and independent of the Issuer confirming that:

- (i) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

- (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

- (c) in the case of Covenant Defeasance, the Issuer shall have delivered to the New Notes Trustee an Opinion of Counsel from counsel qualified in the United States reasonably acceptable to the New Notes Trustee to the effect that the beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the

same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

- (d) the Issuer shall have delivered to the New Notes Trustee (1) an Opinion of Counsel to the effect that, based upon applicable law then in effect, the beneficial owners (i) will not recognize income, gain or loss for Argentina tax purposes, including withholding tax (except for withholding tax then payable on interest payments due), and the amounts to be payable will not be subject to any deposit or temporary freezing of funds in Argentina, as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and (ii) will be subject to Argentine taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred or (2) rulings directed to the New Notes Trustee received from tax authorities of Argentina to the same effect as the Opinion of Counsel described in clause (1) above;
- (e) no Default or Event of Default shall have occurred and be continuing on the date of the deposit or will occur as a result of such deposit (except any Default or Event of Default resulting from the borrowing of the funds required to effect such deposit and the granting of any Liens in connection therewith);
- (f) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a Default under the New Notes Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;
- (g) the New Notes Trustee shall have received an Officers' Certificate of the Issuer stating that the deposit was not made with the intent of preferring the Holders over any other creditors of the Issuer or any Subsidiary Guarantor or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer, any Subsidiary Guarantor or others;
- (h) the New Notes Trustee shall have received an Officers' Certificate of the Issuer and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and
- (i) the New Notes Trustee shall have received irrevocable written instructions from the Issuer to apply the deposited money toward the payment of the new notes on the stated date for payment thereof or on the applicable redemption date, as the case may be.

### **Satisfaction and Discharge**

The New Notes Indenture (other than those provisions which by their express terms survive) will be discharged and will cease to be of further effect as to all outstanding new notes when:

- (a) either:
  - (i) all the new notes that have been authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the New Notes Trustee for cancellation; or
  - (ii) all new notes that have not been delivered to the New Notes Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Subsidiary Guarantor has irrevocably deposited or caused to be deposited with the New Notes Trustee (or another entity designated by the New Notes Trustee for such purposes) funds in trust solely for the benefit of Holders in the form of cash in U.S. dollars, U.S. Government Obligations, or a combination thereof, in such amounts as will be sufficient (without reinvestment), in the opinion of a nationally recognized firm of independent public accountants or investment bank, to pay and discharge the entire Indebtedness on the new notes not delivered to the New Notes Trustee for cancellation for principal of, premium, if any, Additional Amounts, if any, and accrued interest to the stated date for payment thereof or on the applicable redemption date, as the case may be, together with irrevocable instructions from the Issuer directing the New Notes Trustee to apply such funds to the payment of the new notes;

- (b) the Issuer or any Subsidiary Guarantor has paid or caused to be paid all other sums payable under the New Notes Indenture by it; and
- (c) the Issuer has delivered to the New Notes Trustee an Officers' Certificate and Opinion of Counsel stating that all conditions precedent under the New Notes Indenture relating to the satisfaction and discharge of the New Notes Indenture have been complied with.

### **Form of Notes, Denomination and Registration**

The new notes will be issued in the form of global notes in registered form without interest coupons ("Global Notes") and will be issued in minimum denominations of U.S.\$1.00 and in integral multiples of U.S.\$1.00 in excess thereof. No service charge will be made for any registration of transfer or exchange of new notes, but the New Notes Trustee may require payment of a sum sufficient to cover any tax or other government charge payable in connection therewith. The new notes (or beneficial interests therein) may not be transferred unless the principal amount so transferred is in an authorized denomination.

The Global Notes will be deposited on or about the Issue Date with the New Notes Trustee as custodian for (and registered in the name of a nominee of) DTC. Interests in a Global Note deposited with a Depositary will be exchanged for certificated notes only if (i) DTC notifies the Issuer and the New Notes Trustee that it is unwilling or unable to continue as depositary for such Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Issuer within 90 days of such notice, or (ii) the Issuer in its sole discretion notifies the trustee in writing that certificated notes will be delivered in exchange for such Global Notes.

The new notes are not (and will not be) issuable in bearer form. See "Form of Notes, Clearing and Settlement."

### **Listing**

We intend to apply to list the new notes on the Official List of the Luxembourg Stock Exchange for trading on its Euro MTF Market and the Issuer will use its best efforts to maintain such listing of the new notes. If the admission of the new notes to the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market of the Luxembourg Stock Exchange would, in the future, require the Issuer to publish financial information either more regularly than it would otherwise be required to, or requires the Issuer to publish separate financial information, or if the listing, in the judgment of the Issuer, is unduly burdensome, the Issuer may seek an alternative admission to listing, trading and/or quotation for the new notes by another listing authority, stock exchange and/or quotation system. If such alternative admission to listing, trading and/or quotation of the new notes is not available to the Issuer or is, in the Issuer's commercially reasonable judgment, unduly burdensome, an alternative admission to listing, trading and/or quotation of the new notes may not be obtained.

We intend to apply to have the new notes listed on the BYMA and admitted for trading on the MAE.

### **Paying Agents; Transfer Agents and Registrars**

Citibank, N.A. will initially act as paying agent, transfer agent and co-registrar for the new notes, La Sucursal de Citibank, N.A. establecida en la República Argentina, will initially act as registrar, Argentine paying agent, Argentine transfer agent and representative of the trustee in Argentina. The Issuer may at any time appoint additional or other paying agents, transfer agents, registrars and co-registrars, and terminate the appointment thereof. For so long as (i) notes of any series issued under the New Notes Indenture are outstanding, the Issuer will maintain a paying agent, a transfer agent and a co-registrar in New York City, New York, and (ii) it is required by Argentine law or by the CNV, to maintain a paying agent, a transfer agent and registrar, the Issuer will maintain such agents in the City of Buenos Aires, Argentina. In the event required by the New Notes Indenture, notice of any resignation, termination or appointment of any paying agent, a transfer agent, registrar or co-registrar, and of any change in the office through which any paying agent, a transfer agent, registrar or co-registrar will act, will be promptly given to the Holders of the new notes in the manner described under "—Notices" below and to the CNV. Banque Internationale à Luxembourg S.A. will initially act as listing agent for the new notes in Luxembourg.

The New Notes Trustee, as co-registrar, will be responsible for maintaining a record of the aggregate holdings of new notes represented by the Global Notes and accepting notes for exchange and registration of transfer, ensuring that payments in respect of the new notes are duly paid to the Holders to the extent funds are available therefor and

transmitting notices to Holders and from Holders to the Issuer (in each case as contemplated by the New Notes Indenture).

The New Notes Trustee, as co-registrar, will keep at its office a register in which, subject to such reasonable regulations as it may prescribe, the co-registrar will provide for the registration of the new notes and registration of transfers and exchanges of the new notes. In the event of a partial transfer of a definitive note, new notes will be obtainable at the office of the co-registrar in connection with such transfer. The Issuer will cause notice of any resignation, termination or appointment of any co-registrar and/or registrar, and of any change in the office through which any such agent will act, to be provided to Holders in accordance with “—Notices” below.

### **Modification of the New Notes Indenture**

From time to time, the Issuer, the Subsidiary Guarantors and the New Notes Trustee, without the consent of the Holders, may amend, modify or supplement the New Notes Indenture and the new notes for the following purposes:

- (a) to cure any ambiguity, defect or inconsistency contained therein in a manner that is not materially adverse to the interests of the Holders;
- (b) to provide for uncertificated notes in addition to or in place of certificated notes;
- (c) to provide for the assumption by a Surviving Entity of the obligations of the Issuer or any Restricted Subsidiary under the covenant of the New Notes Indenture described under the heading “Certain Covenants—Limitation on Merger, Consolidation and Sale of Assets;”
- (d) to make any change that would provide any additional rights or benefits to Holders;
- (e) to make any change that does not adversely affect in any material respect the legal rights of any Holder under the New Notes Indenture;
- (f) to evidence and provide for the acceptance of an appointment by a successor trustee;
- (g) to conform the text of the New Notes Indenture, the new notes and the Note Guarantees to any provision of this “Description of the Notes,” to the extent such provision was intended to be a verbatim recitation of the text of the New Notes Indenture, the Note Guarantees or the new notes (as applicable);
- (h) to comply with any requirement of the CNV, BYMA or MAE;
- (i) to provide for the issuance of Additional New Notes in accordance with the limitations set forth in the New Notes Indenture; or
- (j) to surrender any right or power conferred upon the Issuer.

In connection with executing any amendment, the New Notes Trustee will be entitled to rely on such evidence as it deems appropriate, including solely on an Opinion of Counsel and Officers’ Certificate. Other modifications and amendments of the New Notes Indenture or the new notes and/or the Note Guarantees may be made with the consent of the Holders of a majority in principal amount of the then outstanding new notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the new notes) issued under the New Notes Indenture, and any existing default or compliance with any provision of the New Notes Indenture or the new notes outstanding thereunder may be waived with the consent of the Holders of a majority in principal amount of the then outstanding new notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the new notes), in each case, by the adoption of a resolution at a meeting of Holders of the new notes as set forth below or pursuant to any other reliable means that ensure Holders of new notes prior access to information and allow them to vote; provided that, without the consent of each Holder affected thereby, no amendment or waiver may (with respect to any new notes held by a non-consenting Holder):

- (a) reduce the percentage of the principal amount of the outstanding notes whose Holders must consent to an amendment, supplement or waiver;

- (b) modify any provisions of the New Notes Indenture relating to the quorum required at meetings of Holders of the new notes and voting requirements thereof (including any modification to any meeting of Holders of new notes at which any resolution is adopted, except to increase any such percentage or to provide that certain other provisions of the New Notes Indenture cannot be modified or waived without the consent of the Holder of each new note adversely affected thereby);
- (c) reduce the rate of, or change or have the effect of changing the time for payment of, interest, including defaulted interest, on any new notes;
- (d) reduce the principal of, premium on, or change or have the effect of changing the fixed maturity of, any new notes, or change the date on which any new notes may be subject to redemption (but not the required notices periods relating thereto), or reduce the redemption price therefor;
- (e) waive a Default or Event of Default in the payment of principal of, premium, if any, Additional Amounts or interest on the new notes (except a rescission of acceleration of the new notes by the Holders of at least a majority in aggregate principal amount of the then outstanding new notes with respect to a nonpayment default and a waiver of the payment default that resulted from such acceleration);
- (f) make any notes payable in a currency or place of payment other than that stated in the new notes;
- (g) make any change in provisions of the New Notes Indenture entitling each Holder to receive payment of principal of, premium, if any, Additional Amounts, and interest on such new note on or after the due date thereof or to bring suit to enforce such payment;
- (h) amend, change or modify in any material respect the obligation of the Issuer to make and consummate a Change of Control Offer in respect of a Change of Control that has occurred;
- (i) eliminate or modify in any manner any Subsidiary Guarantor's obligations with respect to its obligations under any Note Guarantee which adversely affects Holders in any material respect, except as contemplated in the New Notes Indenture;
- (j) make any change in the provisions of the New Notes Indenture described under "Additional Amounts" that adversely affects the rights of any Holder or amend the terms of the new notes in a way that would result in a loss of exemption from any applicable taxes;
- (k) amend the contractual right in the new notes to institute suit for any payment on or with respect to the new notes or the Note Guarantees on or after the respective due dates provided for in the new notes and the New Notes Indenture; and
- (l) make any adverse change to the ranking of the new notes.

The New Notes Indenture contains provisions for convening meetings of Holders of the new notes (at the expense of the Issuer) to consider matters affecting their interests, but nothing in the New Notes Indenture shall require the Issuer or the New Notes Trustee to convene a meeting except that the Issuer shall convene a meeting upon the request of Holders as provided below. A meeting of the Holders of the new notes may be called by the Board of Directors of the Issuer or its Supervisory Committee, the New Notes Trustee or upon the request of the Holders of at least 5.0% in principal amount of the outstanding notes. If a meeting is held pursuant to the written request of Holders of the new notes, such meeting will be convened within 40 days from the date such written request is received by the Issuer. Any such meeting will be held in the City of Buenos Aires.

Pursuant to the Negotiable Obligations Law, approval of any amendment, supplement or waiver by the Holders requires the consent of such Holders to be obtained pursuant to a meeting of Holders of new notes held in accordance with the provisions described hereunder or pursuant to any other reliable means that ensures Holders of new notes prior access to information and allows them to vote, in accordance with Section 14 of the Negotiable Obligations Law (as amended by Section 151 of the Argentine Productive Financing Law No. 27,440) and any other applicable regulation. It is not necessary for Holders of new notes to approve the particular form of any proposed amendment, supplement or waiver, but is sufficient if their consent approves the substance thereof.

Meetings of Holders will be convened and held in accordance with the provisions of the Negotiable Obligations Law and the Argentine Corporations Law No. 19,550 (as amended). Meetings may be ordinary meetings or extraordinary meetings. Any proposed amendment to the terms and conditions of the new notes shall be dealt with at an extraordinary meeting. Any such meeting will be held in the City of Buenos Aires, Argentina; *provided, however*, that as long as it is permitted under Argentine law, the Issuer or the New Notes Trustee may determine to hold any such meetings simultaneously in New York City by means of telecommunications which permit the participants to hear and speak to each other.

Notice of any meeting of the Holders of the new notes (which will include the date, place and time of the meeting, the agenda therefor and the requirements for attendance) will be given as set forth under “—Notices” not less than 10 nor more than 30 days prior to the date fixed for the meeting and will be published by or on behalf of the Issuer and at the Issuer’s expense for five business days in Argentina in the Official Gazette of Argentina (*Boletín Oficial*), in a newspaper of wide circulation in Argentina and in the Bulletin of the BCBA (as long as the new notes are listed and traded on BYMA) or such other informative systems of the markets in which the new notes are listed as is applicable. Meetings of the Holders may be simultaneously convened for two dates, in case the initial meeting were to be adjourned for lack of quorum. However, for meetings that include in the agenda items requiring unanimous approval by the Holders or the amendment of any of the terms and conditions of the new notes, notice of a new meeting resulting from adjournment of the initial meeting for lack of quorum will be given not less than eight days prior to the date fixed for such new meeting and will be published for three business days in the Official Gazette of Argentina, a newspaper of wide circulation in Argentina and the Bulletin of the BCBA (as long as the new notes are listed and traded on BYMA) or such other informative systems of the markets in which the new notes are listed, as is applicable.

To be entitled to vote at a meeting of Holders, a Person shall be (i) a Holder of one or more new notes as of the relevant record date or (ii) a Person appointed by an instrument in writing as proxy by such a Holder of one or more new notes.

The quorum at any ordinary meeting called to adopt a resolution will be Persons holding or representing a majority in aggregate principal amount of the new notes then outstanding and at any reconvened adjourned meeting for lack of quorum will be any Person(s) present at such reconvened adjourned meeting of Holders.

The quorum at any extraordinary meeting called to adopt a resolution will be Persons holding or representing at least 60% in aggregate principal amount of the new notes then outstanding and at any reconvened adjourned meeting for lack of quorum will be Persons holding or representing at least 30% in aggregate principal amount of the new notes then outstanding. In the absence of a quorum at any such meeting, the meeting may be adjourned for a period of not less than 8 days nor more than 30 days, as determined by the chairman of the meeting. At any extraordinary meeting adjourned for lack of quorum, the Persons entitled to vote 30% of the aggregate principal amount of all notes at the time outstanding (or such greater percentage as may be required under applicable Argentine law) will constitute a quorum at any such reconvened adjourned extraordinary meeting.

At any such meeting at which the proper quorum is present, any resolution to modify or amend, or to waive compliance with, any of the provisions of the new notes, or the New Notes Indenture (other than the provisions referred to above requiring the consent of each Holder affected thereby), will be effectively passed and decided if approved by the Persons entitled to vote not less than a majority of the aggregate principal amount of all notes at the time outstanding, present or represented at the meeting.

Any instrument given by or on behalf of any Holder in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such new note. Any modifications, amendments or waivers to the New Notes Indenture or to the new notes will be conclusive and binding upon all Holders of such new notes whether or not they have given such consent or were present at any meeting, and on all notes.

The Issuer or the New Notes Trustee, as applicable, will designate the record date for determining the Holders of new notes entitled to vote at any meeting and will provide notice to such Holders in the manner set forth in the New Notes Indenture. The Holder of a new note may, at any meeting of Holders of new notes at which such Holder is entitled to vote, cast one vote for each U.S. dollar in principal amount of the new notes held by such Holder in which the new notes are denominated.

For purposes of the above, any new note authenticated and delivered pursuant to the New Notes Indenture will, as of any date of determination, be deemed to be “outstanding,” except:

- (a) new notes theretofore canceled by the New Notes Trustee or delivered to the Issuer or the New Notes Trustee for cancellation;
- (b) new notes that have been called for redemption or tendered for repurchase in accordance with their terms or which have become due and payable at maturity or otherwise and with respect to which monies sufficient to pay the principal thereof and any premium, interest, Additional Amounts or other amount thereon have been deposited with the Issuer or with the New Notes Trustee; or
- (c) new notes in lieu of or in substitution for which other new notes have been authenticated and delivered pursuant to the New Notes Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of outstanding new notes (including Holders that are present at a meeting of Holders of such new notes for quorum purposes) have consented to or voted in favor of any notice, consent, waiver, amendment, modification or supplement under the New Notes Indenture, new notes of such series owned directly or indirectly by the Issuer, any Subsidiary Guarantor or any of their respective Subsidiaries and Affiliates will be disregarded and deemed not to be outstanding, except that in determining whether the New Notes Trustee shall be protected in relying upon any such notice, consent, waiver, amendment, modification or supplement, only new notes that the New Notes Trustee actually knows to be so owned shall be so disregarded.

Promptly after the execution by the Issuer, each Subsidiary Guarantor and the New Notes Trustee of any supplement or amendment to the New Notes Indenture, the Issuer will give notice thereof to the Holders of the new notes and, if applicable, to the CNV, setting forth in general terms the substance of such supplement or amendment. Any failure by the Issuer or the New Notes Trustee to give such notice, or any defect therein, will not, however, in any way impair or affect the validity of any such supplement or amendment to the New Notes Indenture.

In the event that the new notes are listed on BYMA and the MAE, such meeting of Holders and notices thereof will also comply with the applicable rules of BYMA and the MAE, as applicable.

Meetings of Holders and related matters not expressly set forth herein will be governed by the provisions of the Negotiable Obligations Law, including, without limitation, the provisions of Articles 354 and 355 of the Argentine Companies Law No. 19,550, as amended, through the application of the provisions of Article 14 of the Negotiable Obligations Law.

Any modifications, amendments or waivers to the New Notes Indenture or to the new notes may also be approved by Holders pursuant to a written action consented to by Holders of the requisite percentage of new notes under the New Notes Indenture. Such actions may be taken through the consent procedures of DTC or any other applicable depositary clearing system, or reliable means that ensure Holders prior access to information and allow them to vote, in accordance with Section 14 of the Negotiable Obligations Law and any other applicable law or regulation.

The consent of the Holders is not necessary under the New Notes Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance of the proposed amendment, supplement or waiver. After an amendment, supplement or waiver under the New Notes Indenture becomes effective, the Issuer will be required to give notice to the Holders as provided under “—Notices” briefly describing such amendment, supplement or waiver. The failure to give such notice to all Holders, or any defect therein, will not impair or affect the validity of such amendment, supplement or waiver.

## **Notices**

Notices to Holders of non-Global Notes will be mailed to them, by first class mail, postage prepaid, at their registered addresses. Notwithstanding anything to the contrary herein, notices to Holders of Global Notes will be given to DTC in accordance with its applicable procedures.

In addition, from and after the date the new notes are listed on the Official List of the Luxembourg Stock Exchange for trading on its Euro MTF Market and, so long as it is required by the rules of such exchange, all notices to Holders of new notes will be published by or on behalf of the Issuer in English in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and, for or as long as such new notes are listed and traded on BYMA, upon publication in the City of Buenos Aires in the Bulletin of the BCBA (as long as the new notes are listed and traded on BYMA) and in a widely circulated newspaper in Argentina.

In addition, we will be required to cause all such other publications of such notices as may be required from time to time by applicable Argentine law.

Notices will be deemed to have been given on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such publication. Neither the failure to give notice nor any defect in any notice given to any particular Holder will affect the sufficiency of any notice with respect to any other Holders.

### **Governing Law; Jurisdiction**

The new notes, the Note Guarantees and the New Notes Indenture shall be governed by and construed in accordance with the laws of the State of New York, United States of America; provided that all matters relating to the due authorization, execution, issuance and delivery of the new notes and the Note Guarantees by the Issuer and the Subsidiary Guarantors and matters relating to the legal requirements necessary in order for the new notes to qualify as “*obligaciones negociables simples no convertibles en acciones*” under Argentine law, and certain matters related to meetings of Holders, including quorums, majorities, and requirements for calling, shall be governed by the Negotiable Obligations Law, the Argentine Business Companies Law and/or other applicable Argentine Laws and regulations. The Issuer and each Subsidiary Guarantor will irrevocably submit to the non-exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan, City of New York, United States of America, any Argentine court sitting in the City of Buenos Aires, including the ordinary courts for commercial matters and the Permanent Arbitral Tribunal of the Buenos Aires Stock Exchange (*Tribunal de Arbitraje General de la Bolsa de Comercio de Buenos Aires*) under the provisions of Article 46 of Law 26,831, and any competent court in the place of the Issuer’s or the applicable Subsidiary Guarantor’s corporate domicile for purposes of any action or proceeding arising out of or related to the New Notes Indenture, the new notes or the Note Guarantees. The Issuer and each Subsidiary Guarantor will designate, appoint and empower Cogency Global Inc., located on the date hereof at 122 East 42nd Street, 18th floor, New York, NY 10168, as their authorized agent to receive for and on the Issuer’s and each Subsidiary Guarantor’s behalf service of summons or other legal process in any such action, suit or proceeding in the State of New York. Final judgment against the Issuer and any Subsidiary Guarantor in any such action, suit or proceeding shall be conclusive and may be enforced in any other jurisdiction including the country in which the Issuer or Subsidiary Guarantor is domiciled by suit on the judgment.

Nothing shall affect the right of the Holders or the New Notes Trustee to commence legal proceedings or otherwise sue the Issuer or a Subsidiary Guarantor in the country in which it is domiciled or in any other court having jurisdiction or to serve process upon the Issuer or Subsidiary Guarantor in any manner authorized by the laws of any such jurisdiction.

The Issuer and each Subsidiary Guarantor will further covenant and agree that, for so long as any new note is outstanding under the New Notes Indenture, the Issuer and each Subsidiary Guarantor will maintain a duly appointed agent for the service of summons and other legal process in New York, New York, United States of America, for purposes of any legal action, suit or proceeding brought by any Holders or the New Notes Trustee in respect of the new notes, the Note Guarantees or the New Notes Indenture and shall keep the Holders and the New Notes Trustee advised of the identity and location of such agent. The Issuer and each Subsidiary Guarantor will further irrevocably consent, if for any reason there is no authorized agent for service of process in New York, to the service of process out of the said courts by mailing copies thereof by registered United States airmail postage prepaid to the Issuer or Subsidiary Guarantor at its respective address specified herein; and in such a case the Issuer or Subsidiary Guarantor shall also receive by telex or confirmed facsimile, a copy of such process.

The serving of process in the manner provided in the paragraph above in any such action, suit or proceeding shall be deemed personal service and accepted by the Issuer and the Subsidiary Guarantors as such and shall be valid and binding upon the Issuer or applicable Subsidiary Guarantor for all the purposes of any such action, suit or proceeding.



In addition, the Issuer and each Subsidiary Guarantor will irrevocably waive, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action, suit or proceeding arising out of or relating to the new notes, the Note Guarantees and the New Notes Indenture, brought in the courts of the State of New York or in the United States District Court for the Southern District of New York, and any claim that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. Further, the Issuer and each Subsidiary Guarantor will irrevocably waive, to the fullest extent permitted by applicable law, any right the Issuer or such Subsidiary Guarantor may now or hereafter have to the removal to a United States Federal Court of any action brought in a state court of the State of New York.

To the extent that the Issuer or any Subsidiary Guarantor may, in any suit, action or proceeding brought in a court of the country in which the Issuer or such Subsidiary Guarantor is domiciled or elsewhere arising out of or in connection with the new notes, the Note Guarantees or the New Notes Indenture, be entitled to the benefit of any provision of law requiring the New Notes Trustee or the Holders in such suit, action or proceeding to post security for the costs of the Issuer or such Subsidiary Guarantor, as the case may be, or to post a bond or guarantee (*excepción de arraigo*) or to take similar action, the Issuer and each Subsidiary Guarantor will irrevocably waive such benefit, in each case to the fullest extent now or hereafter permitted under the laws of the country in which the Issuer or such Subsidiary Guarantor is domiciled or, as the case may be, such other jurisdiction.

To the extent that the Issuer or any Subsidiary Guarantor may be entitled in any jurisdiction to claim for itself or its respective assets immunity, on the grounds of sovereignty or otherwise, in respect of the Issuer's or such Subsidiary Guarantor's obligations under the new notes, the Note Guarantees or the New Notes Indenture from any suit, execution, attachment (whether in aid or execution, before judgment or otherwise) or other legal process or to the extent that in any jurisdiction there may be attributed to the Issuer or such Subsidiary Guarantor or its assets such immunity (whether or not claimed), or to the extent it might have the right to have a jury trial, the Issuer and each Subsidiary Guarantor will irrevocably waive and agree not to, as the case may be, claim or exercise such immunity and/or right to jury trial to the fullest extent permitted by the laws of such jurisdiction.

### **The New Notes Trustee**

Initially, Citibank, N.A. will be the New Notes Trustee under the New Notes Indenture. The New Notes Trustee's corporate trust office is presently located at 388 Greenwich Street, 14th Floor, New York, New York 10013.

The New Notes Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign. If the New Notes Trustee, paying agent, co-registrar or such other agent becomes the owner or pledgee of the new notes it may deal with the Issuer with the same rights as it would have if it were not the New Notes Trustee, paying agent, co-registrar or such other agent.

Except during the continuance of an Event of Default, the New Notes Trustee will perform only such duties as are specifically set forth in the New Notes Indenture. During the existence of an Event of Default, the New Notes Trustee will exercise such rights and powers vested in it by the New Notes Indenture and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under the circumstances in the conduct of his own affairs. The New Notes Trustee shall have no responsibility for any calculation required to be made by the Issuer under the New Notes Indenture and the new notes and shall not be required to hold money in any currency other than U.S. dollars.

### **No Personal Liability**

No past, present or future incorporator, director, officer, employee, shareholder or controlling Person of the Issuer or any Subsidiary Guarantor, as such, will have any liability for any obligations of the Issuer and the Subsidiary Guarantors under the new notes, the Note Guarantees or the New Notes Indenture or for any claims based on, in respect of or by reason of such obligations. By accepting a new note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for issuance of the new notes. The waiver may not be effective to waive liabilities under Article 34 of the Argentine Negotiable Obligations Law, Article 54 of the General Corporations Law, Sections 119 and 120 of the Argentine Capital Markets Law and other applicable Argentine regulations, or under the U.S. federal securities laws, and it is the view of the SEC that such a waiver may be contrary to public policy.

## Currency Indemnity

This is an international debt issuance transaction in which the specification of U.S. dollars and payment in New York City is of the essence, and the Issuer's and the Subsidiary Guarantors' obligations under the new notes, the Note Guarantees and the New Notes Indenture to the New Notes Trustee and the Holders to make payment in U.S. dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency or in another place except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the judgment currency the payee may in accordance with normal banking procedures purchase U.S. dollars in the amount originally due with the judgment currency. If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due under the new notes, the Note Guarantees or the New Notes Indenture in U.S. dollars into another currency (in this paragraph called the "judgment currency"), the rate of exchange shall be that at which, in accordance with normal banking procedures, such payee could purchase such U.S. dollars in New York, New York with the judgment currency on the Business Day immediately preceding the day on which such judgment is rendered.

The Issuer's and the Subsidiary Guarantors' obligations in respect of any such sum due under the new notes, the Note Guarantees and the New Notes Indenture shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that on the Business Day following receipt by the relevant payee of any sum adjudged to be due under the new notes, the Note Guarantees and the New Notes Indenture in the judgment currency the relevant payee may, in accordance with normal banking procedures, purchase and transfer U.S. dollars to New York City with the amount of the judgment currency so adjudged to be due (giving effect to any set-off or counterclaim taken into account in rendering such judgment). Accordingly, the Issuer and the Subsidiary Guarantors, as a separate obligation and notwithstanding any such judgment, agree to indemnify each of the Holders and the New Notes Trustee against, and to pay on demand, in U.S. dollars, the amount (if any) by which the sum originally due to the Holders or the New Notes Trustee in U.S. dollars under the new notes, the Note Guarantees and the New Notes Indenture exceeds the amount of the U.S. dollars so purchased and transferred.

In the event that any restrictions or prohibition of access to the Argentine foreign exchange market (*Mercado Libre de Cambios*) exists, the Issuer and the Subsidiary Guarantors will pay all amounts payable under the new notes either (i) by purchasing at market price securities of any series of U.S. dollar denominated Argentine sovereign bonds or any other securities or private or public bonds issued in Argentina, and transferring and selling such instruments outside Argentina, to the extent permitted by applicable law, or (ii) by means of any other reasonable means permitted by law in Argentina, in each case, on such payment date. All costs and taxes payable in connection with the procedures referred to in (i) and (ii) above shall be borne by the Issuer and the Subsidiary Guarantors.

The Issuer and the Subsidiary Guarantors agree that, notwithstanding any restriction or prohibition on access to the foreign exchange market in Argentina, any and all payments to be made under the new notes and the New Notes Indenture will be made in U.S. dollars. Nothing in the new notes, the Note Guarantees and the New Notes Indenture shall impair any of the rights of the Holders or the New Notes Trustee or justify the Issuer or any Subsidiary Guarantor in refusing to make payments under the new notes, the Note Guarantees and the New Notes Indenture in U.S. dollars for any reason whatsoever, including, without limitation, any of the following: (i) the purchase of U.S. dollars in Argentina by any means becoming more onerous or burdensome for the Issuer or any Subsidiary Guarantor than as of the date hereof, and (ii) the exchange rate in force in Argentina increasing significantly from that in effect as of the date hereof. The Issuer and each Subsidiary Guarantor waives the right to invoke any defense of payment impossibility (including any defense under Section 1091 of the Argentine Civil and Commercial Code), impossibility of paying in U.S. dollars (assuming liability for any force majeure or act of God), or similar defenses or principles (including, without limitation, equity or sharing of efforts principles).

In addition, pursuant to Section 4 of the Negotiable Obligations Law as amended by the Productive Financing Law, Section 765 of the Argentine Civil and Commercial Code is not applicable in connection with payments under the new notes and the New Notes Indenture.

## Certain Definitions

Set forth below is a summary of certain of the defined terms used in the New Notes Indenture. Reference is made to the New Notes Indenture for the definitions of all such terms.

“*Acquired Indebtedness*” means Indebtedness of a Person or any of its Subsidiaries Incurred and outstanding on or prior to the date on which such Person becomes a Restricted Subsidiary (other than a Project Finance Subsidiary) or it merges or consolidates with the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), other than Indebtedness Incurred as consideration of, or to provide all or any portion of the funds or credit support utilized to consummate, or otherwise in contemplation of, the transaction or series of related transactions pursuant to which such Person consolidates with or merges with or into the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary). Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary (other than a Project Finance Subsidiary) or at the time it merges or consolidates with the Issuer or the applicable Restricted Subsidiary (other than a Project Finance Subsidiary) or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

“*Additional Amounts*” has the meaning set forth under “—Additional Amounts” above.

“*Additional New Notes*” has the meaning set forth under “—Additional New Notes” above.

“*Adjusted EBITDA*” means, as of any date of determination, EBITDA plus the Issuer’s collection of FONINVEMEM Receivables for the most recently ended Four Quarter Period.

“*Affiliate*” means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“*Argentina*” means the Republic of Argentina.

“*Argentine Accounting Authority*” means any of the Argentine Federation of Professional Councils of Economic Sciences (*Federación Argentina de Consejos Profesionales en Ciencias Económicas*), the Professional Council of Economic Sciences of the Province of Buenos Aires or the Argentine Securities Commission (*Comisión Nacional de Valores*), or, in each case, any successor thereto.

“*Asset Sale*” means any direct or indirect sale, disposition, issuance, conveyance, transfer, lease (other than operating leases entered into in the ordinary course of business), assignment or other transfer (each, a “disposition”), by the Issuer or any Restricted Subsidiary of:

- (a) any Capital Stock of the Issuer or any Restricted Subsidiary (other than directors’ qualifying shares or shares required by applicable law to be held by a Person other than the Issuer and any Restricted Subsidiary); or
- (b) any property or assets (other than cash, Cash Equivalents or Capital Stock) of the Issuer and any Restricted Subsidiary not in the ordinary course of business of the Issuer or the Restricted Subsidiaries;

provided, however, that any disposition of FONINVEMEM Receivables in exchange for assets in a Permitted Business with a Fair Market Value equivalent to the value of such FONINVEMEM Receivables are not Asset Sales.

Notwithstanding the preceding, the following items will not be deemed to be Asset Sales:

- (1) the disposition of all or substantially all of the assets of the Issuer and the Restricted Subsidiaries as permitted under “—Certain Covenants—Limitation on Merger, Consolidation and Sale of Assets;”
- (2) any transaction or series of related transactions involving assets with a Fair Market Value not in excess of U.S.\$5 million (or the equivalent in other currencies);
- (3) the sale, lease, sublease, license, sublicense, consignment, conveyance or other disposition of real property, capital assets or equipment, inventory, indefeasible right of uses, accounts receivable or other assets in the ordinary course of business;

- (4) for purposes of “—Certain Covenants—Limitation on Asset Sales” only, the making of a Restricted Payment permitted under “—Certain Covenants—Limitation on Restricted Payments” and any Permitted Investment;
- (5) a disposition to the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), including a Person that is or will become a Restricted Subsidiary (other than a Project Finance Subsidiary) immediately after such disposition;
- (6) a disposition to a Project Finance Subsidiary by another Project Finance Subsidiary, including a Person that is or will become a Project Finance Subsidiary immediately after such disposition;
- (7) a disposition of the Capital Stock of an Unrestricted Subsidiary;
- (8) the sale or disposition of cash or Cash Equivalents;
- (9) dispositions of receivables and related assets or interests in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (10) dispositions deemed to occur in connection with the creation of any Lien to the extent permitted pursuant to the covenant described under “Certain Covenants—Limitation on Liens;
- (11) any issuance of Disqualified Capital Stock otherwise permitted under “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;”
- (12) the sale, lease, transfer or other disposition of assets in a Sale and Leaseback Transaction to the extent permitted pursuant to the covenant described under “Certain Covenants—Limitation on Sale and Leaseback Transactions;”
- (13) foreclosure of assets in connection with Liens permitted under the New Notes Indenture; and
- (14) the settlement, compromise, release, dismissal or abandonment of any action or claims against any Person.

“*Asset Sale Offer*” has the meaning set forth under “—Certain Covenants—Limitation on Asset Sales.”

“*Asset Sale Transaction*” means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary or Project Finance Subsidiary, and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (5) of the second paragraph of that definition.

“*Attributable Indebtedness*” in respect of a Sale and Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate implicit in the applicable Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease under such Sale and Leaseback Transaction (including any period for which such lease has been extended), determined in accordance with IFRS; provided, however, that if such Sale and Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of “Capitalized Lease Obligations.”

“*Board of Directors*” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof.

“*Board Resolution*” means, with respect to any Person, a copy of a resolution certified by notary public to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the New Notes Trustee.

“*Business Day*” means any day other than a Saturday, Sunday or other day on which banking institutions in New York City, New York, or the City of Buenos Aires, Argentina, are permitted or required by applicable law to remain closed.

“*Capital Expenditures*” means, for any Person, within a specific period, the aggregate amount of all expenditures of such Person for fixed or capital assets made during such period which, in accordance with IFRS, would be classified as capital expenditures.

“*Capital Stock*” means:

- (a) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;
- (b) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and
- (c) any warrants, rights or options to purchase or acquire any of the instruments or interests referred to in clauses (a) or (b) above, but excluding Indebtedness convertible into equity.

“*Capitalized Lease Obligations*” means, at the time any determination thereof is to be made, the amount of liabilities in respect of capital leases that transfers to the lessee, substantially, all the risks and rewards incidental to ownership of an asset. The amount of Indebtedness represented by such obligations will be the capitalized amounts of such obligations at the time any determination thereof is to be made, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such leases prior to the first date such leases may be terminated without penalty. For the avoidance of doubt, it excludes any operating leases or portion thereof treated as debt by application of IFRS 16 and any liability in respect of a lease or hire purchase contract which would, in accordance with IFRS in force prior to January 1, 2019, have been treated as an operating lease.

“*Cash Equivalents*” means, at any time, any of the following:

- (a) U.S. dollars, Argentine pesos or money in other currencies received in the ordinary course of business;
- (b) U.S. Government Obligations or certificates representing an ownership interest in U.S. Government Obligations with maturities not exceeding one year from the date of acquisition;
- (c) (i) demand deposits, (ii) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers’ acceptances with maturities not exceeding one year from the date of acquisition, and (iv) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of (x) Argentina or any political subdivision thereof having one of the four highest international or local ratings obtainable by S&P, Moody’s or Fitch or such similar equivalent rating by at least one “nationally recognized statistical rating organization” registered under Section 15E of the Exchange Act or (y) the United States or any state thereof having capital, surplus and undivided profits in excess of U.S.\$500 million whose short-term debt is rated “A-2” or higher by S&P, “A-2” or higher by Fitch or “P-2” or higher by Moody’s (or such equivalent rating by at least one nationally recognized statistical rating organization registered under Section 15E of the Exchange Act);
- (d) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clauses (b) and (c), above entered into with any financial institution meeting the qualifications specified in clause (c) above;
- (e) commercial paper rated at least “P-1” by Moody’s, “A-1” by S&P or “A-1” or higher by Fitch and maturing within one year after the date of acquisition;
- (f) (i) marketable general obligations issued or unconditionally guaranteed by Argentina or the Argentine Central Bank, (ii) time deposits or certificates of deposit in Argentine pesos or U.S. dollars of an Argentine bank, as the case may be, having one of the four highest international or local ratings obtainable by S&P, Moody’s or Fitch or such similar equivalent rating by at least one “nationally recognized statistical rating organization” registered under Section 15E of the Exchange Act, (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (i) above entered into with a bank meeting the qualifications described in clause (ii) above, or (iv) commercial paper of an Argentine issuer the long-term unsecured debt obligations of which are rated the highest rating of an Argentine issuer;

- (g) (x) money market funds at least 95.0% of the assets of which consist of investments of the type described in clauses (a) through (f) above and (y) *fondos comunes locales* (Argentine funds focused primarily on in-country cash management investments) that have a local rating of at least “Aa-bf.ar” by Moody’s or the equivalent by Fitch, S&P or Fix; or
- (h) substantially similar investments of comparable credit quality to clauses (a) through (g) above, denominated in the currency of any jurisdiction in which the Issuer or any Restricted Subsidiary conducts business, of issuers whose country’s credit rating is at least “BBB- “ (or the then equivalent grade) by S&P or Fitch and the equivalent rating by Moody’s.

“*Change of Control*” means the occurrence of one or more of the following events:

- (a) any Person (including any “person” or group (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) (other than a Permitted Holder) becomes, directly or indirectly, the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of at least 50.1% of the outstanding Voting Stock of the Issuer measured by voting power rather than number of shares; or
- (b) the Permitted Holder shall cease, in the aggregate, to control, directly or indirectly, the power to direct or cause the direction of the management and policies of the Issuer, whether through the ownership of voting securities, by contract or otherwise; or
- (c) the approval by the holders of Capital Stock of the Issuer of any plan or proposal for the liquidation or dissolution of the Issuer, whether or not otherwise in compliance with the provisions of the New Notes Indenture; or
- (d) the direct or indirect sale, lease transfer, conveyance or other disposition (other than by way of a merger or consolidation transaction permitted by the covenant described under the heading “—Certain Covenants—Consolidation, Merger, Conveyance, Sale or Lease”), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and the Restricted Subsidiaries, taken as a whole, to any Person (including any “person” (as the term is used in Section 13(d)(3) of the Exchange Act), other than to the Permitted Holder;

provided, however, that there shall not be a Change of Control under clauses (a) or (d) above if the resulting Person is engaged in a Permitted Business and shall have, at the time of the Change of Control, a global rating from at least two Rating Agencies that is equal to or higher than the global rating of the Permitted Holder.

“*Change of Control Payment Date*” has the meaning set forth under “—Change of Control.”

“*Common Stock*” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

“*Consolidated Net Income*” means, with respect to the Issuer and its Subsidiaries for any period, the aggregate net income (or loss) of the Issuer and its Subsidiaries for such period on a consolidated basis, determined in accordance with IFRS and as set forth in the most recently available consolidated financial statements of the Issuer provided or caused to be provided to the Holders and the New Notes Trustee pursuant to “—Certain Covenants—Reports to Holders;” provided that there shall be excluded therefrom to the extent reflected in such aggregate net income (loss):

- (a) the net income (or loss) of any Person that is (1) not a Restricted Subsidiary, (2) accounted for by the equity method of accounting or (3) a Project Finance Subsidiary, except, in each case, to the extent of the amount of dividends or similar distributions paid in cash to the Issuer or a Restricted Subsidiary (other than a Project Finance Subsidiary);
- (b) any non-cash charges or expense (other than depreciation, depletion or amortization) and non-cash gains; and
- (c) the cumulative effect of changes in accounting principles.

“*Consolidated Net Tangible Assets*” means, at any time, the total of all assets appearing on a consolidated balance sheet of the Issuer and its Restricted Subsidiaries, net of all applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets, less the aggregate of the current liabilities of the Issuer and its Subsidiaries appearing on such balance sheet as determined in accordance with IFRS, (1) as set forth in the most recently available consolidated balance sheet of the Issuer provided or caused to be provided to the Holders and the New Notes Trustee pursuant to “—Certain Covenants—Reports to Holders,” and (2) on a pro forma basis to give effect to any acquisition or disposition of companies, divisions, lines of businesses or operations by the Issuer or any Restricted Subsidiary thereof subsequent to such date and on or prior to the date of determination.

“*Consolidated Total Indebtedness*” means, with respect to the Issuer and its Restricted Subsidiaries, as of any date of determination, an amount equal to the aggregate amount (without duplication) of all Indebtedness (other than Non-Recourse Indebtedness) of the Issuer and its Restricted Subsidiaries outstanding at such time, in all cases determined on a consolidated basis in accordance with IFRS and as set forth in the most recently available consolidated balance sheet of the Issuer provided or caused to be provided to the Holders and the New Notes Trustee pursuant to “—Certain Covenants—Reports to Holders;”.

For purposes of the calculation of Consolidated Total Indebtedness in U.S. dollars, amounts in Argentine pesos as of the relevant balance sheet date (as defined in “Net Debt to EBITDA Ratio”) will be converted to U.S. dollars at the seller’s exchange rate for wire transfers (*divisas*) published by the *Banco de la Nación Argentina* as of the date of such balance sheet.

“*Covenant Defeasance*” has the meaning set forth under “—Legal Defeasance and Covenant Defeasance.”

“*Covenant Suspension Event*” has the meaning set forth under “—Covenant Suspension.”

“*Currency Agreement*” means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

“*Default*” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“*Designation*” has the meanings set forth under “—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries.”

“*Designation Amount*” has the meanings set forth under “—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries.”

“*Disqualified Capital Stock*” means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof, in any case, on or prior to the 91st day after the final maturity date of the new notes.

“*EBITDA*” means, for any period, with respect to the Issuer and its Restricted Subsidiaries (other than Project Finance Subsidiaries) on a consolidated basis:

- (a) operating income; *plus*
- (b) depreciation and amortization; *minus or plus*
- (c) the net income (or loss) of the Issuer or any Restricted Subsidiary derived from (1) any Unrestricted Subsidiary, (2) any Project Finance Subsidiary and (3) any entity accounted for by the equity method of accounting, in each case, to the extent of the amount of dividends or distributions paid in cash to the Issuer or the applicable Restricted Subsidiary (other than a Project Finance Subsidiary),

as each such item is reported on the most recently available consolidated financial statements delivered or caused to be delivered by the Issuer to the Holders and the New Notes Trustee pursuant to the covenant described under “—Certain Covenants—Reports to Holders of the Notes,” and prepared in accordance with IFRS.

For purposes of the calculation of EBITDA in U.S. dollars, amounts in Argentine pesos for each quarter of the relevant Four Quarter Period will be converted to U.S. dollars at the average of the daily seller’s exchange rate for wire transfers (divisas) published by the *Banco de la Nación Argentina* for such quarter, and then, the amount in U.S. dollars for each of the four quarters of the relevant Four Quarter Period will be added up resulting in the U.S. dollar amount for the Four Quarter Period.

“*Equity Event*” has the meaning set forth under “Optional Redemption.”

“*Event of Default*” has the meaning set forth under “Events of Default.”

“*Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

“*Fair Market Value*” means, with respect to any asset, the price that could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing buyer, neither of which is under compulsion to complete the transaction, and, unless otherwise specified herein; provided that for any transaction involving the Issuer or any Subsidiary thereof (1) if such asset has a price of less than U.S.\$10 million (or the equivalent in other currencies), as such price is determined in good faith by the senior management of the Issuer, (2) if such asset has a price equal to or higher than U.S.\$10 million and less than U.S.\$20 million (or the equivalent in other currencies), as such price is determined in good faith by the Board of Directors of the Issuer as evidenced by a resolution of such Board of Directors, or (3) if such asset has a price equal to or higher than U.S.\$20 million (or the equivalent in other currencies), as such price is determined in good faith by the Board of Directors of the Issuer as evidenced by a resolution of such Board of Directors after obtaining a favorable opinion as to the fair market value of such asset from an Independent Financial Advisor and delivering the same to the New Notes Trustee.

“*FATCA*” has the meaning set forth under “—Additional Amounts” above.

“*Fitch*” means Fitch Ratings Ltd. and its successors.

“*Fix*” means Fix Scr S.A. Agente de Calificación de Riesgo and its successors.

“*FONINMEM*” means the fund for investments required to increase the electricity supply in the wholesale market (*Fondo Para Inversiones Necesarias que Permitan Incrementar la Oferta de Energía Eléctrica en el Mercado Eléctrico Mayorista*).

“*FONINMEM Receivables*” means accounts receivable due to the Issuer or any of its Restricted Subsidiaries in connection with FONINMEM in an amount equal to or less than U.S.\$130 million (net of value-added taxes), plus accrued interest.

“*Four Quarter Period*” has the meaning set forth in the definition of Interest Coverage Ratio.

“*Fuel Agreement*” of any Person means any fuel price protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge fuel price risk of such Person. For the avoidance of doubt, the term “Fuel Agreement” does not include long-term fuel supply purchase agreements.

“*Governmental Authority*” means the government of the United States, Argentina or any other nation or any political subdivision thereof, whether provincial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“*Guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:



- (a) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise; or
- (b) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part,

provided that “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. “Guarantee” used as a verb has a corresponding meaning.

“*Hedging Obligations*” means the obligations of any Person pursuant to any Interest Rate Agreement, Currency Agreement or Fuel Agreement.

“*IFRS*” means, International Financial Reporting Standards as issued by the International Accounting Standards Board and as supplemented or modified by any Argentine Accounting Authority.

“*Incur*” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and “Incurrence,” “Incurred” and “Incurring” will have meanings correlative to the preceding). For the avoidance of doubt, any completion guarantee entered into by a Person that qualifies as Indebtedness of such Person shall be Incurred on the date the completion guarantee becomes a legal, valid and binding obligation of such Person.

“*Indebtedness*” means with respect to any Person, without duplication:

- (a) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;
- (b) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (c) all Capitalized Lease Obligations of such Person, other than power purchase agreements and fuel supply and transportation agreements that are treated as such;
- (d) Purchase Money Indebtedness;
- (e) all letters of credit, banker’s acceptances or similar credit transactions, including reimbursement obligations in respect thereof (except to the extent such reimbursement obligation relates to a trade payable and such obligation is satisfied within 30 days of the Incurrence thereof);
- (f) all net obligations under Hedging Obligations (including the termination value thereof) of such Person to the extent such Hedging Obligations appear as a liability on the balance sheet of such Person, prepared in accordance with IFRS;
- (g) all liabilities recorded on the balance sheet of such Person in connection with any equity commitments made to a Project Finance Subsidiary;
- (h) all Indebtedness of any other Person which is secured by any Lien on any property or asset of such Person (other than the Capital Stock of such Person, if any such Person is a Project Finance Subsidiary or an Unrestricted Subsidiary), the amount of such Indebtedness being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;
- (i) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any; provided that:
  - (i) if the Disqualified Capital Stock does not have a fixed repurchase price, such maximum fixed repurchase price will be calculated in accordance with the terms of the Disqualified Capital Stock as if the Disqualified Capital Stock were purchased on any date on which Indebtedness will be required to be determined pursuant to the New Notes Indenture, and

- (ii) if the maximum fixed repurchase price is based upon, or measured by, the fair market value of the Disqualified Capital Stock, the fair market value will be the Fair Market Value thereof; and
- (j) all obligations of the type referred to in clauses (a) through (i) above of other Persons Guaranteed by such Person or for which such Person is otherwise liable as obligor, guarantor or otherwise.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

“*Independent Financial Advisor*” means an accounting firm, appraisal firm, investment banking firm or consultant that is, in the reasonable judgment of the Issuer’s Board of Directors, qualified to perform the task for which it has been engaged and which is independent in connection with the relevant transaction.

“*Interest Coverage Ratio*” means, as of any date of determination, the ratio of the aggregate amount of Adjusted EBITDA for the most recently ended period of four consecutive fiscal quarters (the “Four Quarter Period”) for which consolidated financial statements of the Issuer and its Restricted Subsidiaries have been provided or caused to be provided to the Holders and the New Notes Trustee pursuant to the covenant described under “—Certain Covenants—Reports to Holders of the Notes,” to Interest Expense for such Four Quarter Period; provided that:

- (a) if the Issuer or any Restricted Subsidiary has:
  - (i) since the beginning of the Four Quarter Period Incurred any Indebtedness (other than Non-Recourse Indebtedness) that remains outstanding on the date of the transaction giving rise to the need to calculate the Interest Coverage Ratio or if the transaction giving rise to the need to calculate the Interest Coverage Ratio is an Incurrence of Indebtedness, then, the EBITDA and the Interest Expense for such Four Quarter Period shall be calculated on a pro forma basis as if such Indebtedness had been Incurred on the first day of such Four Quarter Period; or
  - (ii) repaid, repurchased, defeased or otherwise discharged any Indebtedness (other than Non-Recourse Indebtedness) since the beginning of such Four Quarter Period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Interest Coverage Ratio, EBITDA and Interest Expense for such period shall be calculated on a pro forma basis as if such repayment, repurchase, defeasance or discharge of Indebtedness had occurred on the first day of such Four Quarter Period;
- (b) if, since the beginning of such Four Quarter Period, the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) has made any Asset Sale Transaction, then giving pro forma effect to such Asset Sale Transaction during such period on the EBITDA and the Interest Expense for such period;
- (c) if, since the beginning of such Four Quarter Period, the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), by merger or otherwise, has made an Investment in any Person that is merged with or into the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) or any Person that becomes a Restricted Subsidiary (other than a Project Finance Subsidiary), or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, then giving pro forma effect to such Investment or acquisition on the EBITDA and Interest Expense for such Four Quarter Period as if such Investment or acquisition had occurred on the first day of such Four Quarter Period; it being understood that any such pro forma calculation may include adjustments appropriate to reflect, without duplication:
  - (i) any such acquisition to the extent such adjustments may be reflected in the preparation of pro forma financial information in accordance with the requirements of Article 11 of Regulation S-X under the Exchange Act;

- (ii) the annualized amount of operating expense reductions reasonably expected to be realized in the six months following any such acquisition made during any of the four fiscal quarters constituting the applicable Four Quarter Period; and
- (iii) the annualized amount of operating expense reductions reasonably expected to be realized in the six months following any such acquisition made by the Issuer or such Restricted Subsidiary (other than a Project Finance Subsidiary) during either of the two fiscal quarters immediately preceding the Four Quarter Period;

provided, however, that, in each case, such adjustments are set forth in an Officers' Certificate that states (1) the amount of such adjustment(s), (2) that such adjustment(s) were determined in good faith by the officers executing such Officers' Certificate at the time of such execution, and (3) that any related Incurrence of Indebtedness is permitted pursuant to the New Notes Indenture; and

- (d) if, since the beginning of such Four Quarter Period, any Person that subsequently became a Restricted Subsidiary (other than a Project Finance Subsidiary) or was merged with or into the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) since the beginning of such period shall have made any Asset Sale Transaction, Investment or acquisition of assets that would have required an adjustment pursuant to clauses (a), (b) or (c) above had such disposition been made by the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) during such period, then the EBITDA and Interest Expense for such period shall be calculated after giving pro forma effect thereto as if such Asset Sale Transaction, Investment or acquisition of assets occurred on the first day of such period.

For purposes of this definition, whenever Interest Expense or EBITDA is to be calculated on a pro forma basis, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and the effects of such Indebtedness are to be calculated on a pro forma basis, the interest expense related to such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any interest rate agreement applicable to such Indebtedness if such interest rate agreement has a remaining term as at the date of determination in excess of twelve months). In making a *pro forma* calculation, the amount of Indebtedness under any revolving credit facility outstanding on the day of determination will be deemed to be (i) the average daily balance of such Indebtedness during such Four Quarter Period or such shorter period for which such facility was outstanding, or (ii) if such facility was created after the end of such Four Quarter Period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation.

Interest Coverage Ratio with respect to any Person other than the Issuer, shall have a correlative meaning with the meaning of the term "Interest Coverage Ratio," set forth above, provided that each reference to Issuer shall be deemed a reference to such Person, (ii) any reference to Non-Recourse Indebtedness and Project Finance Subsidiary shall be disregarded, (iii) each reference to the term Restricted Subsidiary shall be deemed a reference to the Subsidiaries of such Person, and (v) all financial items shall be determined in accordance with IFRS and as set forth in the most recently available consolidated financial statements of such Person.

"*Interest Expense*" means, for any period, the consolidated interest expense of the Issuer and its Restricted Subsidiaries (other than interest expense in respect of Non-Recourse Indebtedness) on a consolidated basis, plus, to the extent not included in such consolidated interest expense, and to the extent incurred, accrued or payable by the Issuer and its Restricted Subsidiaries (other than with respect to Non-Recourse Indebtedness) on a consolidated basis without duplication:

- (a) interest expense attributable to Capitalized Lease Obligations and the interest portion of rent expense associated with Attributable Indebtedness in respect of the relevant lease giving rise thereto, determined as if such lease were a capitalized lease in accordance with IFRS;
- (b) amortization of debt discount and debt issuance costs or any interest paid on Indebtedness of the Issuer and its Restricted Subsidiaries (other than Non-Recourse Indebtedness) in the form of additional Indebtedness;
- (c) any amortization of deferred financing cost and the interest portion of any deferred payment obligation pursuant to Purchase Money Indebtedness;
- (d) capitalized interest;

- (e) non-cash interest expense;
- (f) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptances financing;
- (g) the net costs under Hedging Obligations (including amortization of fees) in respect of Indebtedness or that are otherwise treated as interest expense or equivalent under IFRS;
- (h) any of the above expenses with respect to Indebtedness of another Person Guaranteed by the Issuer or any Restricted Subsidiary (other than Non-Recourse Indebtedness); and
- (i) the product of:
  - (i) cash and non-cash dividends paid, declared, accrued or accumulated on any Disqualified Capital Stock of the Issuer or a Restricted Subsidiary (other than a Project Finance Subsidiary), except for dividends payable in the Issuer's Qualified Capital Stock or paid to the Issuer or to a Restricted Subsidiary (other than a Project Finance Subsidiary), and
  - (ii) a fraction, the numerator of which is one and the denominator of which is one minus the sum of the currently effective federal, state, local and foreign tax rate applicable to the Issuer and its Restricted Subsidiaries (other than Project Finance Subsidiaries).

For purposes of the calculation of Interest Expense in U.S. dollars, amounts in Argentine pesos for each quarter of the relevant Four Quarter Period will be converted to U.S. dollars at the quarterly average of the daily seller's exchange rate for wire transfers (*divisas*) published by the *Banco de la Nación Argentina* for such quarter, and then the amount in U.S. dollars for each of the four quarters of the relevant Four Quarter Period will be added up resulting in the U.S. dollar amount for the Four Quarter Period.

"*Interest Rate Agreement*" of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

"*Investment*" means, with respect to any Person, any:

- (a) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person (other than advances to customers or suppliers in the ordinary course of business that are recorded as accounts receivable, prepaid expenses or deposits on the balance sheet),
- (b) capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to any other Person; or
- (c) any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person.

The Issuer will be deemed to have made an "Investment" in an Unrestricted Subsidiary or a Project Finance Subsidiary, as applicable, at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary or a Project Finance Subsidiary, as applicable, at the time of its Designation and the amount of any Indebtedness of such Unrestricted Subsidiary or a Project Finance Subsidiary, as applicable, owed to the Issuer or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary or a Project Finance Subsidiary, as applicable, will be valued at its Fair Market Value at the time of such transfer. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of any Restricted Subsidiary (including any issuance and sale of Capital Stock by another Restricted Subsidiary) such that, after giving effect to any such sale or disposition such Restricted Subsidiary would cease to be a Subsidiary of the Issuer, the Issuer or such Restricted Subsidiary will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Subsidiary held by the Issuer or the applicable Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Subsidiary Guaranteed by the Issuer or the applicable Restricted Subsidiary or owed to the Issuer or the applicable Restricted Subsidiary immediately following such sale or other disposition.

“*Investment Grade Rating*” means BBB- or higher by S&P, Baa3 or higher by Moody’s or BBB- or higher by Fitch, or the equivalent of such global ratings by S&P, Moody’s or Fitch.

“*Issue Date*” means the first date of issuance of new notes under the New Notes Indenture.

“*Legal Defeasance*” has the meaning set forth under “Legal Defeasance and Covenant Defeasance.”

“*Lien*” means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest); provided that the lessee in respect of a Capitalized Lease Obligation or Sale and Leaseback Transaction will be deemed to have Incurred a Lien on the property leased thereunder.

“*Moody’s*” means Moody’s Investors Service, Inc. and its successors.

“*Net Cash Proceeds*” means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents only, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents by the Issuer or a Restricted Subsidiary, as the case may be, from such Asset Sale, net of:

- (a) reasonable and documented out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, brokerage commissions and sales commissions);
- (b) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in taxes due to available tax credits or deductions and any tax sharing arrangements;
- (c) repayment of Indebtedness (including premiums and accrued interest) that is secured by any assets subject to such Asset Sale, in accordance with the terms of any Lien upon such assets (to the extent permitted under the New Notes Indenture), or that must by its terms, or in order to obtain a necessary consent to such Asset Sale, or by applicable law be repaid out of the proceeds from such Asset Sale; and
- (d) appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with such Asset Sale and retained by the Issuer or the applicable Restricted Subsidiary, as the case may be, after such Asset Sale, but excluding any reserves with respect to Indebtedness.

“*Net Debt to EBITDA Ratio*” means, as of any date of determination, the ratio of the aggregate amount of Consolidated Total Indebtedness net of cash and Cash Equivalents, as of the end of the most recent fiscal quarter for which consolidated financial statements of the Issuer have been provided or caused to be provided to the Holders and the New Notes Trustee pursuant to the covenant described under “—Certain Covenants—Reports to Holders of the Notes,” (the “balance sheet date”) to Adjusted EBITDA for the Four Quarter Period ending on the balance sheet date, provided that:

- (a) if the Issuer or any Restricted Subsidiary has:
  - (i) Incurred any Indebtedness (other than Non-Recourse Indebtedness) since the beginning of such Fourth Quarter Period that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Net Debt to EBITDA Ratio is an Incurrence of Indebtedness, then, Consolidated Total Indebtedness at the balance sheet date will be calculated after giving effect on a pro forma basis to such Indebtedness as if such Indebtedness had been Incurred on the balance sheet date; or
  - (ii) repaid, repurchased, defeased or otherwise discharged any Indebtedness (other than Non-Recourse Indebtedness) since the beginning of such Four Quarter Period or if any Indebtedness (other than Non-Recourse Indebtedness) is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Net Debt to EBITDA Ratio, Indebtedness as of the balance sheet date shall be calculated on a pro forma basis as if such repayment, repurchase, defeasance or discharge of Indebtedness had occurred on the balance sheet;

- (b) if, since the beginning of such Four Quarter Period, the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) has made any Asset Sale Transaction, then, giving pro forma effect to such Asset Sale Transaction during such period on the EBITDA;
- (c) if, since the beginning of such Four Quarter Period, the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), by merger or otherwise, shall have made an Investment in any Person that is merged with or into the Issuer or any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary, in each case, other than a Project Finance Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, then, giving pro forma effect to such Investment or acquisition on the EBITDA for such Four Quarter Period as if such transaction occurred on the first day of such period; it being understood that any such pro forma calculation may include adjustments appropriate to reflect, without duplication:
  - (i) any such acquisition to the extent such adjustments may be reflected in the preparation of pro forma financial information in accordance with the requirements of Article 11 of Regulation S-X under the Exchange Act;
  - (ii) the annualized amount of operating expense reductions reasonably expected to be realized in the six months following any such acquisition made during any of the four fiscal quarters constituting the applicable Four Quarter Period; and
  - (iii) the annualized amount of operating expense reductions reasonably expected to be realized in the six months following any such acquisition made by the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) during either of the two fiscal quarters immediately preceding the Four Quarter Period;

provided, however, that, in each case, such adjustments are set forth in an Officers' Certificate that states (1) the amount of such adjustment(s), (2) that such adjustment(s) were determined in good faith by the officers executing such Officers' Certificate at the time of such execution, and (3) that any related Incurrence of Indebtedness is permitted pursuant to the New Notes Indenture; and
- (d) if, since the beginning of such Four Quarter Period, any Person that subsequently became a Restricted Subsidiary (other than a Project Finance Subsidiary) of the Issuer or was merged with or into the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) since the beginning of such period shall have Incurred any Indebtedness or discharged any Indebtedness or made any Asset Sale Transaction or any Investment or acquisition of assets that would have required an adjustment pursuant to clauses (a), (b) or (c) above had been made during such period, then, EBITDA for such period be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of such period.

For purposes of this definition, whenever EBITDA is to be calculated on a pro forma basis, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and the effects of such Indebtedness are to be calculated on a pro forma basis, the interest expense related to such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any interest rate agreement applicable to such Indebtedness if such interest rate agreement has a remaining term as at the date of determination in excess of twelve months). In making a *pro forma* calculation, the amount of Indebtedness under any revolving credit facility outstanding on the day of determination will be deemed to be (i) the average daily balance of such Indebtedness during such Four Quarter Period or such shorter period for which such facility was outstanding, or (ii) if such facility was created after the end of such Four Quarter Period, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation.

Net Debt to EBITDA Ratio with respect to any Person other than the Issuer, shall have a correlative meaning with the meaning of the term "Net Debt to EBITDA Ratio," set forth above, provided that each reference to Issuer shall be deemed a reference to such Person, (ii) any reference to Non-Recourse Indebtedness and Project Finance Subsidiary shall be disregarded, (iii) each reference to the term Restricted Subsidiary shall be deemed a reference to the Subsidiaries of such Person, and (v) all financial items shall be determined in accordance with IFRS and as set forth in the most recently available consolidated financial statements of such Person.

“*Non-Guarantor*” means a Restricted Subsidiary that is not required to become a Subsidiary Guarantor under the New Notes Indenture and does not execute a Note Guarantee.

“*Non-Recourse Indebtedness*” means any Indebtedness of a Project Finance Subsidiary if, and so long as, such Indebtedness is Incurred solely to pay the purchase price of any property to be owned by such Project Finance Subsidiary and is secured solely by a Lien in such property or such Indebtedness is Incurred solely for the purpose of financing or refinancing the acquisition, construction or improvement by such Project Finance Subsidiary of any such property to be subject to the relevant Lien or Liens existing or created at the time of acquisition, construction or improvement, in each case, to the extent that the instruments governing such Indebtedness provide that the lender(s) thereof have no recourse (whether direct or indirect) against the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) for the payment of such Indebtedness other than (a) in respect of, and only to the extent of the value of, the property securing such Indebtedness and (b) Liens on the Capital Stock of such Project Finance Subsidiary.

“*Note Guarantees*” has the meaning given to it under “—Note Guarantees.”

“*Officer*” means the Chairman of the Board (if an executive), the Chief Executive Officer, the Chief Financial Officer, the President, the Chief Operating Officer, General Counsel, Chief Accounting Officer, the Treasurer, the Controller, the Secretary, Commercial Director, HR Director or Legal Director of the Issuer.

“*Officers’ Certificate*” means a certificate signed by two Officers.

“*Opinion of Counsel*” means a written opinion of counsel of recognized standing in the applicable jurisdiction, who may be an employee of or counsel for the Issuer, containing customary exceptions and qualifications.

“*Payor*” has the meaning set forth under “—Additional Amounts” above.

“*Permitted Business*” means the business or businesses conducted by the Issuer, its Subsidiaries and other operating businesses described in the offering memorandum as of the Issue Date and any business ancillary, complementary, similar or related to the business or businesses described in the offering memorandum.

“*Permitted Holder*” means The AES Corporation.

“*Permitted Indebtedness*” has the meaning set forth under clause (b) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness.”

“*Permitted Investments*” means:

- (a) Investments by the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary, except to the extent permitted under clause (n) or (o) below) in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary (other than a Project Finance Subsidiary, except to the extent permitted under clause (n) or (o) below) or constituting a merger or consolidation of such Person with or into the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary, except to the extent permitted under clause (n) or (o) below); provided, however, that the primary business of such Person is a Permitted Business;
- (b) Investments in the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary, except for Investments made by a Project Finance Subsidiary to another Project Finance Subsidiary), including purchases by the Issuer or any Restricted Subsidiary of new notes or any other Indebtedness of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary, except for Investments made by a Project Finance Subsidiary to another Project Finance Subsidiary);
- (c) Investments in cash and Cash Equivalents;
- (d) any Investment existing on, or made pursuant to written agreements existing on, the Issue Date and any extension, modification or renewal of such Investments (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof (unless a binding commitment therefor has been entered into on or prior to the Issue Date), other than as a result of the

accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);

- (e) Investments permitted pursuant to clauses (c) or (d) of the second paragraph of “—Certain Covenants—Limitation on Transactions with Affiliates;”
- (f) any Investments received in compromise or resolution of (1) obligations of Persons that were incurred in the ordinary course of business of the Issuer or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any Persons, or (2) litigation, arbitration or other disputes;
- (g) Investments by the Issuer or any Restricted Subsidiary other than a Project Finance Subsidiary, except for Investments made by a Project Finance Subsidiary to another Project Finance Subsidiary) as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with the covenant described under “—Certain Covenants—Limitation on Asset Sales;”
- (h) Investments permitted under subclause (v) of clause (b) of “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;”
- (i) loans and advances to officers, directors and employees made in the ordinary course of business of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) in an aggregate principal amount not to exceed U.S.\$3 million (or the equivalent in other currencies) at any one time outstanding;
- (j) any Investment acquired from a Person which is merged with or into the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), or any Investment of any Person existing at the time such Person becomes a Restricted Subsidiary (other than a Project Finance Subsidiary) and, in either such case, is not created as a result of or in connection with or in anticipation of any such transaction;
- (k) any acquisition of assets or Capital Stock solely in exchange for the issuance of Capital Stock (other than Disqualified Capital Stock) of the Issuer;
- (l) Hedging Obligations to the extent Incurred in accordance with “—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;”
- (m) Investments in assets in a Permitted Business received in exchange for any disposition of FONINVEMEM Receivables described under “—Certain Definitions—Asset Sale;”
- (n) Investments in Project Finance Subsidiaries or entities that will be designated Project Finance Subsidiaries that are or will be engaged in a Permitted Business having an aggregate Fair Market Value (taken together with all other Investments made pursuant to this clause (n) that are, at the time outstanding) not to exceed U.S.\$100 million (or the equivalent in other currencies); and
- (o) additional Investments having an aggregate Fair Market Value (taken together with all other Investments made pursuant to this clause (o) that are, at the time outstanding) not to exceed U.S.\$40 million (or the equivalent in other currencies).

“*Permitted Liens*” means any of the following:

- (a) statutory Liens, including Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, material-men, repairmen and other similar Liens imposed by law incurred in the ordinary course of business and securing payment of obligations that are not yet delinquent or being contested in good faith, if a reserve or other appropriate provision, if any, has been made as required by IFRS;
- (b) Liens Incurred or deposits made in the ordinary course of business (or as required by applicable government authority in connection with operations of the Issuer or its Restricted Subsidiaries) (1) in connection with severance payments, workers’ compensation claims, payment obligations in connection with health or other social security benefits, unemployment insurance or other self-insurance obligations for employees (including any Lien securing letters of credit issued in the ordinary course of business in connection therewith) or (2) to secure the performance of tenders, statutory obligations, completion,



performance, surety, appeal, bid, customs or similar bonds, leases, government contracts and performance and return-of-money bonds and other similar obligations Incurred in a manner consistent with industry practice, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Issuer and any Restricted Subsidiary;

- (c) Liens securing reimbursement obligations in respect of trade letters of credit entered into in the ordinary course of business and consistent with past practice which encumber documents and other property relating to such letters of credit and proceeds thereof, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Issuer and any Restricted Subsidiary;
- (d) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights or remedies as to deposit accounts or other funds maintained with a creditor depository institution; provided, however, that (1) such deposit account is not a dedicated cash collateral account and is not subject to restrictions by the Issuer or any Restricted Subsidiary in excess of those set forth by regulations promulgated by the Board of Governors of the Federal Reserve System of the United States, and (2) such deposit account is not intended by the Issuer or any Restricted Subsidiary to provide collateral to such depository institution;
- (e) Liens securing Hedging Obligations that relate to Indebtedness that is Incurred in accordance with "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;"
- (f) Liens existing on the Issue Date;
- (g) Liens to secure any Refinancing Indebtedness which is permitted to be Incurred in accordance with the covenant described under "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;" provided that such new Liens securing Refinancing Indebtedness: (1) are not materially less favorable to the Holders and are not materially more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced, and (2) do not extend to any property or assets other than the property or assets (plus improvements on or additions to such property or asset) securing the Indebtedness being Refinanced by such Refinancing Indebtedness;
- (h) Liens on any property or assets (including Capital Stock of any Person) securing Indebtedness Incurred solely for purposes of financing the acquisition, construction or improvement of such property or assets after the Issue Date; provided that (1) such Indebtedness is Incurred in accordance with "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;" and (2) the Lien is incurred before, or within 365 days after the completion of, such acquisition, construction or improvement and does not encumber any other property or assets of the Issuer or any Restricted Subsidiary; and provided, further, that to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the Person so acquired;
- (i) Liens securing Acquired Indebtedness Incurred in accordance with "—Certain Covenants—Limitation on Incurrence of Additional Indebtedness;" provided that (1) such Liens secured such Acquired Indebtedness at the time of and prior to the Incurrence of such Acquired Indebtedness by the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) and were not granted in connection with, or in anticipation of the Incurrence of such Acquired Indebtedness by the Issuer or such Restricted Subsidiary (other than a Project Finance Subsidiary), and (2) such Liens do not extend to or cover any property of the Issuer or any Restricted Subsidiary other than the property that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of the Issuer or such Restricted Subsidiary (other than a Project Finance Subsidiary) and are not materially more favorable to the lienholders than the Liens securing the Acquired Indebtedness prior to the Incurrence of such Acquired Indebtedness by the Issuer or such Restricted Subsidiary (other than a Project Finance Subsidiary);
- (j) any Lien existing on any property or assets of any Person before that Person's acquisition (in whole or in part) by, merger into or consolidation with the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) after the Issue Date; provided that such transaction is permitted by the covenant

described under the heading “—Certain Covenants—Limitation on Merger, Consolidation and Sale of Assets” and such Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation;

- (k) Liens for taxes, assessments or other governmental charges not yet subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings, provided that appropriate reserves, if any, required pursuant to IFRS have been made in respect thereof;
- (l) judgment Liens not giving rise to a Default or Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired and appropriate provisions, if any, have been made in accordance with IFRS;
- (m) Liens constituting any interest of title of a lessor, a licensor or either’s creditors in the property or assets subject to any lease (other than a capital lease);
- (n) Liens securing Indebtedness Incurred by a Subsidiary that was a Project Finance Subsidiary at the time of such Incurrence and the granting of such Liens that continue to exist after the date that the Issuer revokes the designation of such Subsidiary as a Project Finance Subsidiary;
- (o) Liens of a Project Finance Subsidiary securing Non-Recourse Indebtedness and Liens on the Capital Stock of such Project Finance Subsidiary;
- (p) Liens securing Indebtedness Incurred to defease the new notes as permitted under “—Defeasance” to the extent the proceeds therefrom are applied concurrently to defease the new notes;
- (q) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (e), (f), (h), (i), (j) and (n) or of any Indebtedness secured thereby; provided that the principal amount of Indebtedness so secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement Lien shall be limited to all or part of the property that secured the Lien extended, renewed or replaced (plus improvements on or additions to such property or asset); and
- (s) Liens not otherwise permitted by the foregoing clauses, securing an amount of Indebtedness outstanding at any one time not to exceed the greater of U.S.\$50 million (or the equivalent in other currencies) or 7.5% of Consolidated Net Tangible Assets.

“*Person*” means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a Governmental Authority.

“*Preferred Stock*” of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

“*Project*” means property or other assets used in a Permitted Business, including, without limitation, power plants, electricity substations, electricity transmission facilities, electricity distribution facilities, electricity interconnection facilities.

“*Project Finance Subsidiary*” means any Restricted Subsidiary that is Designated as such pursuant to “—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries” (any such Designation may be revoked by a Board Resolution of the Issuer, subject to the provisions of such covenant) and that, at all times, (i) (a) is the owner, lessor and/or operator of one or more Projects, (b) is the lessee or borrower in respect of Non-Recourse Indebtedness financing one or more Projects, and/or (c) develops or constructs one or more Projects, (ii) has no Subsidiaries and owns no material assets other than those assets or Subsidiaries necessary for the ownership, leasing, development, construction or operation of such Projects and (iii) has no Indebtedness other than Non-Recourse Indebtedness.

“*Purchase Money Indebtedness*” means all obligations of a Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement due more than six months after such property is acquired and excluding trade payables and other accrued liabilities arising in

the ordinary course of business that are not overdue by 30 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted.

*“Qualified Capital Stock”* means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock or that are not convertible into or exchangeable into Disqualified Capital Stock.

*“Rating Agency”* means any of S&P, Fitch or Moody’s; or if, at the relevant time of determination, S&P, Fitch or Moody’s do not have a public rating in effect on the new notes, an internationally recognized U.S. rating agency or agencies, as the case may be, selected by the Issuer, which will be substituted for S&P, Fitch or Moody’s, as the case may be.

*“Refinance”* means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, replace, defease or refund such Indebtedness in whole or in part or, in the case of a revolving credit facility, any re-borrowing of amounts previously advanced and re-paid thereunder. *“Refinanced”* and *“Refinancing”* will have correlative meanings.

*“Refinancing Indebtedness”* means Indebtedness of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary) Incurred to Refinance any other Indebtedness of the Issuer or any Restricted Subsidiary (other than a Project Finance Subsidiary), whether outstanding on the Issue Date or Incurred in compliance with the New Notes Indenture, so long as:

- (a) the aggregate principal amount (or initial accreted value, if applicable) of such Refinancing Indebtedness as of the date of such proposed Refinancing (net of consolidated cash and Cash Equivalents and consolidated marketable securities recorded as current assets, except for any Capital Stock in any Person, in all cases determined in accordance with IFRS and as set forth in the most recent consolidated balance sheet of the Issuer (excluding any Project Finance Subsidiaries)) does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness being Refinanced and the amount of reasonable fees, expenses and defeasance costs, if any, incurred in connection with such Refinancing);
- (b) such Refinancing Indebtedness has:
  - (i) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced or the new notes, and
  - (ii) a Stated Maturity that is equal to or later than the Stated Maturity of the Indebtedness being Refinanced or the new notes;
- (c) if the Indebtedness being Refinanced is:
  - (i) Indebtedness of the Issuer, then such Refinancing Indebtedness will remain Indebtedness of the Issuer,
  - (ii) Indebtedness of a Restricted Subsidiary, then such Refinancing Indebtedness will be Indebtedness of the Issuer or such Restricted Subsidiary, and
  - (iii) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate in right of payment to the new notes and the Note Guarantees, as the case may be, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

Refinancing Indebtedness shall not include Indebtedness of the Issuer or any Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary.

*“Relevant Taxing Jurisdiction”* has the meaning set forth under *“—Additional Amounts”* above.

*“Restricted Investment”* means any Investment other than a Permitted Investment.

*“Restricted Payment”* has the meaning set forth under *“—Certain Covenants—Limitation on Restricted Payments.”*

“*Restricted Subsidiary*” means all Subsidiaries of the Issuer, other than Unrestricted Subsidiaries.

“*Reversion Date*” has the meaning set forth under “—Covenant Suspension.”

“*Revocation*” has the meaning set forth under “—Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries.”

“*S&P*” means Standard & Poor’s Ratings Group, a division of McGraw Hill, Inc. and its successors.

“*Sale and Leaseback Transaction*” means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Issuer or any Restricted Subsidiary of any property, whether owned by the Issuer or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Issuer or any Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such property.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*Securities Act*” means the U.S. Securities Act of 1933, as amended.

“*Senior Indebtedness*” means the new notes, the Note Guarantees and any other unsecured and unsubordinated Indebtedness of the Issuer or any Restricted Subsidiary, as the case may be, that ranks equal in right of payment with the new notes, the Note Guarantees or such other unsecured and unsubordinated Indebtedness of the Issuer or such Restricted Subsidiary, as applicable.

“*Significant Subsidiary*” means, with respect to any Person, a Subsidiary of such Person constituting a “Significant Subsidiary” in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof, assuming for purposes of that definition that the Issuer is the registrant, on a consolidated basis, referred to in such definition.

“*Stated Maturity*” means, with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the final payment of principal of such Indebtedness is due and payable, including, with respect to any principal amount that is then due and payable pursuant to any mandatory redemption or prepayment provision, the date specified for the payment thereof (but excluding any provision providing for the repurchase or prepayment of such Indebtedness at the option of the holder thereof upon the happening of any contingency beyond the control of the obligor thereunder unless such contingency has occurred).

“*Subordinated Indebtedness*” means any Indebtedness of a Subsidiary Guarantor, the Issuer or any Restricted Subsidiary (whether existing on the Issue Date or thereafter Incurred), as the case may be, which is expressly subordinated in right of payment to the new notes and the Note Guarantees, as the case may be.

“*Subsidiary*” means, with respect to any Person (the “parent”) at any date, any Person the account of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as of such date. For the avoidance of doubt, Central Termoeléctrica Manuel Belgrano S.A., Central Termoeléctrica San Martín S.A. and Central Termoeléctrica Guillermo Brown S.A. will not be considered Subsidiaries of the Issuer under the New Notes Indenture.

“*Subsidiary Guarantor*” means, at any time and from time to time, any Person that provides a Note Guarantee.

“*Surviving Entity*” has the meaning set forth under “—Certain Covenants—Limitation on Merger, Consolidation and Sale of Assets.”

“*Suspended Covenants*” has the meaning set forth under “—Covenant Suspension.”

“*Suspension Period*” has the meaning set forth under “—Covenant Suspension.”

“*Taxes*” has the meaning set forth under “—Additional Amounts” above.

“*Treasury Rate*” has the meaning set forth under “—Optional Redemption.”

“*U.S.*” or “*United States*” means the United States of America.

“*U.S. Government Obligations*” means direct obligations (or certificates representing an ownership interest in such obligations) of the United States (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States is pledged and that are not callable or redeemable at the issuer’s option.

“*Unrestricted Subsidiary*” means any Subsidiary of the Issuer Designated as such pursuant to “— Certain Covenants—Limitation on Designation of Unrestricted Subsidiaries and Project Finance Subsidiaries;” any such Designation may be revoked by a Board Resolution of the Issuer, subject to the provisions of such covenant.

“*Voting Stock*” with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

“*Weighted Average Life to Maturity*” means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock, multiplied by the amount of such payment, by (2) the sum of all such payments.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations is based on and should be read in conjunction with our Annual Consolidated Financial Statements and unaudited Interim Condensed Consolidated Financial Statements included elsewhere in this Exchange Offer Memorandum and in conjunction with the description of our business. The Annual Consolidated Financial Statements and unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IFRS, as issued by IASB. See “Presentation of Financial Information.”

This discussion contains forward-looking statements that involve certain risks, uncertainties and assumptions. Forward-looking statements may also be identified by words such as “may,” “will” “believe,” “expect,” “anticipate,” “project,” “intend,” “should,” “seek,” “estimate,” “future” or similar expressions. These statements discuss future expectations, contain projections of results of operations or of financial conditions or state other forward-looking information. Forward-looking statements are subject to various risks and uncertainties. Our actual results may differ materially from those identified in these forward-looking statements. For more information on forward-looking statements, see “Forward-Looking Statements,” and for a discussion of some of the risks that could cause our actual results to differ, see “Risk Factors.”

Certain amounts shown in the discussion below are subject to rounding. Accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregate of the other figures contained in such tables.

### Overview

We are one of the leading private power generation companies in Argentina, with an installed generating capacity of 3,001 MW in our seven generation plants as of the date of this Exchange Offer Memorandum, representing a market share of 7%. In the year ended December 31, 2022, we generated a total of 6,815 net GWh of power, representing approximately 5% of the power generated in the SADI during that period, while we generated 1,836 GWh in the three-month period ended March 31, 2023, representing approximately 5% of the power generated in the SADI during that period.

We have a well-diversified competitive asset portfolio comprised of 1,207 MW in four hydroelectric plants (40.22%), 1,578 MW in three thermoelectric plants (52.58%), 200 MW in two currently operative wind farms (6.66%) and 16 MW (0.53%) in a battery storage system.

We are also diversified by geography and technology, with strategically located plants in sites with access to fuel supply and with access to different connection points on the distribution grid. We are also the only generator in the SADI with the capacity to burn a variety of fuels, including diesel, fuel oil, biodiesel, natural gas and coal.

### Factors Affecting Our Results of Operations

#### *Argentine Economic Conditions*

We are an Argentine *sociedad anónima* (corporation). Substantially all of our assets and operations and our customers are located in Argentina. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic and political conditions prevailing from time to time in Argentina.

As we are affected by the conditions of Argentina's economy, which have historically been volatile, and have negatively and materially affected the financial condition and prospects of several sectors, including the electricity sector, the following discussion may not be indicative of our future results of operations, liquidity or capital resources.

The following table sets forth information about certain economic indicators in Argentina for the years indicated. For information regarding the reliability of this data, see “Risk Factors—Risks Relating to Argentina—The credibility of several Argentine economic indices has been called into question, which has led to a lack of confidence in the Argentine economy and could affect your evaluation of the Exchange Offer and/or the market value of the New Notes.”

|                                 | For the Year Ended December 31, |               |               |               |               |
|---------------------------------|---------------------------------|---------------|---------------|---------------|---------------|
|                                 | 2018                            | 2019          | 2020          | 2021          | 2022          |
| <b>Economic Activity</b>        |                                 |               |               |               |               |
| Real GDP (pesos of 2004)        |                                 |               |               |               |               |
| (% change)(1) .....             | (2.5)%                          | (2.5)%        | (9.9)%        | 10.3%         | 5.9%          |
| Nominal GDP in current          |                                 |               |               |               |               |
| U.S.\$(2) (in millions of       |                                 |               |               |               |               |
| U.S.\$).....                    | U.S.\$ 525                      | U.S.\$ 447    | U.S.\$ 385    | U.S.\$ 486    | U.S.\$ 628    |
| <b>Total Investment(3) as %</b> |                                 |               |               |               |               |
| <b>of GDP .....</b>             | <b>13.18%</b>                   | <b>11.50%</b> | <b>13.90%</b> | <b>17.10%</b> | <b>18.20%</b> |
| Price Indexes and Exchange      |                                 |               |               |               |               |
| Rate Information.....           |                                 |               |               |               |               |
| Consumer Price Index (CPI)      |                                 |               |               |               |               |
| (% change).....                 | 47.6%                           | 53.8%         | 36.1%         | 50.9%         | 94.8%(4)      |
| Wholesale Price Index           |                                 |               |               |               |               |
| (WPI)                           |                                 |               |               |               |               |
| (% change).....                 | 58.49%                          | 35.38%        | 51.34%        | 94.78%        | 48.66%        |
| Nominal Exchange Rate(5)        |                                 |               |               |               |               |
| (in Ps./U.S.\$ at year end).    | 37.88                           | 59.90         | 84.15         | 102.75        | 177.13        |

*Sources:* Ministry of Economy of Argentina, Central Bank, Instituto Nacional de Estadísticas y Censos (INDEC), and IMF.

- (1) The variation in the Real GDP (peso of 2004) was provided by the IMF.
- (2) The variation in nominal GDP in current U.S. dollars was provided by the IMF.
- (3) The variation in total investment as a percentage of GDP was provided by the IMF.
- (4) The evolution of inflation as reflected by INDEC in the WPI.
- (5) Central Bank reference exchange rates (Communication A 3500 of Central Bank).

Argentina's GDP increased by 5.9% year-on-year in the third quarter of 2022, slightly above market forecasts of 5.8% but slowing from the upwardly revised 7.1% advance in the previous quarter.

Argentina faces significant challenges in its economy, including actions by the Argentine government in connection with inflation, interest rates, price controls, tariffs and other utility charges, exchange controls and taxes, all of which have had and may in the future have a material adverse effect on Argentina's private sector. In particular, energy generation activities are subject to political and economic uncertainties, changes in legislation, expropriation of assets, nullification or impairment of contractual rights, revocation of consents or permits, obtaining various permits from regulatory authorities, foreign exchange restrictions, price controls and currency fluctuations. See "Risk Factors—Risks Relating to Argentina."

In light of these uncertainties, the long-term evolution of the Argentine economy remains uncertain, and forecasts for 2023 and beyond are characterized by caution. As of the date of this Exchange Offer Memorandum, a drop in real GDP is expected for 2023, and the inflation rate is expected to remain high, surpassing that of 2022.

### ***Inflation***

Argentina has faced and continues to face inflationary pressures. From 2012 until today, Argentina experienced increases in inflation as measured by CPI and WPI that reflected the continued growth in the levels of private consumption and economic activity (including exports and public and private investment), which applied upward pressure on the demand for goods and services.

During periods of high inflation, effective wages and salaries tend to fall and consumers adjust their consumption patterns to eliminate unnecessary expenses. The increase in inflationary risk may erode macroeconomic growth and further limit the availability of financing, causing a negative impact on our operations. See "Risk Factors—Risks Relating to Argentina—Substantial inflation has occurred since 2002 and could continue in the future, which may have a material adverse effect on our business, financial condition and results of operations."

Inflation increases also have a negative impact on our cost of sales, selling expenses and administrative expenses, in particular our payroll and social security charges. We cannot give any assurance that increased costs as a result of inflation will be offset in whole or in part with increases in prices for the energy we produce.

Argentina has faced and continues to face significant inflationary pressures. According to INDEC, the national inflation index was 24.8% in 2017, 47.6% in 2018, 53.8% in 2019, 36.1% in 2020, 50.9% in 2021 and 94.8% in 2022. As of May 2023, Argentina has recorded a year-on-year inflation rate of 114.2% (as measured according to the national CPI).

### ***Foreign Currency Fluctuations***

We are exposed to exchange rate risk in connection with the U.S. dollar to the Argentine peso exchange rate, as most of our revenues arising from the Energía Base regulatory framework are denominated in Argentine pesos while part of our capital expenditures, financial obligations and operating expenditures are denominated in U.S. dollars. See “Risk Factors—Risks Relating to Argentina—Fluctuations in the value of the peso may adversely affect the Argentine economy and our business, financial condition, results of operations and ability to service our debt, including the New Notes” and “Exchange Rate Information and Exchange Controls.”

The value of financial assets and liabilities denominated in a currency other than the Argentine peso is subject to variations derived from fluctuations in real terms of exchange rates. Since our functional currency is the Argentine peso restated to constant currency, the currency that generates the greatest exposure in terms of effects on results is the U.S. dollar.

The devaluation of the peso with respect to the U.S. dollar exceeded 32.6% in 2013 and 31.2% in 2014. In 2015, the peso lost approximately 52.0% of its value with respect to the U.S. dollar, including a 10.0% devaluation from January 1, 2015 to September 30, 2015 and a 38.0% devaluation during the last quarter of the year, primarily concentrated after December 16, 2015 as a consequence of the Macri administration’s elimination of a significant portion of foreign exchange controls. The devaluation of the Argentine peso against the U.S. dollar totaled 21.85% in 2016, 14.79% in 2017, 50.53% in 2018, 37.05% in 2019, 28.83% in 2020, 18.08% in 2021, and 42.02% in 2022. For further information, see “Risk Factors—Risks Relating to Argentina—Fluctuations in the value of the peso may adversely affect the Argentine economy and our business, financial condition, results of operations and ability to service our debt, including the New Notes.”

In 2020, we implemented a hedging strategy for certain current liabilities in foreign currency for an amount of U.S.\$42 million in the second quarter of 2020 and U.S.\$35 million in the third quarter of 2020. As of March 31, 2023, such contracts have expired, and we have not entered into any new contracts of this nature. As of March 31, 2023, we had no hedges for U.S. dollar liabilities.

A significant depreciation of the Argentine peso could result in an increase in our debt service cost and in the cost of imported inputs or equipment and, consequently, could have a material adverse effect on our results of operations. With respect to the fuels used to generate the electricity that we sell under the Energía Base regulatory framework, the exposure to fluctuations in fuel prices is not significant since, under applicable regulations, the fuel for the electricity sold under the Energía Base regulatory framework, with the exception of coal, must be purchased from and provided by CAMMESA at no charge to us; therefore, the cost of such fuel is not part of the price received by the generator.

The Argentine government has taken measures to stabilize the exchange rate situation, restrictions to purchase foreign currency, and in some cases, additional taxes.

### ***Our Revenues***

We sell most of our generated electricity and derive most of our revenues from the electricity we generate at our hydroelectric and thermal plans by virtue of the “Energía Base” regulatory framework established under SE Resolution 95/2013, as modified by SE Resolution 529/2014, SE Resolution 482/2015, SE Resolution 22/2016, SE Resolution 19/2017, 1/2019, 31/2020, 440/2021, 238/2022 and 826/2022.

In relation to our wind farms, Phase 1 of wind farm Vientos Bonaerenses (20 MW) and wind farm Vientos Neuquinos (100 MW) sell the energy generated to industrial customers under the “Mercado a Término” regulatory framework (“MATER”) established by the former Ministry of Energy and Mining by means of Resolution



281/2017. Under this framework, we negotiate sales conditions directly with customers. Phase 2 of wind farm Vientos Bonaerenses (80 MW) sells its energy to CAMMESA under the regulatory framework RenovAr 2. In both cases, prices of the contracts with both CAMMESA and industrial customers are indexed to the U.S. dollar.

We collect our revenues in cash. In March and April 2020, we received the final payment of the installments from the FONINVEMEM trusts corresponding to the two thermoelectric plants of TJSM and TMB, which include principal and interest. On the other hand, on October 1, 2016, CAMMESA announced the commercial operation date of the TGB power plant, which had started operating in April 2016. In the period ended March 31, 2023, we received Ps.2,350 million (net of VAT) in accrued and unpaid monthly installments resulting from the TGB trust, which include principal and interest.

We summarize key aspects of the Energía Base framework below, which currently is our main source of operating revenue.

### ***Energy Prices under the Energía Base Framework***

We sell the generation capacity and electricity we generate at our seven thermoelectric and hydroelectric power plants to CAMMESA under the Energía Base regulatory framework established by virtue of SE Resolution 1/2019. Under this framework, tariffs are paid by CAMMESA based on a system of fixed and variable costs established by the Secretariat of Energy through SE Resolution No. 1/2019. Under the Energía Base regulatory framework, the fuel necessary to produce the energy we generate is mostly supplied by CAMMESA free of charge, following Resolution 12/2019 of the Ministry of Productive Development, which repealed previous Resolution 70/2018 of the Secretariat of Energy (with the exception of coal used by our CTSN thermoelectric plant, which we procure separately and which is a variable cost that we declare to CAMMESA every 15 days). See “The Argentine Electricity Industry and Regulation.”

### ***Electricity Demand and Supply***

Demand for electricity depends, to a significant extent, on economic and political conditions prevailing from time to time in Argentina, as well as seasonal factors. In general, the demand for electricity varies depending on the performance of the Argentine economy, as businesses and individuals generally consume more energy and are better able to pay their bills during periods of economic stability or growth. As a result, energy demand is affected by Argentine governmental actions concerning the economy, including with respect to inflation, interest rates, price controls, taxes and energy tariffs.

Electricity generation decreased by 2.8% in 2019, from 137,825 GWh in 2018 to 133,993 GWh in 2019. Electricity generation increased by 0.5% in 2018, from 137,200 GWh in 2017 to 137,825 in 2018.

In 2020, electricity demand decreased by 1.3% compared to 2019 demand. Energy demand was affected by the preventive and obligatory social isolation mandated by the Argentine government since March 20, 2020 and throughout 2020. While residential demand grew by 8.1%, intermediate and large demand (industrial and commercial) fell by 5.2% and 11.5%, respectively.

At the end of 2020, the relaxation of preventive and mandatory social insulation boosted consumption growth in 2021, registering an increase of 5.2% over the previous year.

The following table illustrates the electricity supply in Argentina by source, which includes domestic generation from hydro, thermal, nuclear and renewable sources.

| Type                     | January<br>2022 | February<br>2022 | March<br>2022 | April<br>2022 | May<br>2022   | June<br>2022  | July<br>2022  | August<br>2022 | September<br>2022 | October<br>2022 | November<br>2022 | December<br>2022 | Total          | % Part      |
|--------------------------|-----------------|------------------|---------------|---------------|---------------|---------------|---------------|----------------|-------------------|-----------------|------------------|------------------|----------------|-------------|
| Thermal .....            | 8,938           | 7,171            | 7,163         | 5,993         | 7,038         | 7,491         | 7,328         | 6,127          | 5,460             | 5,051           | 6,228            | 7,757            | 81,746         | 59%         |
| Hidro.....               | 1,980           | 1,369            | 1,605         | 2,185         | 2,290         | 3,037         | 2,474         | 2,655          | 2,267             | 3,750           | 3,694            | 2,881            | 30,186         | 22%         |
| Nuclear.....             | 977             | 893              | 752           | 658           | 629           | 679           | 737           | 949            | 700               | 68              | 34               | 393              | 7,469          | 5%          |
| Renewable .....          | 1,658           | 1,479            | 1,735         | 1,616         | 1,469         | 1,401         | 1,564         | 1,588          | 1,605             | 1,822           | 1,664            | 1,741            | 19,340         | 14%         |
| <b>Total (MWh) .....</b> | <b>13,552</b>   | <b>10,912</b>    | <b>11,255</b> | <b>10,451</b> | <b>11,427</b> | <b>12,609</b> | <b>12,103</b> | <b>11,318</b>  | <b>10,032</b>     | <b>10,691</b>   | <b>11,620</b>    | <b>12,773</b>    | <b>138,742</b> | <b>100%</b> |

During 2022, thermal generation continued to be the main resource used to supply energy demand, contributing 81,746 GWh (59%), followed by hydroelectric generation net of pumping, which contributed 30,186 GWh (22%)

and nuclear generation, which contributed 7,469 GWh (5%) and renewable generation, which contributed 19,340 GWh (14%).

Hydroelectric generation in 2022 experienced an increase when compared to 2021 due mainly to better hydrology in the system. Nuclear generation registered a 27% decrease when compared to 2021 due mainly to lower availability. Thermal generation registered a 9% decrease when compared to 2021 due mainly to higher dispatch costs. In this sense, thermal generation continued to be the main source for the supply of electricity, fueled both by natural gas and by liquid fuels (diesel oil and fuel oil), as well as mineral coal mainly during the winter months. Finally, renewable energy generation increased 11% when compared to 2021 due mainly to higher renewable installed capacity.

During 2022, generation facilities decreased their installed capacity from 42,989 MW in 2021 to 42,927 MW in 2022, representing a 0.1% decrease.

### ***Availability and Dispatch***

We sell our generation capacity availability and electricity in the spot market to CAMMESA under the Energía Base framework. CAMMESA requests the dispatch of electricity from generation companies based on different criteria including the efficiency of the power plants, system unavailability, tension of the grid, fuel availability and location of demand, among others. For information on our efficiency relative to the industry average, see “Our Business—Competitive Framework.”

### ***Treatment of Our Contributions to the FONINVEMEM Funds in Our Financial Statements***

As of the date of this Exchange Offer Memorandum, we have contributed U.S.\$518 million in outstanding receivables (net of VAT) from electric power sales from January 2004 through January 2013 into the FONINVEMEM funds. These contributions have been used for the development of the TJSM, TMB and TGB plants. CAMMESA is obligated to repay this contribution, for which its peso-denominated obligations are indexed to the U.S. dollars, over a period of ten years, beginning when the respective power plants became operational. In December 2016, we began receiving repayment for our contributions to the third FONINVEMEM plant (TGB), which became operational in April 2016. We have received payments of U.S.\$277 million, related to accrued and unpaid monthly installments for the period between March 2010 and March 2023. For more information on FONINVEMEM, see “Our Business—Investments in FONINVEMEM.” On May 4 and 8, 2020, the Special Shareholders’ Meeting of TMB S.A. and TJSM S.A. were held, respectively, in order to fulfill the condition precedent established in Article 1.01 of the Trust Agreement (the “Agreement”). Articles 1.01 and 7.03 of the Agreement provide that once the termination date has occurred, the generating company will become the trustee upon verifying that the necessary acts have been carried out to allow the Argentine government to receive the shares of TJSM S.A. and TMB S.A. in accordance with the guidelines established in the “Final Agreement for the MEM Reconversion,” as executed on October 17, 2005 by various MEM generators and the Argentine government.

The respective Shareholders’ Meetings resolved to make capital increases in TMB S.A. and TJSM S.A. in the proportion necessary in each entity so that the Argentine government may subscribe shares and become the owner of 65.006% of the shares of TMB S.A. and 68.826% of the shares of TJSM S.A. Capital increases were performed without the exercise of any preemptive or accretion rights by the previous shareholders with respect to the shares to be issued in favor of the Argentine government and will be paid in through capitalization of the capital adjustment account.

As a result, the capital increases were subscribed by the Argentine government through the Secretary of Energy. On March 11 and March 28, 2021, TMB S.A. and TJSM S.A., respectively, registered the new interest of the Argentine government in their respective share ledgers, thus reducing our equity interest in TMB S.A. and TJSM S.A. to 7.2% and 6.4%, respectively. As from the effectiveness of this change in the participating interests, the resulting gains or losses ceased to be recognized according to the equity method and started to be accounted for at their cost plus dividends.

On June 16, 2021, Executive Decree No. 389/2021 was published in the Official Gazette, whereby, among other things, the shares issued in favor of the Argentine government in the generating companies TMB S.A. and TJSM S.A. were assigned to Integración Energética Argentina S.A. (“IEASA”). On June 22, 2021, the managing companies received a notice from IEASA pursuant to Art. 215 of the Commercial Companies Law, whereby they

were informed of the provisions of Art. 6 of Executive Decree No. 389/2021 and requested to consider that the change of ownership has become effective and to record such change in their respective Share Ledgers.

On August 24, 2021, the Common Shareholders' Meetings of TMB S.A. and TJSM S.A. were held to appoint new directors based on the new stock ownership.

Our stake in TGB will be reduced upon fulfilment of the aforementioned conditions. See "Our Business—Investments in FONINVEMEM."

In terms of the accounting treatment of these contributions, we have recognized the aggregate contribution amount as an account receivable on our balance sheet. This account is reduced as we receive monthly cash installments from CAMMESA, and our operating cash flow reflects inflows. Therefore, the collection of such amount is not reflected in our income statement.

In terms of the tax treatment of these contributions, during 2004 to 2007 and from 2010, we used the optional method set by Law 20,628, as amended and restated by Decree 649/97 (the "Income Tax Law") known as the "accrued and claimable" method, and applied such method in connection with certain of our FONINVEMEM receivables that are to be collected in 120 monthly installments. This method can be used by taxpayers subject to certain conditions established by law. Under this method, the profit recognition of the receivable should occur during the year in which the relevant credit is claimable, with the taxable event arising when the credit is due, collected or sold, whichever happens first. Pursuant to this method, such credits are claimable from March 2010 in the case of the first and second FONINVEMEM funds and from December 2016 in case of third FONINVEMEM fund.

### ***The State of Emergency of the Argentine Electricity Sector***

In December 2015, the prior administration of Mauricio Macri enacted Decree No. 134/2015 declaring the state of emergency of the Argentine electricity sector until December 31, 2017. Pursuant to such decree, the Ministry of Energy was entrusted with the duties of developing and putting in place an action plan in connection with electricity generation, transportation and distribution in order to improve the quality and security of electricity supply and guarantee the provision of this public service under suitable technical and economic conditions. These goals required additional investments in the several sectors of the productive chain in order to accommodate Argentina's electricity supply and demand, which represented both a challenge and an opportunity for participants in the sector.

With respect to electricity generation, in 2016, the Ministry of Energy publicly noted the need for new generating capacity, and it stated that such goal should be addressed by the expansion of thermal and renewable energy sources by private companies, and consequently, the Argentine government took measures to boost generation capacity in order to ensure the supply of electricity and reduce the need for imports from neighboring countries. In this respect, the Ministry of Energy stressed that the country needed to incorporate 10 GW of generating capacity from conventional energy sources and 10 GW of generating capacity from renewable sources in order to meet increasing demand over the next ten years. Currently, due to the conditions being experienced by the industrial sector and macroeconomic conditions in Argentina, both of which have led to a decrease in the demand for electricity generation, it is uncertain whether the current government will continue to pursue this goal.

### ***Round 1 of the RenovAr Program: Public Bid Process for New Renewable Energy Generation Units***

On March 22, 2016, the Secretariat of Electric Energy called for bids to install 1,000 MW of new renewable energy units. See "The Argentine Electricity Industry and Regulation—Structure of the Industry—RenovAR (Round 1, Round 1.5 and Round 2): Bidding Process for Renewable Energy Generation Projects." We did not participate in these bids. In October 2016, the Ministry of Energy finalized the auction process under this round 1 for the installation of new renewable energy units, by granting awards in the amount of 1,141.51 MW, with a weighted average price of U.S.\$61.33, including two biomass, six biogas, five small hydro, 12 wind energy and four solar energy projects.

### ***Round 1.5 of the RenovAr Program: Public Bid Process for New Renewable Energy Generation Units***

In October 2016, the Ministry of Energy also issued Resolution No. 252-E/2016, calling for national and international bids under round 1.5 of the RenovAr Program to auction an additional 600 MW of renewable energy (400MW of wind and 200MW of solar). On November 11, 2016, CAMMESA began analyzing the technical aspects

of the bids that were filed, which included 47 projects totaling 2,486.4 MW. On November 25, 2016, the Ministry of Energy, by means of Resolution 281-E/2016, granted awards in the amount of 1,281.53 MW, with a weighted average price of U.S.\$53.98. These awards included, ten wind energy and 20 solar energy projects.

***Round 2 of the RenovAr Program: Bidding for new renewable energy generation units.***

Additionally, on August 17, 2016, the former Ministry of Energy and Mining also issued Resolution 275-E/2017 calling for national and international bidding under the framework of Round 2 of the RenovAr Program. As a result of this round, 88 projects were awarded for a total of 2,043 MW at a weighted average awarded price of 51.48 U.S.\$/MWh.

***Round 3 of the RenovAr Program (MiniRen): Tender for new small scale renewable energy generation units.***

On November 14, 2018, the RenovAr 3 (MiniRen) call for tenders was opened, the objective of which was to expand installed capacity by 400 MW. This round targeted small-scale projects with a maximum power of 10 MW to be connected in the medium and low voltage grids of all provinces of the country (the maximum quota per province is 20 MW, except for Buenos Aires, where the maximum quota is 60 MW).

In July 2019, 351.97 MW were awarded under this program and the tax benefits to be granted in each project were determined by means of Resolution SE 84/2019.

**Critical Accounting Policies**

In the preparation of our financial statements, we have identified key accounting policies which are fundamental to our consolidated financial position and results of operations. These key accounting policies, including disclosures, often involve complex quantitative analyses or are based on subjective judgments or decisions. We continually evaluate these estimates, including those related to the measurement of cash and cash equivalents, accounts payable and receivable, property, plant and equipment, post retirement and other employee benefits, income taxes and the fair value of financial instruments, including derivatives. We base our estimates on historical experience and other assumptions which we believe to be reasonable under the circumstances.

We have identified the following accounting policies that we believe are most critical to our financial statements. For a full description of our accounting policies, see note 2.5 to our Annual Consolidated Financial Statements included in this Exchange Offer Memorandum.

***Recognition of income from ordinary activities.***

IFRS 15 presents a detailed model of five steps to analyze the revenue from contracts with customers. Its main principle lies in the fact that an entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, upon satisfaction of a performance obligation. An asset is transferred when (or as) the customer obtains control of that asset, which is defined as the ability to direct the use and obtain substantially all the remaining benefits of the asset. Following the guidelines of IFRS 15, we shall analyze:

1. if the contract (or a combination of contracts) contains more than one promised asset or service, when and how the assets or services should be provided
2. whether the transaction price distributed to each performance obligation should be recognized as revenues over time or at a particular time. We recognize an income when the obligation is met, that is to say, when the control of the goods and services having a specific obligation is transferred to the customer. This model includes no separate guidelines for the sale of goods or the provision of services.
3. when the transaction price includes a variable payment estimation element, how it will affect the amount and time to recognize the revenue. The notion of variable payment estimation is broad. It is considered as a variable price on discounts, reimbursements, receivables, price concessions, incentives, performance bonuses, penalties and contingency arrangements. No variable payments are recognized until it is very unlikely that there will occur a significant change in the amount of accrued income, i.e. when the uncertainties inherent in a variable payment estimation have disappeared.

4. If any costs have been incurred to perfect a contract, when these costs can be recognized as an asset.

Our revenues mainly come from the production and sale of energy and capacity. Revenues are recognized when the control of the goods and services is transferred to the customers and are recognized net of any tax collected that must be paid to the authorities of each country.

### ***Property, Plant and Equipment***

Property, plant and equipment existing as of the date of transition to IFRS is measured as follows: (ii) for CTSN and AES Paraná, at the fair value as of that date, and (b) for the remaining assets, at the attributed cost, which is the cost restated in constant currency, until March 1, 2003, net of accumulated depreciation and/or impairment losses, if any. This cost includes the cost to replace the components of property, plant and equipment and the borrowing costs related to long-term construction projects, provided that they meet the recognition requirements.

The subsequent additions are carried at cost. The cost of an asset includes its purchase price, all costs directly related to the installation of the asset at the place and in the conditions required to ensure it can work as expected, and, if any, the initial estimate of the total or partial dismantling, withdrawal or removal of the asset, as well as the restoration of the place where it was located, as it constitutes an obligation of us at the time of purchasing the item or as a consequence of using the asset during a certain period.

Following the change in functional currency described in note 2.2.2 to our Audited Consolidated Financial Statements, our plant, property and equipment items were valued at historical cost restated since that date, net of the corresponding accumulated depreciations.

In the case of significant components of property, plant and equipment that must be replaced periodically, we will have to retire the replaced component and recognize the new component with its relevant useful life and depreciation. Likewise, in the case of a large inspection, its cost is recognized as a replacement provided that all the asset recognition requirements are met. All other routine repair and maintenance costs are expensed as incurred in the income statement.

Inventories shall be depreciated according to the remaining useful life years allocated to each asset by applying the straight-line method.

An item or a significant part of an item of property, plant and equipment that has been initially recognized is retired at the time of its sale or when no future economic benefits are expected to be obtained from its use or sale. Any profit or loss resulting at the time of asset derecognition (calculated as the difference between the net profit resulting from the sale and the asset carrying amount) is included in the income statement when the asset is retired.

The residual values, useful lives and the depreciation methods and rates of the assets are reviewed periodically and adjusted prospectively, as appropriate.

### ***Bad Debt Allowance***

The application of IFRS 9 since its initial adoption was based on an expected credit losses (“ECL”) model over the next 12 months in relation to short- and long-term CAMMESA receivables.

The factors taken into consideration, among others, for the estimate as of December 31, 2022, are the following: (i) the 12-month period over which the ECLs were estimated upon adoption was extended to the entire life of assets due to a significant increase in counterparty credit risk, especially long-term trade receivables; (ii) the receivables held by us resulting from the Energía Base regulatory framework have CAMMESA as single counterparty, which is the electricity market management company that has received and continues to receive assistance from the Argentine State to meet its obligations; and (iii) the risk of default of the Argentine State.

Following the adoption of IFRS 9 and considering the factors mentioned in the previous paragraph we recorded bad debt allowances on certain receivables with CAMMESA. The calculated ECLs are based on the difference between contractual cash flows and all the cash flows that we expect to receive; the difference is then discounted using an approximation of the effective interest rate of the original asset.

In September 2022 we adjusted the estimation of the ECL considering reasonable and supportable information that is relevant and available at no additional cost. The main aspect that we took into consideration when determining the adjustment was the change in the macroeconomic variables and CAMMESA's historical behavior in relation to the payment scheme under which we receive the relevant payments from CAMMESA.

### ***Significant Accounting Judgments, Estimates and Assumptions***

The preparation of our financial statements requires our management to make judgments, estimates and assumptions that affect the amount of the reported income, expenses, assets and liabilities and the determination and disclosure of contingent assets and liabilities as of the end of the reporting fiscal year. In this sense, the uncertainties associated with the adopted assumptions and estimates could lead in the future to final results that could differ from those estimates and require significant adjustments to balances informed of the affected assets or liabilities.

The key forward-looking assumptions and other key sources of uncertainty estimation of the end date of reporting fiscal year are described below. We have based our accounting assumptions and significant estimates considering the parameters available at the time of preparation of the financial statements. Nevertheless, the current circumstances and assumptions about future events may vary due to changes in the market or to circumstances arising beyond our control. These changes are reflected in the assumptions at the time of occurrence. Below there is a detail the estimates and critical judgments used by management:

- The assumptions used in the actuarial calculation of post-employment obligations with employees, including the discount rate. (See Note 17 to our Annual Consolidated Financial Statements)
- Useful lives, residual values and estimation of the recoverable amount used in the impairment test for property, plant and equipment and intangibles assets. (See Notes 7 and 8, respectively, to our Annual Consolidated Financial Statements)
- Assumptions used in the calculation of the fair value of the financial instruments, including credit risk. (See Note 21 to our Annual Consolidated Financial Statements)
- The probability of occurrence and the basis of calculation of the liabilities of uncertain amount or contingent liabilities (see Note 18 to our Annual Consolidated Financial Statements).
- Recoverability of the deferred tax asset (See note 10.2 to our Annual Consolidated Financial Statements).

Despite the fact that these estimates have been made based on the best information available at the date of issuance of these financial statements, it is possible that the latest information or events that may take place in the future may lead to change them (either upwards or downwards) in the next fiscal years. In such event, any changes would be made prospectively by recognizing the effects of the change in estimate in the relevant future financial statements, according to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

## **Results of Operations**

### ***Three-Month Period Ended March 31, 2023 Compared to Three-Month Period Ended March 31, 2022***

The following table is derived from our unaudited interim condensed consolidated financial statements and sets forth the results of our operations for three-month periods ended March 31, 2023 and 2022 (both in constant currency as of March 31, 2023):

|                                       | <b>Three-Month Period Ended March 31,<br/>(unaudited)</b>                     |                  | <b>Change<br/>March 31,</b> |
|---------------------------------------|-------------------------------------------------------------------------------|------------------|-----------------------------|
|                                       | <b>2023</b>                                                                   | <b>2022</b>      | <b>2023/2022</b>            |
|                                       | <b>(in thousands of pesos, in constant currency as of<br/>March 31, 2023)</b> |                  |                             |
| Income from ordinary activities ..... | 24,839,778                                                                    | 21,432,340       | 15.9%                       |
| Cost of sales.....                    | (17,693,972)                                                                  | (15,421,006)     | 14.7%                       |
| <b>Gross profit .....</b>             | <b>7,145,806</b>                                                              | <b>6,011,334</b> | <b>18.9%</b>                |
| Administrative expenses.....          | (1,158,740)                                                                   | (1,157,933)      | 0.1%                        |
| Selling expenses .....                | (462,811)                                                                     | (352,955)        | 31.1%                       |

|                                                                                 | Three-Month Period Ended March 31,<br>(unaudited)                     |                  | Change<br>March 31, |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------|---------------------|
|                                                                                 | 2023                                                                  | 2022             | 2023/2022           |
|                                                                                 | (in thousands of pesos, in constant currency as of<br>March 31, 2023) |                  |                     |
| Other income and expenses .....                                                 | (29,249)                                                              | (27,614)         | 5.9%                |
| <b>Operating income .....</b>                                                   | <b>5,495,006</b>                                                      | <b>4,472,832</b> | <b>22.9%</b>        |
| Financial income .....                                                          | 3,909,861                                                             | 3,153,255        | 24.0%               |
| Financial expenses .....                                                        | (2,771,417)                                                           | (2,664,890)      | 4.0%                |
| Exchange loss .....                                                             | (1,343,733)                                                           | (150,121)        | 795.1%              |
| Loss on net monetary position<br>("RECPAM" for its acronym in<br>Spanish) ..... | (4,897,639)                                                           | (4,970,575)      | (1.5)%              |
| Income from investments in other<br>companies .....                             | 45,215                                                                | 124,735          | (63.8)%             |
| <b>Income (loss) before tax .....</b>                                           | <b>437,293</b>                                                        | <b>(34,764)</b>  | <b>1,357.9%</b>     |
| Income tax .....                                                                | 450,907                                                               | 1,230,322        | (63.4)%             |
| <b>Net income for the period .....</b>                                          | <b>888,200</b>                                                        | <b>1,195,558</b> | <b>(25.7)%</b>      |

#### *Income from Ordinary Activities*

The following table sets forth the breakdown of our Income from ordinary activities by type of charge for the three-month periods ended March 31, 2023 and 2022 (both in constant currency as of March 31, 2023):

|                                                           | Three-Month Period Ended March 31,<br>(unaudited)                     |                   | Change March 31, |
|-----------------------------------------------------------|-----------------------------------------------------------------------|-------------------|------------------|
|                                                           | 2023                                                                  | 2022              | 2023/2022        |
|                                                           | (in thousands of pesos, in constant currency as of<br>March 31, 2023) |                   |                  |
| Remuneration for energy(1) .....                          | 17,510,977                                                            | 13,559,575        | 29.1%            |
| Remuneration for capacity(1) .....                        | 5,071,461                                                             | 4,969,317         | 2.1%             |
| Sales of energy and capacity under<br>agreements(2) ..... | 2,089,113                                                             | 2,800,574         | (25.4) %         |
| Other income .....                                        | 168,227                                                               | 102,874           | 63.5%            |
| <b>Total income from ordinary<br/>activities .....</b>    | <b>24,839,778</b>                                                     | <b>21,432,340</b> | <b>15.9%</b>     |

(1) Includes the notions of energy and capacity pursuant to the remuneration provided for by Resolutions 59/2023, 826/2022, 238/2022, 1037/2021, 440/2021, 31/2020, 1/2019 and 19/2017, as applicable, as well as other notions established by other current prior resolutions.

(2) Includes sales of renewable energy under Renovar contract with CAMMESA and forward market contracts (industrial customers).

Our income from ordinary activities for the three-month period ended March 31, 2023 totaled Ps.24,839,778 thousand, a 15.9% increase as compared to the three-month period ended March 31, 2022. This increase was primarily attributable to higher coal sales at higher prices, partially offset by lower contract sales on the wind plants.

#### *Cost of Sales*

The following table sets forth our cost of sales for the three-month periods ended March 31, 2023 and 2022 (both in constant currency as of March 31, 2023):

|                                                                                | Three-Month Period Ended March 31,<br>(unaudited)                     |                   | Change March 31, |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------|------------------|
|                                                                                | 2023                                                                  | 2022              | 2023/2022        |
|                                                                                | (in thousands of pesos, in constant currency as of<br>March 31, 2023) |                   |                  |
| Fuel used for generation, net .....                                            | 11,263,966                                                            | 8,799,422         | 28.0%            |
| Depreciation of property, plant and<br>equipment .....                         | 2,009,354                                                             | 2,281,199         | (11.9)%          |
| Remunerations, social security<br>contributions and other staff expenses ..... | 1,296,367                                                             | 1,158,666         | 11.9%            |
| Insurance .....                                                                | 1,068,471                                                             | 1,139,218         | (6.2)%           |
| Operation and maintenance expenditures .....                                   | 911,468                                                               | 1,091,536         | (16.5)%          |
| Professional services from related parties ...                                 | 80,845                                                                | 92,911            | (13.0)%          |
| Amortization of intangible assets .....                                        | 376,651                                                               | 323,803           | 16.3%            |
| Fees and remunerations to third parties .....                                  | 23,169                                                                | 28,367            | (18.3)%          |
| Fees and royalties .....                                                       | 95,622                                                                | 87,114            | 9.8%             |
| Transmission costs .....                                                       | 81,310                                                                | 45,291            | 79.5%            |
| Frequency regulation .....                                                     | 76,150                                                                | 79,889            | (4.7)%           |
| Other market charges .....                                                     | 74,858                                                                | 72,395            | 3.4%             |
| Purchase of energy and capacity .....                                          | 70,246                                                                | 17,841            | 293.7%           |
| Cleaning expenses .....                                                        | 67,083                                                                | 16,838            | 298.4%           |
| Sundry .....                                                                   | 42,677                                                                | 20,256            | 110.7%           |
| Travel, mobility and transport expenses .....                                  | 43,223                                                                | 20,673            | 109.1%           |
| Materials and other supplies .....                                             | 44,199                                                                | 71,701            | (38.4)%          |
| Safety and security services .....                                             | 34,030                                                                | 36,223            | (6.1)%           |
| Use of fields .....                                                            | 32,235                                                                | 34,428            | (6.4)%           |
| Office and communications expenses .....                                       | 2,048                                                                 | 3,235             | (36.7)%          |
| <b>Total cost of sales .....</b>                                               | <b>17,693,972</b>                                                     | <b>15,421,006</b> | <b>14.7%</b>     |

Cost of sales for the three-month period ended March 31, 2023 totaled Ps.17,693,972 thousand, a 14.7% increase as compared to the three-month period ended March 31, 2022, which totaled Ps.15,421,006. This increase was primarily due to higher coal costs as a result of higher prices.

#### *Gross Profit*

Gross profit for the three-month period March 31, 2023 totaled Ps.7,145,806 thousand, a 18.9% increase as compared to the three-month period ended March 31, 2022, which totaled Ps.6,011,334 thousand. This increase was primarily due to higher coal sales at higher prices, partially offset by higher coal purchase prices.

#### *Administrative Expenses*

The following table sets forth a breakdown of our administrative expenses for the three-month periods ended March 31, 2023 and 2022 (both in constant currency as of March 31, 2023):

|                                                                                | Three-Month Period Ended March 31,<br>(unaudited)                     |         | Change March 31, |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------|------------------|
|                                                                                | 2023                                                                  | 2022    | 2023/2022        |
|                                                                                | (in thousands of pesos, in constant currency<br>as of March 31, 2023) |         |                  |
| Depreciation of property plant and equipment .....                             | 83,448                                                                | 128,427 | (35.0)%          |
| Remunerations, social security contributions and<br>other staff expenses ..... | 257,261                                                               | 214,495 | 19.9%            |
| Taxes, rates and contributions .....                                           | 230,040                                                               | 248,872 | (7.6)%           |
| Professional services from related parties .....                               | 424,738                                                               | 440,609 | (3.6)%           |
| Fees and remunerations to third parties .....                                  | 130,277                                                               | 95,512  | 36.4%            |
| Sundry .....                                                                   | 19,494                                                                | 13,505  | 44.3%            |
| Travel, mobility and transport expenses .....                                  | 10,353                                                                | 4,795   | 115.9%           |



|                                            | Three-Month Period Ended March 31,<br>(unaudited)                     |                  | Change March 31, |
|--------------------------------------------|-----------------------------------------------------------------------|------------------|------------------|
|                                            | 2023                                                                  | 2022             | 2023/2022        |
|                                            | (in thousands of pesos, in constant currency<br>as of March 31, 2023) |                  |                  |
| Office and communications expenses .....   | 3,129                                                                 | 11,718           | (73.3)%          |
| <b>Total administrative expenses .....</b> | <b>1,158,740</b>                                                      | <b>1,157,933</b> | <b>0.1%</b>      |

Administrative expenses for the three-month period ended March 31, 2023 totaled Ps.1,158,740 thousand, a 0.1% slight increase as compared to the three-month period ended March 31, 2022, which totaled Ps.1,157,933 thousand. This increase was primarily the result of:

- 20% increase in salaries, social security charges and other personnel costs equivalent to Ps.42,766 thousand, mainly due to an increase in the bonuses cost; and
- an increase in fees and remuneration to third parties equivalent to Ps.34,765 thousand, mainly due to higher legal services cost.

These negative impacts were partially offset by:

- a decrease in the cost of depreciation of plant and equipment of 35%, equivalent to Ps.44,979 thousand, due to the retirement of fixed assets for maintenance in Paraná;
- a decrease in expenses for taxes, rates and contributions of 8% equivalent to Ps.18,832 thousand (mainly lower charges for taxes on bank debit/credit offset by other charges for customs duties and internal taxes on insurance policies), and
- a decrease in costs for professional services with related entities of Ps.15,871 thousand.

#### *Selling Expenses*

The following table sets forth a breakdown of our selling expenses for the three-month periods ended March 31, 2023 and 2022 (both in constant currency as of March 31, 2023):

|                                                                                | Three-Month Period Ended March 31,<br>(unaudited)                    |                | Change March 31, |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------|----------------|------------------|
|                                                                                | 2023                                                                 | 2022           | 2023/2022        |
|                                                                                | (in thousands of pesos in constant<br>currency as of March 31, 2023) |                |                  |
| Remunerations, social security contributions and<br>other staff expenses ..... | 42,502                                                               | 86,125         | (50.7)%          |
| Taxes, rates and contributions .....                                           | 382,424                                                              | 261,169        | 46.4%            |
| Fees and remunerations to third parties .....                                  | 14,714                                                               | 13,016         | 13.0%            |
| Travel, mobility and transport expenses .....                                  | 362                                                                  | 112            | 223.2%           |
| Bad debts .....                                                                | 22,809                                                               | (7,467)        | 405.5%           |
| <b>Total selling expenses .....</b>                                            | <b>462,811</b>                                                       | <b>352,955</b> | <b>31.1%</b>     |

Selling expenses for the three-month period ended March 31, 2023, totaled Ps.462,811 thousand, a 31.1% increase as compared to the three-month period ended March 31, 2022, which totaled Ps.352,955 thousand. This increase was primarily the result of :

- an increase in taxes, fees and contributions of Ps.121,255 thousand, mainly from gross income tax and municipal taxes; and
- an increase in the cost of uncollectible accounts of Ps.30,276 thousand.

These negative impacts were partially offset by a decrease in the cost of salaries, social charges and other personnel costs of 51% for Ps.43,623 thousand, due to reclassification of costs.

### Other Income and Expenses

The following table sets forth the breakdown of other income and expenses for the three-month periods ended March 31, 2023 and 2022 (both in constant currency as of March 31, 2023):

|                                                                | Three-Month Period Ended March 31,<br>(unaudited)                     |                 | Change March 31, |
|----------------------------------------------------------------|-----------------------------------------------------------------------|-----------------|------------------|
|                                                                | 2023                                                                  | 2022            | 2023/2022        |
|                                                                | (in thousands of pesos, in constant<br>currency as of March 31, 2023) |                 |                  |
| Income from settlement agreements.....                         | 12,578                                                                | 20,685          | (39.2)%          |
| Proceeds from the sale of assets .....                         | —                                                                     | 26,844          | (100.0)%         |
| Results from disposal of property plant and<br>equipment ..... | (2,821)                                                               | (6,289)         | (55.1)%          |
| Surrogate payers on personal property .....                    | (14,716)                                                              | (26,636)        | (44.8)%          |
| Net charge for provision of legal claims .....                 | (31,819)                                                              | (43,435)        | (26.7)%          |
| Sundry .....                                                   | 7,529                                                                 | 1,217           | 518.7%           |
| <b>Total other income and expenses .....</b>                   | <b>(29,249)</b>                                                       | <b>(27,614)</b> | <b>5.9%</b>      |

Other income and expenses for the three-month period ended March 31, 2023, totaled a loss of Ps.29,249 thousand, or 5.9% as compared to the three-month period ended March 31, 2022, which totaled a loss of Ps.27,614 thousand. This increase was primarily the result of a lower income from sales of fixed assets in 2023, partially offset by lower personal property tax expenses together with lower expenses for legal claims.

### Financial Results

The following table sets forth a breakdown of financial income and expense for the three-month periods ended March 31, 2023 and 2022 (both in constant currency as of March 31, 2023):

|                                                        | Three-Month Period Ended March 31,<br>(unaudited)                     |                    | Change March 31, |
|--------------------------------------------------------|-----------------------------------------------------------------------|--------------------|------------------|
|                                                        | 2023                                                                  | 2022               | 2023/2022        |
|                                                        | (in thousands of pesos, in constant<br>currency as of March 31, 2023) |                    |                  |
| Interest from financial assets .....                   | 1,827,553                                                             | 2,157,871          | (15.3)%          |
| Interest earned with related parties .....             | 641                                                                   | 1,225              | (47.7)%          |
| Other financial income .....                           | 2,081,667                                                             | 994,159            | 109.4%           |
| <b>Total financial income .....</b>                    | <b>3,909,861</b>                                                      | <b>3,153,255</b>   | <b>24.0%</b>     |
| Interest on financial debts.....                       | (2,564,378)                                                           | (2,105,804)        | 21.8%            |
| Interest on tax debts.....                             | (42)                                                                  | (3,120)            | (98.7)%          |
| Interest on trade payables .....                       | (40,650)                                                              | (2,896)            | 1,303.7%         |
| Loss on partial repurchase of notes .....              | —                                                                     | (445,510)          | (100.0)%         |
| Cost of interest on long-term benefit obligations .... | (166,347)                                                             | (107,560)          | 54.7%            |
| <b>Total Financial Expenses.....</b>                   | <b>(2,771,417)</b>                                                    | <b>(2,664,890)</b> | <b>4.0%</b>      |
| Exchange differences from assets .....                 | 13,466,725                                                            | 5,461,920          | 146.6%           |
| Exchange differences from liabilities .....            | (14,810,458)                                                          | (5,612,041)        | 163.9%           |
| <b>Total of exchange differences.....</b>              | <b>(1,343,733)</b>                                                    | <b>(150,121)</b>   | <b>795.1%</b>    |
| RECPAM .....                                           | (4,897,639)                                                           | (4,970,575)        | (1.5)%           |
| <b>Total financial profit (loss) .....</b>             | <b>(5,102,928)</b>                                                    | <b>(4,632,331)</b> | <b>10.2%</b>     |

Total financial profit (loss) for the three-month period ended March 31, 2023 totaled a loss of Ps.5,102,928 thousand, a 10.2% increase as compared to the three-month period ended March 31, 2022, which totaled a loss of Ps.4,632,331 thousand. This increase was primarily the result of an increase in the exchange differences mainly due to a higher monetary position of assets and liabilities in foreign currency and an increase in interest earned on investments and interest earned on bank deposits, partially offset by a Ps.330,318 thousand decrease in interest on balances of accounts receivables from CAMMESA.

### *Income from Investments in Other Companies*

The following table sets forth a breakdown of income from investments in other companies for the three-month periods ended March 31, 2023 and 2022 (both in constant currency as of March 31, 2023):

|                                                              | Three-Month Period Ended March 31,<br>(unaudited)                  |               | Change March 31, |
|--------------------------------------------------------------|--------------------------------------------------------------------|---------------|------------------|
|                                                              | 2023                                                               | 2022          | 2023/2022        |
|                                                              | (in thousands of pesos, in constant currency as of March 31, 2023) |               |                  |
| <b>Income from investments in other companies</b>            |                                                                    |               |                  |
| TGB .....                                                    | 45,559                                                             | 45,716        | (0.34)%          |
| Sierras del Buendía .....                                    | (344)                                                              | —             | (100.0)%         |
| <b>Total income from investments in other companies.....</b> | <b>42,215</b>                                                      | <b>45,716</b> | <b>(1.1)%</b>    |

Income from investments in other companies for the three-month period ended March 31, 2023, totaled Ps.45,215 thousand, a 1.1% decrease as compared to the three-month period ended March 31, 2022, which totaled Ps.45,716 thousand. This decrease was primarily the result of the impact of the devaluation of the peso, which had an effect on the results of these companies.

### *Income Tax*

Income tax in for the three-month period ended March 31, 2023, totaled Ps.450,907 thousand in recorded income, a decrease of 63% compared to the three-month period ended March 31, 2022, which totaled Ps.1,230,322 thousand. This decrease was driven by a decrease in the deferred tax, net, primarily due to a decrease of the difference from the revaluation of property, plant and equipment and intangible assets, partially offset by the positive effect of inflation on the losses recorded in March 2023, which impacted the deferred tax.

### *Net Income for the Period*

As a result of the factors described above, our income for the three months ended March 31, 2023, totaled Ps.888,200 thousand, a 26% decrease as compared to the three months ended March 31, 2022, which totaled Ps.1,195,558 thousand.

### *Year Ended December 31, 2022 Compared to Year Ended December 31, 2021*

The following table is derived from our audited consolidated financial statements and sets forth the results of our operations for years ended December 31, 2022 and 2021 (both in constant currency as of December 31, 2022):

|                                       | Year Ended December 31,                                               |                   | Change<br>December 31, |
|---------------------------------------|-----------------------------------------------------------------------|-------------------|------------------------|
|                                       | 2022                                                                  | 2021              | 2022/2021              |
|                                       | (in thousands of pesos, in constant currency as of December 31, 2022) |                   |                        |
| Income from ordinary activities ..... | 70,126,231                                                            | 67,052,171        | 4.6%                   |
| Cost of sales.....                    | (54,186,012)                                                          | (44,429,237)      | 22.0%                  |
| <b>Gross profit .....</b>             | <b>15,940,219</b>                                                     | <b>22,622,934</b> | <b>(29.5)%</b>         |
| Administrative expenses.....          | (4,090,853)                                                           | (4,233,836)       | (3.4)%                 |
| Selling expenses .....                | (5,763,918)                                                           | (1,935,162)       | 197.9%                 |
| Other income and expenses .....       | (66,117)                                                              | (166,351)         | (60.3)%                |
| <b>Operating income .....</b>         | <b>6,019,331</b>                                                      | <b>16,287,585</b> | <b>(63.0)%</b>         |
| Financial income .....                | 11,724,436                                                            | 10,956,278        | 7.0%                   |
| Financial expenses.....               | (8,644,927)                                                           | (12,276,332)      | (29.6)%                |
| Exchange gain (loss)                  | (1,815,466)                                                           | 2,013,242         | (190.2)%               |

|                                                                          | Year Ended December 31,                                               |                  | Change<br>December 31, |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------|------------------------|
|                                                                          | 2022                                                                  | 2021             | 2022/2021              |
|                                                                          | (in thousands of pesos, in constant currency as of December 31, 2022) |                  |                        |
| Loss on net monetary position ("RECPAM" for its acronym in Spanish)..... | (14,419,671)                                                          | (11,989,612)     | 20.3%                  |
| Income from investments in other companies .....                         | 77,760                                                                | 171,189          | (54.6)%                |
| <b>(Loss) Income before tax</b> .....                                    | <b>(7,058,537)</b>                                                    | <b>5,162,350</b> | <b>(236.7)%</b>        |
| Income tax .....                                                         | 9,345,438                                                             | (2,177,967)      | 529.1%                 |
| <b>Net income for the year</b> .....                                     | <b>2,286,901</b>                                                      | <b>2,984,383</b> | <b>(23.4)%</b>         |

#### *Income from Ordinary Activities*

The following table sets forth the breakdown of our Income from ordinary activities by type of charge for the years ended December 31, 2022 and 2021 (both in constant currency as of December 31, 2022):

|                                                        | Year Ended December 31,                                                    |                   | Change<br>December 31, |
|--------------------------------------------------------|----------------------------------------------------------------------------|-------------------|------------------------|
|                                                        | 2022                                                                       | 2021              | 2022/2021              |
|                                                        | (in thousands of pesos, both in constant currency as of December 31, 2022) |                   |                        |
| Remuneration for energy(1) .....                       | 45,431,592                                                                 | 38,418,811        | 18.3%                  |
| Remuneration for capacity(1).....                      | 16,322,371                                                                 | 18,955,510        | (13.9)%                |
| Sales of energy and capacity under agreements(2) ..... | 7,966,789                                                                  | 9,112,634         | (12.6)%                |
| Other income .....                                     | 405,479                                                                    | 565,216           | (28.3)%                |
| <b>Total income from ordinary activities</b> .....     | <b>70,126,231</b>                                                          | <b>67,052,171</b> | <b>4.6%</b>            |

(1) Includes the notions of energy and capacity pursuant to the remuneration provided for by Resolutions 826/2022, 238/2022, 1037/2021, 440/2021, 31/2020 and 1/2019, as applicable, as well as other notions established by other current prior resolutions.

(2) Includes sales of renewable energy under Renovar contract with CAMMESA and forward market contracts (industrial customers).

Our income from ordinary activities in 2022 totaled Ps.70,126,231 thousand, a 4.6% increase from the Ps.67,052,171 thousand in income from ordinary activities recorded in 2021. This increase was primarily attributable to higher coal plant sales (due to higher coal prices) and sales in hydro plants of 480 GWh, partially offset by lower energy sales in Paraná of (1,730) GWh and CTSN of (197) GWh as a result of lower dispatch of these power plants.

#### *Cost of Sales*

The following table sets forth our cost of sales for the years ended December 31, 2022 and 2021 (both in constant currency as of December 31, 2022):

|                                                                            | Year Ended December 31                                                |            | Change<br>December 31, |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------|------------|------------------------|
|                                                                            | 2022                                                                  | 2021       | 2022/2021              |
|                                                                            | (in thousands of pesos, in constant currency as of December 31, 2022) |            |                        |
| Fuel used for generation, net .....                                        | 32,160,774                                                            | 21,038,894 | 52.9%                  |
| Depreciation of property, plant and equipment .....                        | 6,263,463                                                             | 7,519,954  | (16.7)%                |
| Operation and maintenance expenditures....                                 | 4,890,627                                                             | 4,971,365  | (1.6)%                 |
| Remunerations, social security contributions and other staff expenses..... | 3,904,200                                                             | 3,738,303  | 4.4%                   |
| Insurance .....                                                            | 3,589,247                                                             | 4,310,505  | (16.7)%                |

|                                                                       | Year Ended December 31 |                   | Change<br>December 31, |
|-----------------------------------------------------------------------|------------------------|-------------------|------------------------|
|                                                                       | 2022                   | 2021              | 2022/2021              |
| (in thousands of pesos, in constant currency as of December 31, 2022) |                        |                   |                        |
| Amortization of intangible assets .....                               | 1,124,124              | 950,629           | 18.3%                  |
| Fees and royalties .....                                              | 376,134                | 380,292           | (1.1)%                 |
| Professional services from related parties ...                        | 217,611                | 291,929           | (25.5)%                |
| Other market charges.....                                             | 218,116                | 189,170           | 15.3%                  |
| Frequency regulation.....                                             | 155,509                | 56,679            | 174.4%                 |
| Materials and other supplies.....                                     | 137,060                | 220,818           | (37.9)%                |
| Transmission costs .....                                              | 163,706                | 171,734           | (4.7)%                 |
| Safety and security services .....                                    | 137,222                | 134,418           | 2.1%                   |
| Use of fields .....                                                   | 95,610                 | 90,324            | 5.9%                   |
| Travel, mobility and transport expenses.....                          | 126,725                | 53,086            | 138.7%                 |
| Purchase of energy and capacity .....                                 | 362,549                | 136,381           | 165.8%                 |
| Fees and remunerations to third parties.....                          | 74,289                 | 75,505            | (1.6)%                 |
| Cleaning expenses .....                                               | 87,593                 | 27,537            | 218.1%                 |
| Office and communications expenses .....                              | 9,086                  | 6,154             | 47.6%                  |
| Sundry .....                                                          | 92,367                 | 65,560            | 40.9%                  |
| <b>Total cost of sales .....</b>                                      | <b>54,186,012</b>      | <b>44,429,237</b> | <b>22.0%</b>           |

Cost of sales in 2022 totaled Ps.54,186,012 thousand, a 22.0% increase from the Ps.44,429,237 thousand in cost of sales recorded in 2021. This increase was primarily the result of:

- an increase of Ps.11,121,880 thousand equivalent to 52.9% in fuel costs, mainly attributable to higher coal costs as a result of higher prices;
- an increase of Ps.226,168 thousand equivalent to 165.8% in cost of purchasing energy and capacity, due to higher prices;
- an increase of Ps.173,495 thousand equivalent to 18.3% in the amortization expense of intangibles for software purchases; and
- a 4.4% increase in costs for remunerations, social security contributions and other staff expenses equivalent to Ps.165,897 thousand, due to higher cost of salaries.

These negative impacts were partially offset by:

- a decrease in depreciation of property, plant and equipment of 16.7% equivalent to Ps.1,256,491 thousand, due to the end of the useful life of some fixed assets of the Paraná and CTSN plants as a result of the plant's maintenance in 2022; and
- a decrease in insurance costs of Ps.721,258 thousand, equivalent to 16.7%, corresponding to an increase in insurance policies that are denominated in U.S. dollars.

#### *Gross Profit*

Gross profit in 2022 totaled Ps.15,940,219 thousand, a 29.5% decrease from Ps.22,622,934 thousand in 2021, primarily due to the increase in cost of sales due to the higher coal purchase prices for the year 2022, partially offset by higher sales in hydro and coal plants (due to higher coal prices) and lower energy sales in CTSN and Paraná in the current year.

#### *Administrative Expenses*

The following table sets forth a breakdown of our administrative expenses for the years ended December 31, 2022 and 2021 (both in constant currency as of December 31, 2022):

|                                                                            | Year Ended December 31 |                  | Change<br>December 31, |
|----------------------------------------------------------------------------|------------------------|------------------|------------------------|
|                                                                            | 2022                   | 2021             | 2022/2021              |
| (in thousands of pesos, in constant currency as of December 31, 2022)      |                        |                  |                        |
| Remunerations, social security contributions and other staff expenses..... | 652,674                | 630,613          | 3.5%                   |
| Depreciation of property plant and equipment .....                         | 363,780                | 366,406          | (0.7)%                 |
| Taxes, rates and contributions .....                                       | 928,513                | 1,015,780        | (8.6)%                 |
| Professional services from related parties .....                           | 1,370,515              | 1,380,977        | (0.8)%                 |
| Travel, mobility and transport expenses.....                               | 20,834                 | 15,203           | 37.0%                  |
| Fees and remunerations to third parties.....                               | 556,284                | 692,867          | (19.7)%                |
| Office and communications expenses .....                                   | 106,029                | 78,588           | 34.9%                  |
| Sundry .....                                                               | 92,224                 | 53,402           | 72.7%                  |
| <b>Total administrative expenses.....</b>                                  | <b>4,090,853</b>       | <b>4,233,836</b> | <b>(3.4)%</b>          |

Administrative expenses in 2022 totaled Ps.4,090,853 thousand, a 3.4% decrease from Ps.4,233,836 thousand in administrative expenses recorded in 2021. This decrease was primarily the result of:

- a 19.7% decrease equivalent to Ps.136,583 thousand in travel, mobility and transport expenses, due to a decrease in such expenses denominated in U.S. dollars;
- an 8.6% decrease in taxes, fees and contributions, equivalent to Ps.87,267 thousand; and
- a decrease of Ps.10,462 thousand for fees charged by related parties, mainly AES Andes S.A., corresponding to management fees for administrative services;
- partially offset by an increase in office and communications expenses and sundry.

#### *Selling Expenses*

The following table sets forth a breakdown of our selling expenses for the years ended December 31, 2022 and 2021 (both in constant currency as of December 31, 2022):

|                                                                            | Year Ended December 31 |                  | Change<br>December 31, |
|----------------------------------------------------------------------------|------------------------|------------------|------------------------|
|                                                                            | 2022                   | 2021             | 2022/2021              |
| (in thousands of pesos, in constant currency as of December 31, 2022)      |                        |                  |                        |
| Bad debts .....                                                            | 4,436,076              | 761,253          | 482.7%                 |
| Remunerations, social security contributions and other staff expenses..... | 245,084                | 232,660          | 5.3%                   |
| Taxes, rates and contributions .....                                       | 1,041,772              | 902,481          | 15.4%                  |
| Travel, mobility and transport expenses.....                               | 2,895                  | 972              | 197.8%                 |
| Fees and remunerations to third parties.....                               | 37,050                 | 37,764           | (1.9)%                 |
| Office and communications expenses .....                                   | —                      | 12               | (100.0)%               |
| Sundry .....                                                               | 1,041                  | 20               | 5,105.0%               |
| <b>Total selling expenses.....</b>                                         | <b>5,763,918</b>       | <b>1,935,162</b> | <b>197.9%</b>          |

Selling expenses in 2022 totaled Ps.5,763,918 thousand, a 197.9% increase from the Ps.1,935,162 thousand in selling expenses recorded in 2021. This increase was primarily the result of an increase of Ps.3,674,823 thousand in bad debts because we adjusted the estimation of the ECL considering reasonable and supportable information that is relevant and available at no additional cost. The main aspect that we took into consideration when determining that adjustment was the change in macroeconomic variables and CAMMESA's historic behavior in relation to the payments we receive under the Energía Base regulatory framework.

### Other Income and Expenses

The following table sets forth the breakdown of other income and expenses for the years ended December 31, 2022 and 2021 (both in constant currency as of December 31, 2022):

|                                                                       | Year Ended December 31 |                  | Change<br>December 31, |
|-----------------------------------------------------------------------|------------------------|------------------|------------------------|
|                                                                       | 2022                   | 2021             | 2022/2021              |
| (in thousands of pesos, in constant currency as of December 31, 2022) |                        |                  |                        |
| Income from settlement agreements.....                                | 53,032                 | 89,325           | (40.6)%                |
| Proceeds from the sale of assets .....                                | 33,662                 | 442              | 7,515.8%               |
| Technical adviser.....                                                | 42,136                 | —                | 100.0%                 |
| Results from disposal of property plant and equipment .....           | (33,902)               | (40,857)         | (17.0)%                |
| Surrogate payers on personal property .....                           | (44,258)               | (147,863)        | (70.1)%                |
| Net charge for provision of legal claims .....                        | (116,404)              | (167,294)        | (30.4)%                |
| Sundry .....                                                          | (383)                  | 99,896           | (100.4)%               |
| <b>Total other income and expenses.....</b>                           | <b>(66,117)</b>        | <b>(166,351)</b> | <b>(60.3)%</b>         |

Other income and expenses in 2022 totaled Ps.66,117 thousand, a 60.3% decrease from the Ps.166,351 thousand in 2021. This decrease was primarily the result of a lower expense in net charge for provision of legal claims in 2022 compared to 2021, a decrease in the charges for surrogate payers on personal property and income for technical adviser fees in 2022.

### Financial Results

The following table sets forth a breakdown of financial income and expense for the years ended December 31, 2022 and 2021 (both in constant currency as of December 31, 2022):

|                                                                       | Year Ended December 31 |                     | Change<br>December 31, |
|-----------------------------------------------------------------------|------------------------|---------------------|------------------------|
|                                                                       | 2022                   | 2021                | 2022/2021              |
| (in thousands of pesos, in constant currency as of December 31, 2022) |                        |                     |                        |
| Interest from financial assets .....                                  | 7,406,657              | 8,145,143           | (9.1)%                 |
| Interest earned with related parties .....                            | 3,100                  | 2,540               | 22.0%                  |
| Other financial income .....                                          | 4,314,679              | 2,808,595           | 53.6%                  |
| <b>Total financial income .....</b>                                   | <b>11,724,436</b>      | <b>10,956,278</b>   | <b>7.0%</b>            |
| Interest on financial debts.....                                      | (7,803,002)            | (8,380,029)         | (6.9)%                 |
| Interest on tax debts.....                                            | (3,904)                | (28,301)            | (86.2)%                |
| Interest on trade payables .....                                      | (11,712)               | (44,850)            | (73.9)%                |
| Interest on related parties .....                                     | (213,626)              | —                   | (100.0)%               |
| Loss on partial repurchase of notes .....                             | (366,083)              | (3,559,405)         | (89.7)%                |
| Cost of interest on long-term benefit obligations .....               | (246,600)              | (263,747)           | (6.5)%                 |
| <b>Total Financial Expenses.....</b>                                  | <b>(8,644,927)</b>     | <b>(12,276,332)</b> | <b>(29.6)%</b>         |
| Exchange differences from assets .....                                | 27,361,204             | 16,304,706          | 67.8%                  |
| Exchange differences from liabilities .....                           | (29,176,670)           | (13,933,922)        | 109.4%                 |
| Financial derivative instruments.....                                 | —                      | (357,542)           | (100)%                 |
| <b>Total of exchange differences.....</b>                             | <b>(1,815,466)</b>     | <b>2,013,242</b>    | <b>(190.2)%</b>        |
| RECPAM .....                                                          | (14,419,671)           | (11,989,612)        | 20.3%                  |
| <b>Total financial profit (loss).....</b>                             | <b>(13,155,628)</b>    | <b>(11,296,424)</b> | <b>16.5%</b>           |

Financial income and expense in 2022 totaled Ps.13,155,628 thousand, a 16.5% increase from Ps.11,296,424 thousand recorded in 2021. This increase was primarily the result of:

- a decrease of 190.2% which totaled Ps. 3,828,708 thousand due to exchange differences mainly due to monetary position of assets and liabilities in foreign currency, partially offset by lower cost of derivative financial instruments in 2022;
- an increase of 20.3% which totaled Ps. 2,430,059 thousand in losses due to the adjustment for inflation effect (result from the loss on net monetary position) due to an increase in our monetary position in 2022;
- an increase of 53.6% which totaled Ps. 1,506,084 thousand in interest earned on investments and interest earned on bank deposits, partially offset by a 7% decrease in interest on balances of accounts receivable from CAMMESA; and
- a decrease of 89.7% which totaled Ps. 3,193,322 thousand in the cost of early debt cancellation, due to the financial expenses associated with the repurchase of class A bonds in 2021.

#### *Income from Investments in Other Companies*

Income from investments in other companies in 2022 totaled Ps.77,760 thousand, a 54.6% decrease from Ps.171,189 thousand in 2021. This decrease was primarily the result of the impact of the devaluation of the peso, which had an effect in the results of these companies.

|                                                                  | Year Ended December 31                                                   |                | Change                    |
|------------------------------------------------------------------|--------------------------------------------------------------------------|----------------|---------------------------|
|                                                                  | 2022                                                                     | 2021           | December 31,<br>2022/2021 |
|                                                                  | (in thousands of pesos, in constant currency<br>as of December 31, 2022) |                |                           |
| <b>Income from investments in other companies</b>                |                                                                          |                |                           |
| TGB .....                                                        | 76,648                                                                   | 171,189        | (55.2)%                   |
| Sierras del Buendía .....                                        | 1,112                                                                    | —              | 100.0%                    |
| <b>Total income from investments in other<br/>companies.....</b> | <b>77,760</b>                                                            | <b>171,189</b> | <b>(54.6)%</b>            |

#### *Income Tax*

Income taxes in 2022 represented a profit of Ps.9,345,438 thousand, a 529% variation with respect to the loss of Ps.2,177,967 thousand recorded in 2021. This variation is mainly due to a profit of Ps.11,523,405 thousand in the income tax charge, due to the loss for fiscal year 2022, as a consequence of a lower operating result of the Company, generated mainly by lower gross profit as a consequence of the increase in sales costs (higher coal purchase costs), as well as higher marketing costs, derived from the increase in the allowance for doubtful accounts explained above and from the application of the tax inflation adjustment derived from the provisions of the Income Tax Law in the Company and its subsidiaries, plus the effect of the inflation adjustment of the subsidiaries losses, which impacted the deferred tax.

#### *Net Income for the Year*

For the reasons described above, income for the year in 2022 totaled Ps.2,286,901 thousand, a 23.4% decrease from Ps.2,984,383 thousand in 2021. This decrease was primarily the result of the lower income before tax mainly due to lower gross profit for higher cost of sales in 2022 plus higher selling expenses, partially offset by tax benefits in 2022.

#### ***Year Ended December 31, 2021 Compared to Year Ended December 31, 2020***

The following table is derived from our audited consolidated financial statements and sets forth the results of our operations for years ended December 31, 2021 and 2020 (both in constant currency as of December 31, 2022):



|                                                                              | Year Ended December 31,                                                  |                   | Change<br>December 31, |
|------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------|------------------------|
|                                                                              | 2021                                                                     | 2020              | 2021/2020              |
|                                                                              | (in thousands of pesos, in constant currency as of<br>December 31, 2022) |                   |                        |
| Income from ordinary activities .....                                        | 67,052,171                                                               | 54,540,523        | 22.9%                  |
| Cost of sales .....                                                          | (44,429,237)                                                             | (29,099,215)      | 52.7%                  |
| <b>Gross profit</b> .....                                                    | <b>22,622,934</b>                                                        | <b>25,441,308</b> | <b>(11.1)%</b>         |
| Administrative expenses .....                                                | (4,233,836)                                                              | (4,452,702)       | (4.9)%                 |
| Selling expenses .....                                                       | (1,935,162)                                                              | (5,721,762)       | (66.2)%                |
| Other income and expenses .....                                              | (166,351)                                                                | 479,081           | (134.7)%               |
| <b>Operating income</b> .....                                                | <b>16,287,585</b>                                                        | <b>15,745,925</b> | <b>3.4%</b>            |
| Financial income .....                                                       | 10,956,278                                                               | 9,984,720         | 9.7%                   |
| Financial expenses .....                                                     | (12,276,332)                                                             | (10,448,407)      | 17.5%                  |
| Exchange gain (loss) .....                                                   | 2,013,242                                                                | 817,514           | 146.3%                 |
| Loss on net monetary position ("RECPAM"<br>for its acronym in Spanish) ..... | (11,989,612)                                                             | (5,820,494)       | 106.0%                 |
| Income from investments in other companies .....                             | 171,189                                                                  | 224,388           | (23.7)%                |
| <b>Income before tax</b> .....                                               | <b>5,162,350</b>                                                         | <b>10,503,646</b> | <b>(50.9)%</b>         |
| Income tax .....                                                             | (2,177,967)                                                              | (4,392,916)       | (50.4)%                |
| <b>Net income for the year</b> .....                                         | <b>2,984,383</b>                                                         | <b>6,110,730</b>  | <b>(51.2)%</b>         |

#### *Income from Ordinary Activities*

The following table sets forth the breakdown of our income from ordinary activities by type of charge for the years ended December 31, 2021 and 2020 (both in constant currency as of December 31, 2022):

|                                                           | Year Ended December 31,                                                  |                   | Change<br>December 31, |
|-----------------------------------------------------------|--------------------------------------------------------------------------|-------------------|------------------------|
|                                                           | 2021                                                                     | 2020              | 2021/2020              |
|                                                           | (in thousands of pesos, in constant currency as of<br>December 31, 2022) |                   |                        |
| Remuneration for energy(1) .....                          | 38,418,811                                                               | 24,619,351        | 56.1%                  |
| Remuneration for capacity(1) .....                        | 18,955,510                                                               | 22,658,310        | (16.3)%                |
| Sales of energy and capacity under<br>agreements(2) ..... | 9,112,634                                                                | 6,451,249         | 41.3%                  |
| Other income .....                                        | 565,216                                                                  | 811,613           | (30.4)%                |
| <b>Total income from ordinary activities.....</b>         | <b>67,052,171</b>                                                        | <b>54,540,523</b> | <b>22.9%</b>           |

- (1) Includes the notions of energy and capacity pursuant to the remuneration provided for by Resolutions 1037/2021, 440/2021, 31/2020, and 1/2019, as applicable, as well as other notions established by other current prior resolutions.
- (2) Includes sales of renewable energy under Renovar contract with CAMMESA and forward market contracts (industrial customers).

Our income from ordinary activities in 2021 totaled Ps.67,052,171 thousand, a 22.9% increase from the Ps.54,540,523 thousand in income from ordinary activities recorded in 2020. This increase was mainly due to the increase in the generation of CSTN of 776 GWh and 243 GWh from our wind farms, as compared to 2020.

#### *Cost of Sales*

The following table sets forth our cost of sales for the years ended December 31, 2021 and 2020 (both in constant currency as of December 31, 2022):

|                                                                               | Year Ended December 31 |                   | Change<br>December 31, |
|-------------------------------------------------------------------------------|------------------------|-------------------|------------------------|
|                                                                               | 2021                   | 2020              | 2021/2020              |
| (in thousands of pesos, in constant currency as of<br>December 31, 2022)      |                        |                   |                        |
| Fuels used for generation, net.....                                           | 21,038,894             | 7,928,516         | 165.4%                 |
| Depreciation of property, plant and<br>equipment .....                        | 7,519,954              | 7,278,910         | 3.3%                   |
| Operation and maintenance expenditures....                                    | 4,971,365              | 3,473,338         | 43.1%                  |
| Remunerations, social security<br>contributions and other staff expenses..... | 3,738,303              | 3,649,188         | 2.4%                   |
| Insurance .....                                                               | 4,310,505              | 3,231,322         | 33.4%                  |
| Amortization of intangible assets .....                                       | 950,629                | 1,085,295         | (12.4)%                |
| Fees and royalties .....                                                      | 380,292                | 705,008           | (46.1)%                |
| Professional services from related parties ...                                | 291,929                | 359,681           | (18.8)%                |
| Other market charges.....                                                     | 189,170                | 160,000           | 18.2%                  |
| Frequency regulation.....                                                     | 56,679                 | 49,107            | 15.4%                  |
| Materials and other supplies.....                                             | 220,818                | 127,921           | 72.6%                  |
| Transmission costs .....                                                      | 171,734                | 268,137           | (36.0)%                |
| Safety and security services .....                                            | 134,418                | 171,207           | (21.5)%                |
| Use of fields .....                                                           | 90,324                 | 40,234            | 124.5%                 |
| Travel, mobility and transport expenses.....                                  | 53,086                 | 42,359            | 25.3%                  |
| Purchase of energy and capacity .....                                         | 136,381                | 169,372           | (19.5)%                |
| Fees and remunerations to third parties.....                                  | 75,505                 | 203,899           | (63.0)%                |
| Cleaning expenses .....                                                       | 27,537                 | 28,542            | (3.5)%                 |
| Office and communications expenses .....                                      | 6,154                  | 11,255            | (45.3)%                |
| Sundry .....                                                                  | 65,560                 | 115,924           | (43.4)%                |
| <b>Total Cost of sales .....</b>                                              | <b>44,429,237</b>      | <b>29,099,215</b> | <b>52.7%</b>           |

Cost of sales in 2021 totaled Ps.44,429,237 thousand, a 52.7% increase from the Ps.29,099,215 thousand in cost of sales recorded in 2020. This increase was primarily the result of:

- a 165% increase in fuel costs mainly attributable to higher coal costs as a consequence of higher prices and higher generation;
- a 43% increase in maintenance expenses mainly due to the major maintenance carried out during 2021 at our Paraná power plant; and
- a 33% increase in insurance costs corresponding to an increase in policies for the year 2021.

These negative impacts were partially offset by a decrease of 46.1% in fees and royalties and a decrease of 36% in transmission costs.

#### *Gross Profit*

Gross profit in 2021 totaled Ps.22,622,934 thousand, a 11.1% decrease from Ps.25,441,308 thousand in 2020, primarily due to a decrease in energy and capacity price increases in relation to inflation during 2021, partially offset by additional revenues generated from the sale of energy and capacity under renewable contracts.

#### *Administrative Expenses*

The following table sets forth a breakdown of our administrative expenses for the years ended December 31, 2021 and 2020 (both in constant currency as of December 31, 2022):

|                                                                            | Year Ended December 31 |                  | Change<br>December 31, |
|----------------------------------------------------------------------------|------------------------|------------------|------------------------|
|                                                                            | 2021                   | 2020             | 2021/2020              |
| (in thousands of pesos, in constant currency as of December 31, 2022)      |                        |                  |                        |
| Remunerations, social security contributions and other staff expenses..... | 630,613                | 740,414          | (14.8)%                |
| Depreciation of property plant and equipment ...                           | 366,406                | 411,220          | (10.9)%                |
| Taxes, rates and contributions .....                                       | 1,015,780              | 1,000,544        | 1.5%                   |
| Professional services from related parties .....                           | 1,380,977              | 1,254,435        | 10.1%                  |
| Travel, mobility and transport expenses.....                               | 15,203                 | 30,348           | (49.9)%                |
| Fees and remunerations to third parties.....                               | 692,867                | 896,692          | (22.7)%                |
| Office and communications expenses .....                                   | 78,588                 | 67,865           | 15.8%                  |
| Sundry .....                                                               | 53,402                 | 51,184           | 4.3%                   |
| <b>Total administrative expenses.....</b>                                  | <b>4,233,836</b>       | <b>4,452,702</b> | <b>(4.9)%</b>          |

Administrative expenses in 2021 totaled Ps.4,233,836 thousand, a 4.9% decrease from Ps.4,452,702 thousand in administrative expenses recorded in 2020. This decrease was primarily the result of a 22.7% decrease in fees for consulting services, plus a 14.8% decrease in remunerations, social security contributions and other staff, partially offset by 10.1% increase due to fees from related companies, mainly from AES Andes S.A. corresponding to management fee for administrative services.

#### *Selling Expenses*

The following table sets forth a breakdown of our selling expenses for the years ended December 31, 2021 and 2020 (both in constant currency as of December 31, 2022):

|                                                                            | Year Ended December 31 |                  | Change<br>December 31, |
|----------------------------------------------------------------------------|------------------------|------------------|------------------------|
|                                                                            | 2021                   | 2020             | 2021/2020              |
| (in thousands of pesos, in constant currency as of December 31, 2022)      |                        |                  |                        |
| Bad debts .....                                                            | 761,253                | 4,424,452        | (82.8)%                |
| Remunerations, social security contributions and other staff expenses..... | 232,660                | 285,158          | (18.4)%                |
| Taxes, rates and contributions .....                                       | 902,481                | 982,172          | (8.1)%                 |
| Travel, mobility and transport expenses.....                               | 972                    | 3,837            | (74.7)%                |
| Fees and remunerations to third parties.....                               | 37,764                 | 26,117           | 44.6%                  |
| Office and communications expenses .....                                   | 12                     | —                | 100.0%                 |
| Sundry .....                                                               | 20                     | 26               | (23.1)%                |
| <b>Total selling expenses.....</b>                                         | <b>1,935,162</b>       | <b>5,721,762</b> | <b>(66.2)%</b>         |

Selling expenses in 2021 totaled Ps.1,935,162 thousand, a 66.2% decrease from the Ps.5,721,762 thousand in Selling expenses recorded in 2020. This decrease was primarily driven by an 82.8% decrease in bad debts because in 2020 we adjusted the estimation of the ECL considering reasonable and supportable information that is relevant and available at no additional cost. The main aspect that we took into consideration when determining that adjustment was the change in macroeconomic variables and CAMMESA's historic behavior in relation to the payments we receive under the Energía Base regulatory framework.

#### *Other Income and Expenses*

The following table sets forth the breakdown of other income and expenses for the years ended December 31, 2021 and 2020 (both in constant currency as of December 31, 2022):

|                                                                          | Year Ended December 31 |                | Change<br>December 31, |
|--------------------------------------------------------------------------|------------------------|----------------|------------------------|
|                                                                          | 2021                   | 2020           | 2021/2020              |
| (in thousands of pesos, in constant currency<br>as of December 31, 2022) |                        |                |                        |
| Debt cancellation .....                                                  | —                      | 295,151        | (100.0)%               |
| Income from settlement agreements .....                                  | 89,325                 | 163,952        | (45.5)%                |
| Proceeds from the sale of assets .....                                   | 442                    | 169,645        | (99.7)%                |
| Results from disposal of property plant and<br>equipment .....           | (40,857)               | (4,633)        | 781.9%                 |
| Surrogate payers on personal property .....                              | (147,863)              | (66,277)       | 123.1%                 |
| Net charge for provision of legal claims .....                           | (167,294)              | (212,132)      | (21.1)%                |
| Sundry .....                                                             | 99,896                 | 133,375        | (25.1)%                |
| <b>Total other income and expenses .....</b>                             | <b>(166,351)</b>       | <b>479,081</b> | <b>(134.7)%</b>        |

Other income and expenses in 2021 totaled Ps.166,351 thousand (loss), whereas in 2020 we recorded Ps.479,081 thousand income. This variance was primarily the result of lower income in 2021 for debt cancellation, lower proceeds from the sale of assets and an increase in surrogate payers on personal property costs in 2021.

#### Financial Results

The following table sets forth a breakdown of financial income and expense for the years ended December 31, 2021 and 2020 (both in constant currency as of December 31, 2022):

|                                                                          | Year Ended December 31 |                     | Change<br>December 31, |
|--------------------------------------------------------------------------|------------------------|---------------------|------------------------|
|                                                                          | 2021                   | 2020                | 2021/2020              |
| (in thousands of pesos, in constant currency<br>as of December 31, 2022) |                        |                     |                        |
| Interest from financial assets .....                                     | 8,145,143              | 8,117,526           | 0.3%                   |
| Interest earned with related parties .....                               | 2,540                  | —                   | 100.0%                 |
| Other financial income .....                                             | 2,808,595              | 1,867,194           | 50.4%                  |
| <b>Total financial income .....</b>                                      | <b>10,956,278</b>      | <b>9,984,720</b>    | <b>9.7%</b>            |
| Interest on financial debts .....                                        | (8,380,029)            | (10,007,501)        | (16.3)%                |
| Interest on tax debts .....                                              | (28,301)               | (155,879)           | (81.8)%                |
| Interest on trade payables .....                                         | (44,850)               | (45,634)            | (1.7)%                 |
| Cost of interest on long-term benefit obligations .                      | (263,747)              | (239,393)           | 10.2%                  |
| Loss on partial repurchase of notes .....                                | (3,559,405)            | —                   | 100.0%                 |
| <b>Total Financial Expenses .....</b>                                    | <b>(12,276,332)</b>    | <b>(10,448,407)</b> | <b>17.5%</b>           |
| Exchange differences from assets .....                                   | 16,304,706             | 33,433,008          | (51.2)%                |
| Exchange differences from liabilities .....                              | (13,933,922)           | (30,729,675)        | (54.7)%                |
| Financial derivative instruments .....                                   | (357,542)              | (1,885,819)         | (81.0)%                |
| <b>Total of exchange differences .....</b>                               | <b>2,013,242</b>       | <b>817,514</b>      | <b>146.3%</b>          |
| RECPAM .....                                                             | (11,989,612)           | (5,820,494)         | 106.0%                 |
| <b>Total financial profit (loss) .....</b>                               | <b>(11,296,424)</b>    | <b>(5,466,667)</b>  | <b>106.6%</b>          |

Financial income and expense losses totaled Ps.11,296,424 thousand in 2021, a 106.6% increase from Ps.5,466,667 thousand recorded in 2020. This increase:

- an increase of 10% which totaled Ps. 971,558 thousand in financial income, associated from an increase in the balances of accounts receivable from CAMMESA derived from the regulatory framework in force between 2013 and January 2017 from FONINVEMEM credits, plus an increase in interest accrued by the financial investments and an increase in interest for days of delay in credits with CAMMESA;
- an increase of 17% which totaled Ps.1,827,925 thousand in financial expenses, mainly associated with the repurchase of class A bonds and partially offset by lower interest on financial debt;

- an increase of 146% which totaled Ps. 1,195,728 thousand due to higher income from net exchange differences, mainly due to higher gains from derivative financial instruments; and
- an increase of 106% which totaled Ps. 6,169,118 thousand in losses associated with the higher adjustment for inflation effect.

#### *Income from Investments in Other Companies*

Income from investments in other companies in 2021 totaled Ps.171,189 thousand, a 24% decrease from Ps.224,388 thousand in 2020. This decrease was primarily due to the results from TJSM and TMB partially offset by a higher net income in TGB.

|                                                                          | Year Ended December 31 |                | Change<br>December 31, |
|--------------------------------------------------------------------------|------------------------|----------------|------------------------|
|                                                                          | 2021                   | 2020           | 2021/2020              |
| (in thousands of pesos, in constant currency<br>as of December 31, 2022) |                        |                |                        |
| <b>Income from investments in other companies</b>                        |                        |                |                        |
| TGB .....                                                                | 171,189                | 126,324        | 35.5%                  |
| TJSM.....                                                                | —                      | 69,440         | (100.0)%               |
| TMB.....                                                                 | —                      | 28,624         | (100.0)%               |
| <b>Total income from investments in other<br/>companies .....</b>        | <b>171,189</b>         | <b>224,388</b> | <b>(23.7)%</b>         |

#### *Income Tax*

Income tax in 2021 totaled a Ps.2,177,967 thousand loss, a 50.4% decrease from the Ps.4,392,916 thousand loss recorded in 2020. This decrease was primarily driven by a decrease in income before taxes as described above, net of the effect of the application of the accounting and tax inflation adjustments on the Company and its subsidiaries and the statutory tax rate change.

#### *Net Income for the Year*

For the reasons described above, income for the year in 2021 totaled Ps.2,984,383 thousand, a 51.2% decrease from Ps.6,110,730 thousand in 2020. This decrease was primarily the result of the lower income before tax mainly due to lower gross profit for higher cost of sales in 2021 due to higher coal costs plus higher financial expenses for RECPAM.

### **Liquidity and Capital Resources**

As of December 31, 2022, 2021 and 2020, we had cash and cash equivalents of Ps.11,670,847 thousand, Ps.9,543,880 thousand and Ps.8,182,013 thousand, respectively. As of March 31, 2023 and 2022, we had cash and cash equivalents of Ps.8,060,753 thousand and Ps.14,203,036 thousand.

Our primary sources of liquidity have been cash from operations and debt borrowings.

Our primary capital requirements have been in connection with cost of sales, capital expenditures and debt repayments. In the future, we may have increased working capital requirements as a result of rises in fuel prices and/or delays in collections from CAMMESA.

On April 28, 2023, our shareholders approved a dividend distribution of Ps.183 million based on our retained earnings. This dividend payment will be permitted under the New Notes Indenture.

We believe that our sources of liquidity, including debt offerings in the international capital markets, will be sufficient to meet our working capital, debt service and capital expenditure requirements for the foreseeable future.

## Cash Flows

The following table sets forth our cash flows from our operating, investing and financing activities for the periods indicated:

|                                                                                                                                                                     | Three-Month Period Ended March 31,<br>(unaudited)                     |                  | Year Ended December 31,                                                  |                  |                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------|--------------------------------------------------------------------------|------------------|---------------------|
|                                                                                                                                                                     | 2023                                                                  | 2022             | 2022                                                                     | 2021             | 2020                |
|                                                                                                                                                                     | (in thousands of pesos, in constant<br>currency as of March 31, 2023) |                  | (in thousands of pesos, in constant currency as of December 31,<br>2022) |                  |                     |
| Cash flows (used in)/resulting from<br>operating activities .....                                                                                                   | (7,349,142)                                                           | 6,226,895        | 9,996,190                                                                | 22,669,564       | 23,544,118          |
| Cash flows (used in)/resulting from<br>investment activities .....                                                                                                  | (902,950)                                                             | (2,331,836)      | 1,771,586                                                                | (802,721)        | (22,923,402)        |
| Cash flows resulting from/(used in)<br>financing activities .....                                                                                                   | 2,952,736                                                             | 1,510,394        | (8,246,693)                                                              | (21,639,614)     | (11,191,429)        |
| <b>Total of funds generated<br/>(applied) .....</b>                                                                                                                 | <b>(5,299,356)</b>                                                    | <b>5,405,453</b> | <b>3,521,083</b>                                                         | <b>227,229</b>   | <b>(10,570,713)</b> |
| Effect of exchange difference and<br>losses on exposure to the<br>changes in the purchasing power<br>of the currency (RECPAM) on<br>cash and cash equivalents ..... | (1,349,860)                                                           | (138,768)        | (188,541)                                                                | (428,225)        | 1,219,358           |
| <b>Increase (decrease) in cash and<br/>cash equivalents, net .....</b>                                                                                              | <b>(6,649,216)</b>                                                    | <b>5,266,685</b> | <b>3,332,542</b>                                                         | <b>(200,996)</b> | <b>(9,351,355)</b>  |

### Net Cash (Used in)/Resulting from Operating Activities

Net cash (used in)/resulting from operating activities decreased by 218.0% to Ps.(7,349,142) thousand for the three-month period ended March 31, 2023, as compared to the three months ended March 31, 2022, which totaled Ps.6,226,895 thousand. This negative trend was primarily driven by an increase on the trade receivables due to delays in payments from CAMMESA in 2023.

Net cash resulting from operating activities decreased by 55.9% to Ps.9,996,190 thousand for the year ended December 31, 2022, from Ps.22,669,564 thousand for the year ended December 31, 2021. The decrease was primarily driven by an increase in coal purchases as a result of higher coal prices, in addition to lower collections under the Energía Base regulatory framework due to delays in payments from CAMMESA.

Net cash resulting from operating activities decreased by 3.7% to Ps.22,669,564 thousand for the year ended December 31, 2021, from Ps.23,544,118 thousand for the year ended December 31, 2020. The variation is primarily driven by our normal operations.

### Net Cash (Used in)/ Resulting from Investing Activities

Net cash used in investing activities decreased by 61.3% to Ps.(902,950) thousand for the three months ended March 31, 2023, from Ps.(2,331,836) thousand for the three months ended March 31, 2022. This decrease was due to the net increase of mutual funds held and interest received.

Net cash resulting from by investing activities increased by 320.7% to Ps.1,771,586 thousand for the year ended December 31, 2022, from Ps.(802,721) thousand for the year ended December 31, 2021. The variation was primarily driven by net increase of mutual funds and interest received.

Net cash used in investing activities decreased by 96.5% to Ps.(802,721) thousand for the year ended December 31, 2021, from Ps.(22,923,402) thousand for the year ended December 31, 2020. The decrease was primarily driven by the lower purchase of property, plant and equipment in 2021 compared to 2020.

### Net Cash Resulting from/(Used in) Financing Activities

Net cash resulting from financing activities increased by 95.5% to Ps.2,952,736 thousand for the three-month period ended March 31, 2023, from Ps.1,510,394 thousand used in financing activities for the three-month period

ended March 31, 2022. This increase was mainly driven by higher amounts from third-party loans obtained in 2023, which were partially offset by higher principal paid due to third-party loans in 2023.

Net cash used in financing activities decreased by 61.9% to Ps.(8,246,693) thousand for the year ended December 31, 2022, from Ps.(21,639,614) thousand used in financing activities for the year ended December 31, 2021. The decrease was primarily driven by higher amounts from third-party loans in 2022 compared to 2021 and was partially offset by lower margin deposit and higher principal paid due to third-party loans in 2022.

Net cash resulting from financing activities totaled Ps.(21,639,614) thousand for the year ended December 31, 2021, an increase from the Ps.(11,191,429) thousand used in financing activities for the year ended December 31, 2020. The increase was primarily driven by lower amounts from third-party loans in 2021 partially offset by margin deposit and principal paid due to third-party loans.

### ***Off-Balance Sheet Arrangements***

As of March 31, 2023, we had no off-balance sheet arrangements.

### ***Capital Expenditures***

The following table sets forth our capital expenditures for the three-month periods ended March 31, 2023 and 2022, and the years ended December 31, 2022, 2021 and 2020:

| Main Item                                      | Three-Month Period Ended March 31,<br>(unaudited)                  |                  | As of December 31,                                                    |                  |                   |
|------------------------------------------------|--------------------------------------------------------------------|------------------|-----------------------------------------------------------------------|------------------|-------------------|
|                                                | 2023                                                               | 2022             | 2022                                                                  | 2021             | 2020              |
|                                                | (in thousands of pesos, in constant currency as of March 31, 2023) |                  | (in thousands of pesos, in constant currency as of December 31, 2022) |                  |                   |
| Purchase of property, plant and equipment..... | 2,091,102                                                          | 1,977,502        | 2,499,607                                                             | 2,938,892        | 21,085,643        |
| Purchase of intangible assets.....             | 66,656                                                             | 69,420           | 261,384                                                               | 258,341          | 1,193,866         |
| <b>Total .....</b>                             | <b>2,157,758</b>                                                   | <b>2,046,922</b> | <b>2,760,991</b>                                                      | <b>3,197,233</b> | <b>22,279,509</b> |

### ***Indebtedness and Contractual Obligations***

As of March 31, 2023, our total indebtedness was Ps.69,949,516 thousand, of which 87% is denominated in U.S. dollars, and the remainder denominated in pesos. The following table shows our indebtedness as of such date:

|                                         | Outstanding as of<br>March 31, 2023 <sup>(1)</sup><br>(unaudited)<br>(in thousands of pesos,<br>in constant currency<br>as of March 31, 2023) | Interest rate<br>(%) | Currency | Issue Date        | Maturity Date                   |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------|-------------------|---------------------------------|
| <b>Credit Agreements</b>                |                                                                                                                                               |                      |          |                   |                                 |
| ICBC Argentina.....                     | —                                                                                                                                             | 9.22%                | U.S.\$   | May 8, 2019       | February 8, 2023 <sup>(2)</sup> |
| Goldman Sachs.....                      | 2,535,790                                                                                                                                     | 6.51%                | U.S.\$   | February 10, 2023 | January 12, 2024                |
| <b>Subtotal .....</b>                   | <b>2,535,790</b>                                                                                                                              |                      |          |                   |                                 |
| <b>Other Debt .....</b>                 |                                                                                                                                               |                      |          |                   |                                 |
| Current account<br>overdraft agreement. | 9,452,290                                                                                                                                     | 77.35%               | Ps.      |                   |                                 |
| <b>Subtotal .....</b>                   | <b>9,452,290</b>                                                                                                                              |                      |          |                   |                                 |
| <b>Notes</b>                            |                                                                                                                                               |                      |          |                   |                                 |
| Old Notes.....                          | 57,954,161                                                                                                                                    | 7.75%                | U.S.\$   | February 2, 2017  | February 2, 2024                |
| <b>Subtotal .....</b>                   | <b>57,954,161</b>                                                                                                                             |                      |          |                   |                                 |
| <b>Financial leases .....</b>           | <b>7,275</b>                                                                                                                                  |                      |          |                   |                                 |
| <b>Total.....</b>                       | <b>69,949,516</b>                                                                                                                             |                      |          |                   |                                 |

- (1) This table does not include the U.S.\$30,513,915 aggregate principal amount of Argentine Series 1 Notes to be issued on or about July 14, 2023 under the Program. See “Summary—Recent Developments.” We have incurred no additional indebtedness since March 31, 2023.
- (2) The loan agreement with Banco Industrial and Commercial Bank of China (Argentina) S.A.U. was repaid on February 8, 2023.

The following sets forth our debt maturity profile as of March 31, 2023:

|                                                 | <u>Total</u>      | <u>2023</u> | <u>2024</u>       | <u>2025</u> | <u>2026</u> | <u>2027 and beyond</u> |
|-------------------------------------------------|-------------------|-------------|-------------------|-------------|-------------|------------------------|
| Total payments Ps. .                            | 9,459,565         | 9,459,565   | —                 | —           | —           | —                      |
| <b>Total payments</b><br><b>U.S.\$(1) .....</b> | <u>60,489,951</u> | <u>—</u>    | <u>60,489,951</u> | <u>—</u>    | <u>—</u>    | <u>—</u>               |

- (1) Peso amounts have been converted into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.209.01 per U.S.\$1.00 as of March 31, 2023.

### ***Credit Agreements***

The credit agreements executed by us with financial institutions impose certain financial covenants during the term of these agreements which are usual for these types of agreements. As of March 31, 2023, we were in compliance with all restrictions and covenants related to our obligations in our credit agreements. See note 19 to our Annual Consolidated Financial Statements included in this Exchange Offer Memorandum.

As of the date of this Exchange Offer Memorandum, our main debt borrowings are the following:

- *The Old Notes.* The Old Notes constitute Class A negotiable obligations and were issued on January 26, 2017, with maturity on February 2, 2024 at a fixed rate of 7.75%, for an amount of U.S.\$300,000,000, and with interest payments on a semi-annual basis on February 2 and August 2 of each year. The Old Notes are guaranteed by our subsidiaries Vientos Neuquinos I S.A. and Energética Argentina S.A. On July 6, 2023, we cancelled U.S.\$25,500,000 aggregate principal amount of Old Notes that we had previously repurchased and were held in Treasury. The outstanding principal of the Old Notes as of the date of this Exchange Offer Memorandum is U.S.\$274,500,000. The outstanding principal of the Old Notes will be exchanged pursuant to the terms of this Exchange Offer Memorandum.
- *The Goldman Sachs Loan Agreement.* On February 12, 2020, we entered into the Goldman Sachs Loan Agreement, with original maturity on August 12, 2020, and with an interest rate of 3-month LIBOR plus a spread of 1.75%. On August 3, 2020, we paid a fee of U.S.\$40,000 to extend the maturity of the loan for another six months until February 12, 2021. On February 9, 2021, a first addendum to the Goldman Sachs Loan Agreement was entered into whereby the payment of the loan was restructured in two installments, the first maturing on February 12, 2021 for an amount of U.S.\$8 million (which we have paid), and the remaining U.S.\$12 million maturing on February 12, 2023. The interest rate after the addendum was set at Adjusted Eurodollar Rate plus a 1.75% margin. On February 10, 2023, we entered into a second addendum under which Goldman Sachs agreed to extend the payment date of the remaining U.S.\$12 million balance due to August 12, 2023, with the possibility of a further extension to January 12, 2024 upon our request.

### ***Global Program for the Issuance of Notes for up to U.S.\$500,000,000.***

On April 29, 2022, an ordinary and extraordinary shareholders’ meeting was held, to consider and approve the creation of the Program, a new global program for the issuance of notes non-convertible into shares, for a maximum amount of up to U.S.\$500 million, or the equivalent in other currencies, and/or units of value. The creation of the Program was authorized by our Board on September 1, 2022 and authorized by CNV Resolution No. RESFC-2022-21990-APN-DIR#CNV dated as of October 19, 2022. The use of proceeds from notes issued and sold under the Program is the refinancing of debt and general corporate purposes. On July 6, 2023, we launched the offer of our Argentine Series 1 Notes for an aggregate principal amount of U.S.\$60,000,000, which we expect to settle on or about July 14, 2023 for an aggregate principal amount of U.S.\$30,513,915.



## Market Risk Analysis

### *Financial Risk Management Goals and Policies*

Due to our business activity, we are exposed to the following financial risks: market risk, interest rate risk, foreign currency risk, price risk, commodities price risk, credit risk and liquidity risk. We continuously monitor these risks to minimize the potential negative impact they could have on our finances.

#### *Market Risk*

Market risk is the risk of changes in the fair value or the future cash flows of financial instruments due to fluctuations in market prices. The market risks affecting our business include exchange risk, interest rate risk and price risk. Financial instruments exposed to market risk include interest-bearing debts and loans, cash deposits, trade receivables and other receivables, financial assets available for sale, forward exchange contracts, and financial assets at fair value through profit or loss.

#### *Interest Rate Risk*

Changes in the interest rate affect the value of assets and liabilities accruing interest at a fixed rate, as well as cash flows from financial assets with floating interest rates.

Interest rate risk is the risk that the fair values or future cash flows of our assets and liabilities will fluctuate because of changes in market interest rates. We are exposed to the risk of changes in the *Tasa de Colocaciones Financieras* prepared by CAMMESA and the LIBOR rate, which are the rates used by CAMMESA to calculate interest on the different types of accounts receivable. We are also exposed to the risk of changes in the LIBOR/EURODOLLAR rate for loans entered into by us.

We manage our interest rate risk through a balanced portfolio of fixed and variable rate debt.

As of March 31, 2023, 96% of our total financial debt was at fixed rates.

#### *Foreign Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The value of financial assets and liabilities denominated in a currency other than the functional currency we and our subsidiaries use is subject to changes derived from fluctuations of exchange rates expressed in real terms. Since our functional currency is the Argentine peso restated to constant currency, the currency that generates the greatest exposure in terms of effects on results is the U.S. dollar. In the case of subsidiaries Vientos Neuquinos I S.A. and Energética Argentina S.A., since their functional currency is the U.S. dollar, the currency that generates the greatest exposure in terms of effects on results is the Argentine peso.

We are exposed to exchange rate risk in connection with the U.S. dollar to the Argentine peso exchange rate, primarily because 86% of our total debt was denominated in U.S. dollars as of March 31, 2023. We aim to hedge our exposure to currency exchange fluctuations by matching our income denominated in or indexed to a foreign currency with our liabilities denominated in or indexed to such foreign currency.

As of December 31, 2022, we had Ps.55,733 million (equivalent to U.S.\$315 million at the December 31, 2022 exchange rate) in financial debt denominated in U.S. dollars. However, as of such date we also had account receivables under the FONINVEMEM funds, which are indexed to U.S. dollar, totaling Ps. 24,900 million (equivalent to U.S.\$141 million at the December 31, 2022 exchange rate), thereby giving us a natural hedge against our foreign currency exposure. As of March 31, 2023, we had Ps.27,248 million (equivalent to U.S.\$130 million at the March 31, 2023 exchange rate) in FONINVEMEM receivables.

#### *Price Risk*

Our revenues primarily depend on the price of electricity under the Energía Base framework and on the variable and fixed production cost remunerated by CAMMESA. We are not able to fix prices in the market in which we operate. See “The Argentine Electricity Industry and Regulation” and “Risk Factors—Risks Relating to our Industry

and to Renewable Energy Activities—Electricity demand may be affected by tariff increases, which could lead generation companies like us to record lower revenues.”

#### *Commodities Price Risk*

Although CAMMESA supplies the majority of fuel used in our thermoelectric plants to us at no cost, we purchase coal for use at our CTSN plant separately. If the price of coal increases, this would increase our costs and therefore result in a lower net income. The variable cost of coal generation is declared to CAMMESA every 15 days, mitigating in part, the impact of a commodity price increase.

#### *Credit Risk*

Credit risk is the risk of a counterparty failing to comply with the obligations undertaken under a financial instrument or business agreement, resulting in a financial loss. We are exposed to credit risk in connection with our operating activities (in particular, in connection with our trade receivables from CAMMESA) and with our financial activities.

We operate in an industry where the Argentine government is a price/tariff regulator and also controls the subsidies for industrial consumers. On this basis, we are highly dependent on payments from CAMMESA. Payments from CAMMESA can be volatile, given its weak credit quality, because it depends on the Argentine government for the funds needed to make these payments.

Our financing and investment agreements are executed with creditworthy local and foreign financial institutions. Cash, investment and treasury policies direct the management of our cash portfolio, focusing principally on minimizing credit risk.

#### *Liquidity Risk*

We manage liquidity with the aim of guaranteeing that the necessary funds are available to support our business strategy. We use our own generated funds for the payment of its obligations and have entered into certain uncommitted lines of credit with tier one banks in Argentina, which are disbursed when necessary.

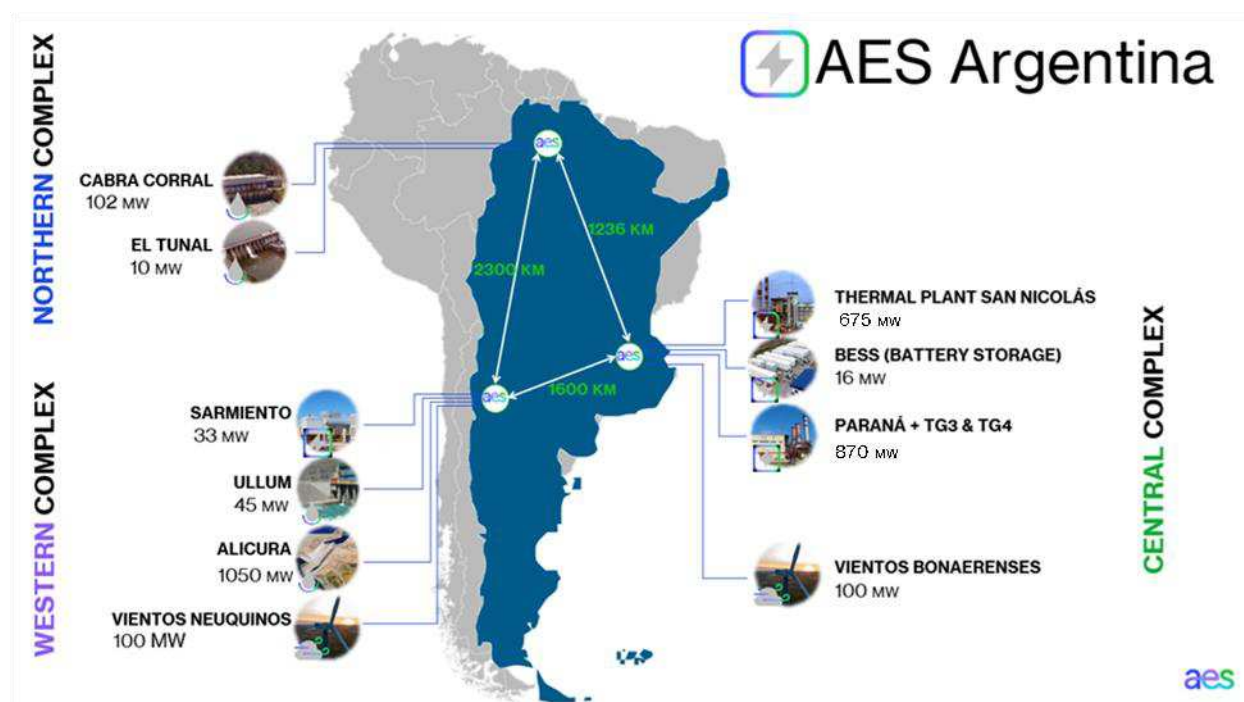
## OUR BUSINESS

### Overview

We are one of the leading private power generation companies in Argentina, with an installed generating capacity of 3,001 MW in our seven generation plants as of the date of this Exchange Offer Memorandum, representing a market share of 7%. In the year ended December 31, 2022, we generated a total of 6,815 net GWh of power, representing approximately 5% of the power generated in the SADI during that period, while we generated 1,836 GWh in the three-month period ended March 31, 2023, representing approximately 5% of the power generated in the SADI during that period.

We have a well-diversified competitive asset portfolio comprised of 1,207 MW in four hydroelectric plants (40.22%), 1,578 MW in three thermoelectric plants (52.58%), 200 MW in two currently operative wind farms (6.66%) and 16 MW (0.53%) in a battery storage system.

We are also diversified by geography and technology, with strategically located plants in sites with access to fuel supply and with access to different connection points on the distribution grid. We are also the only generator in the SADI with the capacity to burn a variety of fuels, including diesel, fuel oil, biodiesel, natural gas and coal. The following map shows where our plants are located within Argentina:



The following table presents a brief description of the plants that we currently own and operate:

| Power Plant             | Location                          | Installed Capacity (MW) | Technology |
|-------------------------|-----------------------------------|-------------------------|------------|
| Cabra Corral .....      | Coronel Moldes, Province of Salta | 102                     | Hydro      |
| El Tunal .....          | El Tunal, Province of Salta       | 10                      | Hydro      |
| Alicurá .....           | Comahue, Province of Neuquén      | 1,050                   | Hydro      |
| Ullum .....             | Ullum, Province of San Juan       | 45                      | Hydro      |
| CTSN .....              | Aires                             | 675                     | Thermal    |
| AES Paraná .....        | San Nicolás, Province of Buenos   | 870                     | Thermal    |
| Central Sarmiento ..... | San Juan, Province of San Juan    | 33                      | Thermal    |
| BESS (Renewable) .....  | San Nicolás, Province of Buenos   | 16                      | Batteries  |
|                         | Aires                             | 100                     |            |

| <b>Power Plant</b>        | <b>Location</b>                           | <b>Installed Capacity<br/>(MW)</b> | <b>Technology</b> |
|---------------------------|-------------------------------------------|------------------------------------|-------------------|
| Vientos Bonaerenses ..... | Bahía Blanca,<br>Province of Buenos Aires | 100                                | Wind              |
| Vientos Neuquinos .....   | Picún Leufú,<br>Province of Neuquén       | 100                                | Wind              |
| <b>Total .....</b>        |                                           | <b>3,001</b>                       |                   |

In addition to our wind, hydroelectric and thermoelectric power generation assets, and energy storage assets, we also own two facilities for fuel procurement: (i) the CTSN discharge port for coal sourcing, and (ii) the AES Paraná discharge port for liquid fuel sourcing. Each port can handle one ship at a time. The ports are situated next to each other in the district of San Nicolás, Province of Buenos Aires and are strategically located to be able to serve industrial customers.

We sell most of our generated electricity and derive most of our revenues from the electricity we generate at our seven hydro and thermal generation plants to CAMMESA under the Energía Base regulatory framework established under SE Resolution 95/2013, modified by SE Resolution 440/2021 and SE Resolution 238/2022. Under this framework, tariffs are paid by CAMMESA based on a fixed and variable costs system which was determined by the Secretariat of Energy pursuant to SE Resolution 238/2022. Under the Energía Base regulatory framework, CAMMESA supplies us with most of the fuel we need to produce the energy we generate (with the exception of coal used by our CTSN thermoelectric plant, which we procure separately and which is a variable cost that we report to CAMMESA every 15 days). See “The Argentine Electricity Industry and Regulation.”

In relation to our wind farms, Phase 1 of wind farm Vientos Bonaerenses (20 MW) and wind farm Vientos Neuquinos (100 MW) sell the energy generated to industrial customers under the “Mercado a Término” regulatory framework (“MATER”) established by the former Ministry of Energy and Mining by means of Resolution 281/2017. Under this framework, we negotiate sales conditions directly with customers. Phase 2 of wind farm Vientos Bonaerenses (80 MW) sells its energy to CAMMESA under the regulatory framework RenovAr 2.

In addition, we participate in a fund known as the FONINVEMEM managed by CAMMESA at the direction of the Ministry of Energy. The insufficient financing of the MEM for more than a decade resulted in significant debt with power generation companies for the sale of electric power from 2004 through 2011. In response, the Argentine government created the FONINVEMEM in order to (i) fund the construction of new power plants and (ii) commit itself to the repayment of accounts receivables owed to power generators with equity in the companies that would operate such new plants in the future. In 2004, the first FONINVEMEM fund was created, and power generation companies with outstanding receivables contributed their outstanding receivables from electric power sales to CAMMESA, while CAMMESA committed itself to repaying those contributions in U.S. dollars over a period of 10 years, beginning when the relevant new power plants became operational. Upon full repayment of the receivables, power generation companies received equity interests in the companies that operated FONINVEMEM’s new power plants. As of the date of this Exchange Offer Memorandum, we have contributed U.S.\$518 million in outstanding receivables (net of VAT) from electric power sales from January 2004 through January 2013 into the FONINVEMEM funds. Repayment for our contributions began, as scheduled, in March 2010 when the first and second FONINVEMEM plants (TJSM and TMB) became operational, and in relation to such plants, we have received full repayment of our contributions. In December 2016, we began receiving repayment for our contributions to the third FONINVEMEM plant (TGB), which became operational in April 2016. We have received payments of U.S.\$277 million, related to accrued and unpaid monthly installments for the period between March 2010 and March 2023. For more information on FONINVEMEM, see “Our Business—Investments in FONINVEMEM.” On May 4 and 8, 2020, the Special Shareholders’ Meeting of TMB S.A. and TJSM S.A. were held, respectively, in order to fulfill the condition precedent established in Article 1.01 of the Trust Agreement (the “Agreement”). Articles 1.01 and 7.03 of the Agreement provide that once the termination date has occurred, the generating company will become the trustee upon verifying that the necessary acts have been carried out to allow the Argentine government to receive the shares of TJSM S.A. and TMB S.A. in accordance with the guidelines established in the “Final Agreement for the MEM Reconversion,” as executed on October 17, 2005 by various MEM generators and the Argentine government.

The respective Shareholders’ Meetings resolved to make capital increases in TMB S.A. and TJSM S.A. in the proportion necessary in each entity so that the Argentine government may subscribe shares and become the owner of 65.006% of the shares of TMB S.A. and 68.826% of the shares of TJSM S.A. Capital increases were performed

without the exercise of any preemptive or accretion rights by the previous shareholders with respect to the shares to be issued in favor of the Argentine government and will be paid in through capitalization of the capital adjustment account.

As a result, the capital increases were subscribed by the Argentine government through the Secretary of Energy. On March 11 and March 28, 2021, TMB S.A. and TJSM S.A., respectively, registered the new interest of the Argentine government in their respective share ledgers, thus reducing our equity interest in TMB S.A. and TJSM S.A. to 7.2% and 6.4%, respectively. As from the effectiveness of this change in the participating interests, the resulting gains or losses ceased to be recognized according to the equity method and started to be accounted for at their cost plus dividends.

On June 16, 2021, Executive Decree No. 389/2021 was published in the Official Gazette, whereby, among other things, the shares issued in favor of the Argentine government in the generating companies TMB S.A. and TJSM S.A. were assigned to IEASA. On June 22, 2021, the managing companies received a notice from IEASA pursuant to Art. 215 of the Commercial Companies Law, whereby they were informed of the provisions of Art. 6 of Executive Decree No. 389/2021 and requested to consider that the change of ownership has become effective and to record such change in their respective Share Ledgers.

On August 24, 2021, the Common Shareholders' Meetings of TMB S.A. and TJSM S.A. were held to appoint new directors based on the new stock ownership.

Our stake in TGB will be reduced upon fulfilment of the aforementioned conditions. We currently hold interests in the companies that operate the following FONINVEMEM thermal power plants as follows:

| Power Plant                 | Location                               | Installed Capacity (MW) | Technology                                             | % Approximate Equity Interest |
|-----------------------------|----------------------------------------|-------------------------|--------------------------------------------------------|-------------------------------|
| San Martín (TJSM) .....     | Timbúes, Province of Santa Fe          | 865                     | Combined cycle plant, which became operational in 2010 | 6% <sup>(1)</sup>             |
| Manuel Belgrano (TMB) ..... | Campana, Province of Buenos Aires      | 873                     | Combined cycle plant, which became operational in 2010 | 7% <sup>(1)</sup>             |
| Guillermo Brown (TGB) ..... | Bahía Blanca, Province of Buenos Aires | 576                     | Open cycle plant, which became operational in 2016     | 60% <sup>(2)</sup>            |

(1) On May 4 and 8, 2020, Extraordinary General Shareholders' Meetings of TMB and TJSM were held, respectively, in order to carry out the necessary actions to comply with the condition precedent of the Argentine government becoming a shareholder of such companies. In such meetings, it was stated for the record that differences had arisen among the shareholders and the Argentine government with respect to the relevant shareholding percentages in TMB and TJSM that would correspond to the Argentine government. The shareholders resolved to carry out capital increases in each of TMB and TJSM in the necessary proportion so that the Argentine government may subscribe shares and become the owner of 65.006% of the shares of TMB and 68.826% of the shares of TJSM. The capital increases are to be effected without preemptive or accretion rights of the current shareholders with respect to the shares to be issued in favor of the Argentine government and will be paid through the capitalization of the capital adjustment account. On March 11, 2021, by means of private letters, the Argentine government informed to TMB and TJSM its acceptance to subscribe the relevant shares. Subsequently, on June 15, 2021, by way of the enacting of Decree No. 389/2021, ENARSA was assigned the shares issued in favor of the Argentine government in TMB and TJSM and, as a result, our stakes in such companies have decreased to 6.372% and 7.17%, respectively.

(2) We expect that once the Argentine government becomes a shareholder of TGB, our stake in TGB will be up to 30%.

We have invested in growth opportunities in the renewable energy sector for a total of 200 MW of wind energy for both the "RenovAr" program (80 MW) and the private-to-private renewable term market "MATER" (120 MW). In addition, we continue to evaluate solar and wind generation projects in line with our commitment to a decarbonization strategy and which would increase our technological diversification. For more information, see "— Our Business Strategy and Objectives."

On October 11, 2019, CAMMESA granted the commercial authorization for the Vientos Bonaerenses I wind farm (operated through our subsidiary Energética Argentina S.A.), corresponding to the installation of six wind turbines in the south of the Province of Buenos Aires, and on February 6, 2020 granted the commercial authorization of the second stage of the Vientos Bonaerenses wind farm, corresponding to 24 additional wind turbines, within the

framework of the growth projects we are developing and which are described elsewhere in this Exchange Offer Memorandum. We also developed another wind farm of 100 MW of capacity through our subsidiary Vientos Neuquinos I S.A., which has received commercial authorization for 29 wind turbines in 2020.

On November 1, 2019, we obtained commercial authorization for an energy storage system through a 9.6 MW battery bank in the San Nicolás power plant, the first of its kind in Argentina. In addition, we have developed a project consisting of four lithium battery modules with the capacity to store 16MWtot/15min (i.e., 4MWtot/15min per independent module). The purpose of this project is to regulate primary frequency in unit No. 5 of the San Nicolás plant. Given the benefits that this system offers to SADI, in 2019, CAMMESA granted commercial authorization to use this service to provide regulation of primary frequency to the system, even when unit No. 5 is out of service.

On May 26, 2022, we executed a purchase option over the totality of the shares of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW wind farm (e.g., environmental impact studies, land use rights, easement agreements, etc.). Likewise, our Sierras del Buendía wind farm is registered with the Argentine Renewable Energy Projects (*Registro de Proyectos de Energía Renovable*) and will be able to participate in future tenders once fully developed. Our Sierras del Buendía wind farm is currently under development and not in operation.

On October 11, 2022, we acquired a 10% shareholding in the company Green Valley Solar S.A., which is engaged in the development and marketing of energy generation and storage systems for agricultural irrigation through solar panels.

In 2022, we had gross profit of Ps.15,940,219 thousand (U.S.\$76,265 thousand), net income of Ps.2,286,901 thousand (U.S.\$10,942 thousand) and Adjusted EBITDA of Ps.13,836,815 thousand (U.S.\$66,202 thousand).

We are controlled by AES Corporation, a Fortune 500 global energy company with a diversified portfolio across four different continents with an installed capacity of over 32.33 GW.

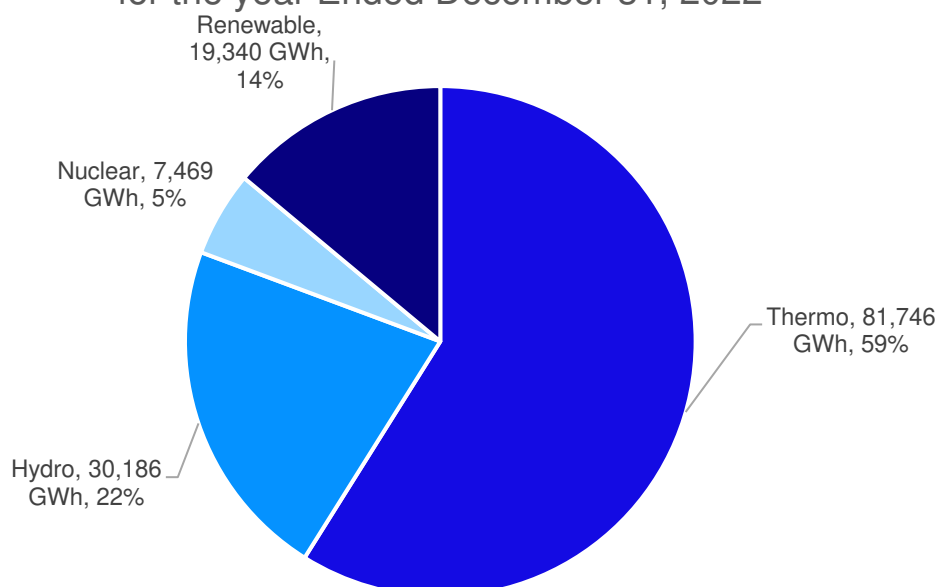
### **Argentine Power Sector**

Over recent decades, the Argentine government (spanning administrations with different ideological orientations) has favored the use of thermoelectric generating units, as these units require smaller capital investments and take less time to deploy compared to other types of generating units. Although these new power plants have increased the dependency on hydrocarbons, the Argentine government does not consider this a disadvantage as the required fuels are produced in Argentina, and the production has always been predictable and growing. However, the constant use of thermoelectric generation has increased the demand for fossil fuels, particularly those based on natural gas, and has led to shortages and the imposition of certain restrictions on providing locally produced fuels to thermal generators.

The structure of electric energy consumption in Argentina is strongly dependent on hydrocarbons, at approximately 59% in 2022, compared to 64% in 2021, 61% in 2020, 61% in 2019 and 64% in 2018. Argentina imports large amounts of natural gas, liquefied natural gas and gas oil in order to try to satisfy demand. During 2019 such imports decreased, mainly due to an increase in domestic production of natural gas. However, demand for natural gas is usually unmet during the winter in both the industrial segment and in the thermoelectric generation segment. In certain instances, the Argentine government has imposed restrictions on consumption in order to supply gas to other segments that do not have the capacity to replace natural gas with other fuels (among others, propane, butane and fuel).

Although current energy consumption in Argentina signals a dependence on hydrocarbons, we believe that Argentina is currently undergoing an important shift to a more modern and diversified energy mix arising from the inclusion of renewable energy into the mix, in accordance with the requirements set forth in Law No. 27,191 of 2015. See “The Argentine Electricity Industry and Regulation—Structure of the Industry—Renewable Energy Program”.

### Primary Energy Sources in Argentina for the year Ended December 31, 2022

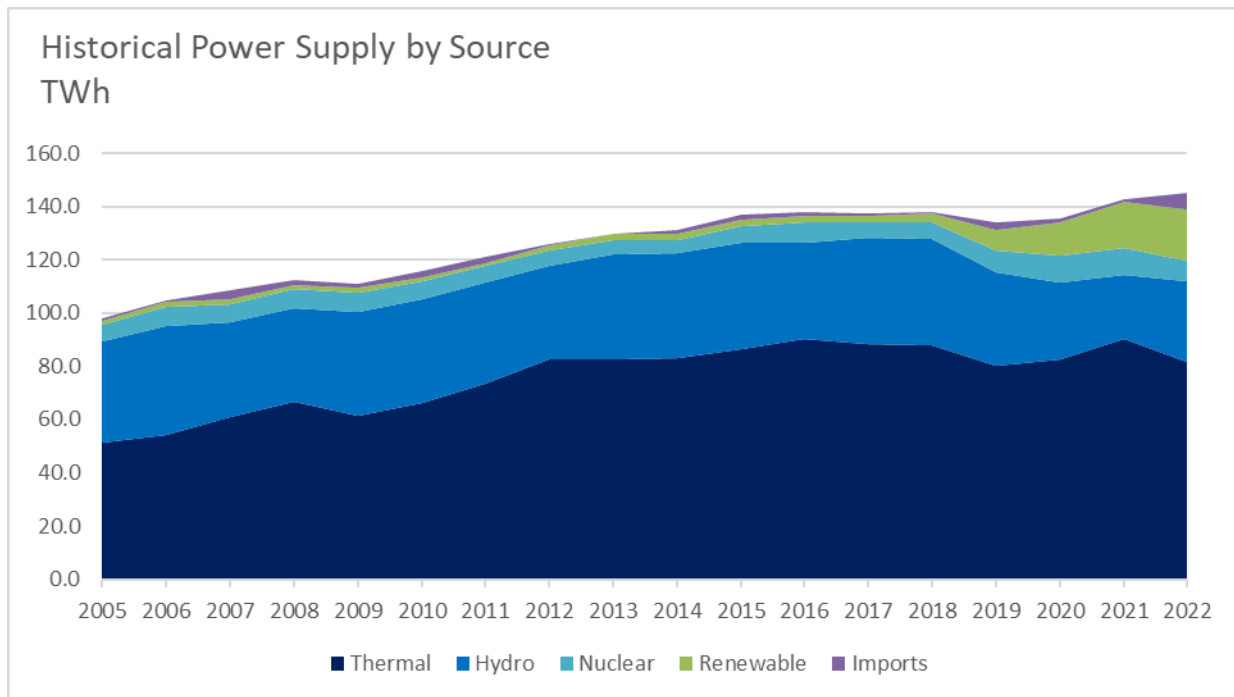


Source: CAMMESA

Nominal installed capacity in Argentina was reported by CAMMESA to be 42,927 MW as of December 31, 2022 and 43,278 as of March 31, 2023. However, operational electric power generation capacity effectively available at any given time was estimated by CAMMESA at around 33,138 MW as an average of 2022. Availability estimated by CAMMESA for thermal units is approximately 75% due to the lack of proper fuel supply, difficulties in achieving nominal efficiency and unavailability of several generating units under maintenance. Moreover, generation supply depends heavily on liquid fuel use, which diminishes capacity availability, and certain transmission restrictions exist which also diminishes capacity availability.

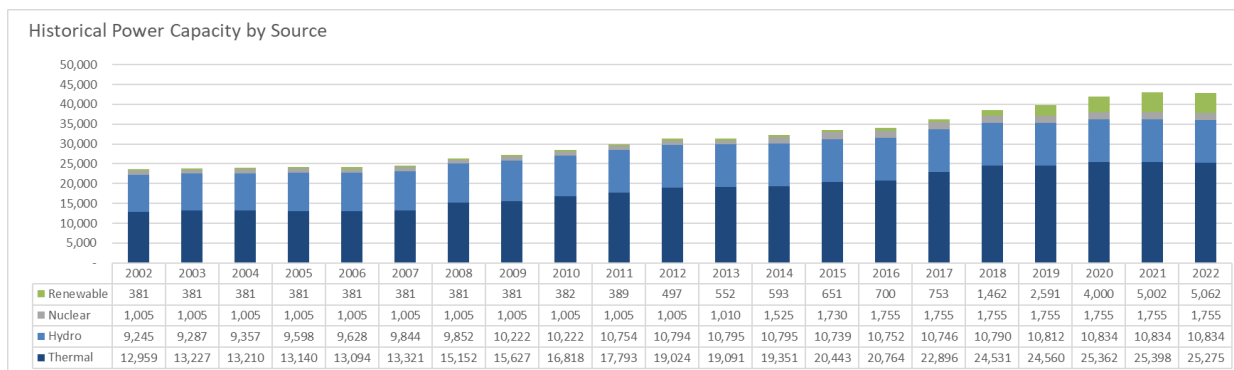
Nominal power generation capacity is dominated by thermoelectric generation. A considerable number of thermoelectric power units experience high levels of unavailability, especially during the winter, due to fuel provision restrictions.

The following chart shows the evolution of electric power generation by type of source:



Source: CAMMESA

The following chart shows the evolution of electric power generation capacity by type of source:



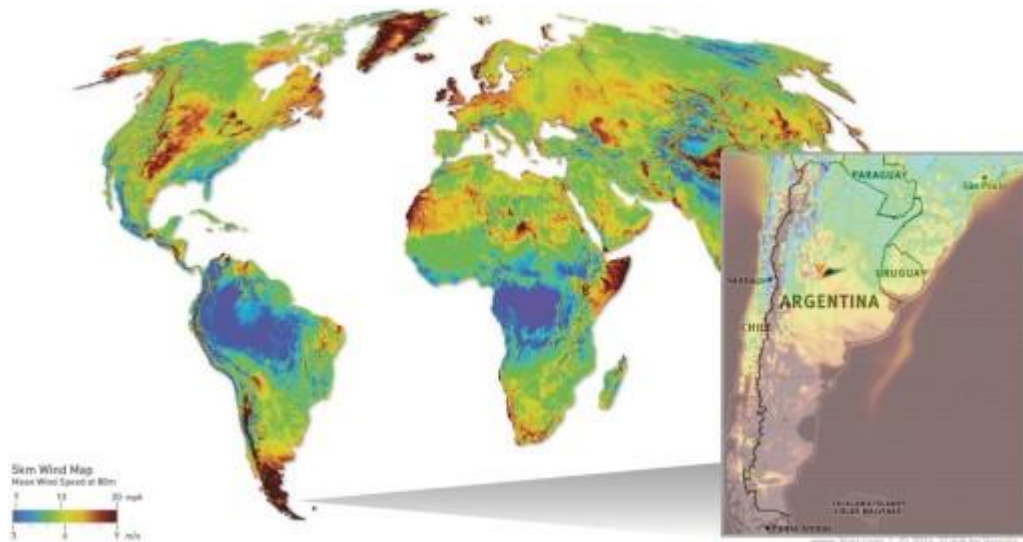
Source: CAMMESA

### Renewable Energy Generation in Argentina

Certain regions of Argentina benefit from levels of wind or sunlight that provide a strong potential for renewable energy generation. The maps below show the mean wind speed at 80 meters of elevation and the average global horizontal irradiance in Argentina, respectively.

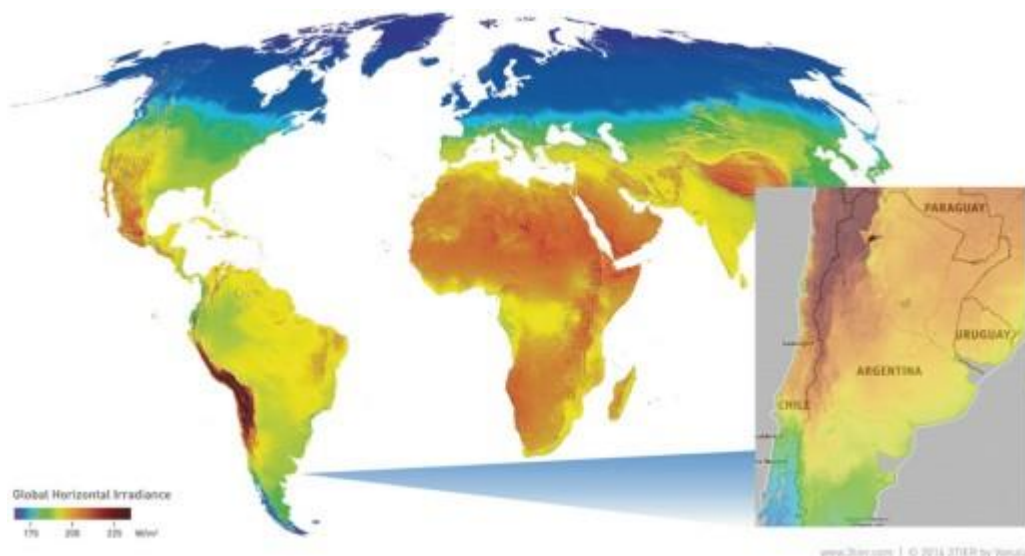


## Average Wind Speeds



Source: Vaisala - 3Tier

## Average Global Horizontal Solar Irradiance (GHI)



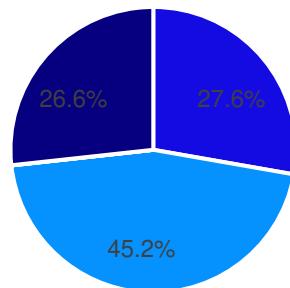
Source: Vaisala - 3Tier

## The Structure of Electric Power Demand in Argentina

Electric power demand depends to a significant extent on economic and political conditions in Argentina, as well as seasonal factors. In general, the demand for electric power varies depending on the performance of the Argentine economy, as businesses and individuals generally consume more energy and are better able to pay their bills during periods of economic stability or growth. As a result, electric power demand is affected by Argentine governmental actions concerning the economy, including with respect to inflation, interest rates, price controls, foreign exchange controls, taxes and energy tariffs.

The following chart shows the demand for electric power in 2022 by customer type:

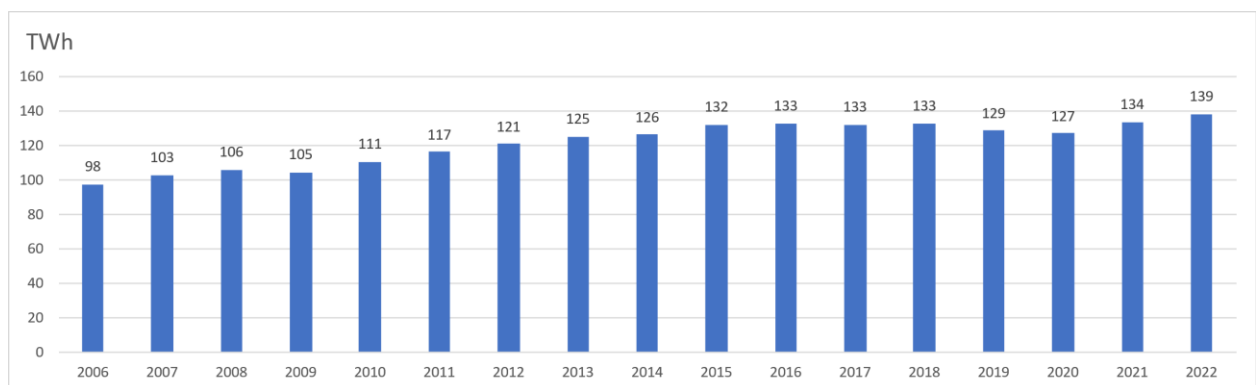
### Total demand of electricity, net of losses 2022 GWh



■ Small Commercial ■ Residential ■ Large Comercial

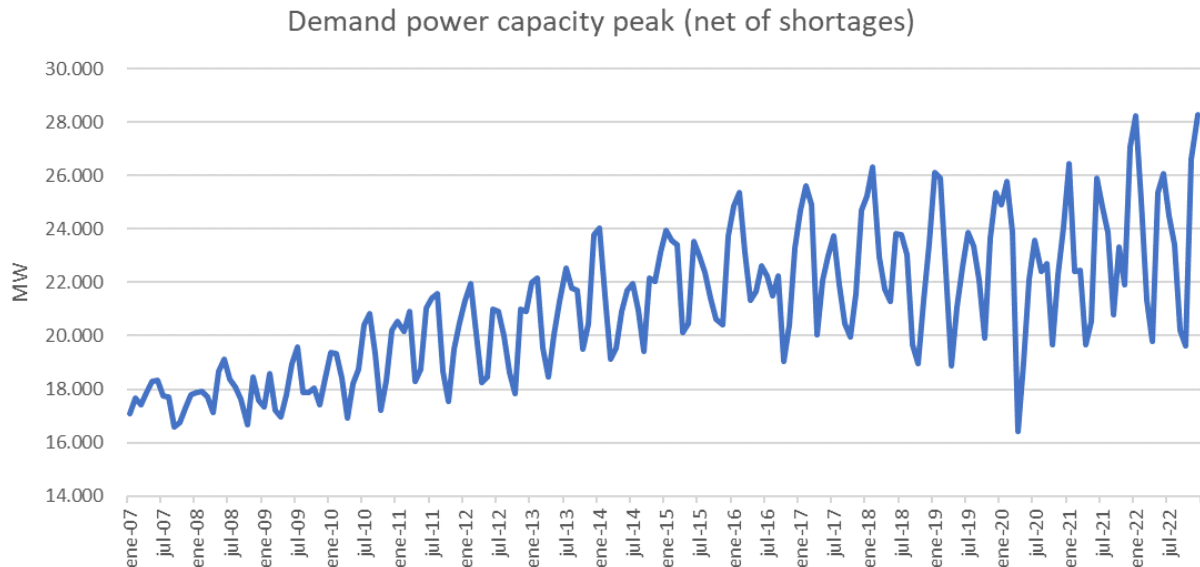
Source: CAMMESA

The following chart shows the evolution of the demand for electric power over the last several years:



Source: CAMMESA

The following chart shows the power demand from January 2007 to July 2022:

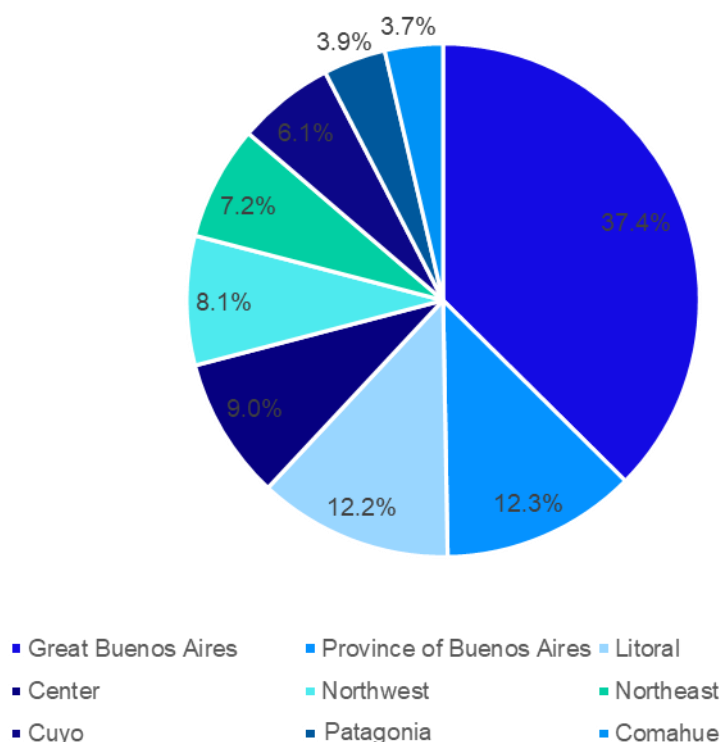


CAMMESA divides Argentina into regions that have similar characteristics in terms of demand, socio-economic characteristics and electric subsystems. Such regions are: (i) the City of Buenos Aires and its suburbs, (ii) the Province of Buenos Aires, (iii) Santa Fe and Northwest Buenos Aires, (iv) the Center, (v) the Northwest, (vi) Cuyo, (vii) the Northeast, (viii) Comahue, and (ix) Patagonia.

Demand is significantly concentrated in the areas of the City of Buenos Aires, the Province of Buenos Aires, Santa Fe and Northwest Buenos Aires, which together comprise approximately 50% of the demand. Changes to the concentration of the demand structure are not substantial over the period of measurement.

The chart below shows electricity demand by region for 2022:

## Demand of electricity net of losses 2022 [GWh]



Source: CAMMESA

Seasonality also has a significant impact on the demand for electric power, with electric power consumption peaks in summer and winter. The impact of seasonal changes in demand is registered primarily among residential and small commercial customers. Seasonal changes in demand are attributable to the impact of various climate factors, including weather and the amount of daylight time, on the usage of lights, heating systems and air conditioners.

The impact of seasonality on industrial demand for electric power is less pronounced than on the residential and commercial sectors for several reasons. First, different types of industrial activity by their nature have different seasonal peaks, such that the effect of climate factors on them is more varied. Second, industrial activity levels tend to be more significantly affected by the economy and with different intensity levels depending on the industrial sector.

Energy demand throughout the hours of each month grew in 2006, reflecting a sharp increase in industrial activity and mass consumption in the economy. Such demand declined due to restrictions on industrial power consumption in the winter of 2007, and the international crisis at the end of 2008 and early 2009. However, such decline in consumption reversed between mid-2011 and 2016 due to a growth in demand. Between 2016 and 2018, electricity demand remained stable, and it decreased in 2019 due to a general decrease of the economic activity in Argentina. For 2020, electricity demand continued to decrease due to a decline in economic activity and the impact of COVID-19. In 2021, electricity demand recovered from the previous year, mainly due to an increase in industrial demand. In 2022, electricity demand grew 3.6%.

For further information, see “The Argentine Electricity Industry and Regulation.”

## Our Competitive Strengths

We believe that we have achieved a strong competitive position in the Argentine power generation sector primarily as a result of the following strengths:

***High-quality and diversified generation asset portfolio.*** We have a well-diversified competitive asset portfolio, with our hydroelectric and thermoelectric plants representing 40% and 53% of our asset mix, respectively, while wind farms represent 7% of our asset mix. Our portfolio is also geographically and technologically diversified. Our footprint covers both eastern and western Argentina. All of our plants are strategically located in sites with access to fuel supply and to the energy grid at different connections points. Furthermore, we are the only generator in the SADI with the capacity to burn a variety of fuels at our thermal plants, including diesel, fuel oil, biodiesel, natural gas and coal. In addition, we have been pioneers in adopting advanced plant technology. For example, our AES Paraná plant was the first generation plant to introduce the use of a biodiesel and fogging system. Our thermoelectric plants have also had the highest operational performance record among leading generation companies in Argentina based on our internal calculations derived from information published by CAMMESA since 2013.

***Leader in the Argentine market, with a strong growth potential.*** We are a leading Argentine power generation company with a market share of 7% of the total installed capacity in the SADI, as of March 31, 2023. Additionally, we are the only generator that has invested in TGB through the FONINVEMEM funds, giving us the unique position of being the only private investor in that generation plant. Our size within the Argentine market makes us well-positioned to take advantage of the developments in the sector through making new investments in the Argentine power generation industry.

***Successful project development and construction and attractive development portfolio.*** We have a proven track record of successfully developing and constructing power generation projects. For example, we successfully developed and constructed the AES Paraná plant, which has an installed capacity of 870 MW, began operations in 2001 and was the first power generation plant in Argentina to introduce the use of a biodiesel and fogging system. We are the sole Argentine power generation company invested in TGB. In addition, we successfully completed the construction of two wind power plants of 100 MW each, for a total of 200 MW, Vientos Bonaerenses (operated through our subsidiary Energética Argentina S.A.) in the province of Buenos Aires and Vientos Neuquinos (operated through our subsidiary Vientos Neuquinos I S.A.) in the province of Neuquén. Further, in May 2022, we acquired the totality of the shares of Sierras del Buendía S.A., a company through which we are currently developing our Macondo wind farm, and in October 2022, we acquired a 10% shareholding in the company Green Valley Solar S.A., which is engaged in the development and marketing of energy generation and storage systems for agricultural irrigation through solar panels. In addition, we are the only electric power generating company in Argentina that has a battery bank system for frequency regulation, which we have installed at our San Nicolás power plant. We are evaluating additional renewable energy projects, particularly wind and solar projects to add to our portfolio.

***Benefits from our relationship with AES, a worldwide and experienced operator with a strong presence in Latin America.*** AES is one of the largest U.S. private investors in the energy sector in Argentina and one of the largest private investors in the power sector in Latin America. AES began to make investments in Argentina in 1993 and now operates more than 12,900 MW in South America. We benefit from the operational and technical expertise and best practices of AES in optimizing our operational performance and improving our margins. Of the other AES companies within South America, AES Andes (with whom we share the same senior leadership team) owns a 643 MW combined cycle thermoelectric power plant in the province of Salta called TermoAndes. In addition, AES Andes, through its subsidiary InterAndes S.A., owns the only transmission line between Argentina and Chile, a 268 km single circuit line operating at 345 kV. Through AES Servicios America S.R.L., AES also provides back-office services to various AES companies around the world, with a financial service center located in the City of Buenos Aires. As part of the AES network, we are able to access greater scale and leverage during commercial negotiations with suppliers, regulators and creditors. Further, coal supply for the San Nicolás Thermal Power Plant is managed jointly by AES South America businesses, which allows us to manage our coal supply effectively and efficiently.

***Experienced management.*** Our management team has extensive industry experience and proven expertise in business strategy, operations, engineering, project management, construction, fuel and equipment purchasing and risk management. The majority of our management team has more than 10 years of experience in the Argentine power market. In particular, AES has operated in Argentina since 1993 and thus our management team has

accumulated extensive expertise operating under challenging market conditions. Our management team is also able to further leverage the AES network for best practices.

### **Our Business Strategy and Objectives**

Our goal is to provide reliable and sustainable electricity in the markets in which we operate by leveraging our operational, commercial and financial excellence:

**Commercial excellence.** We primarily sell the energy we generate to the wholesale market in which prices are determined by CAMMESA. As the regulator reimburses us for portions of both our fixed and variable costs, an important component of our business strategy is our commitment to cost efficiency in order to maximize margins. We plan to continue to accomplish this goal by taking advantage of our synergies within AES and optimizing the procurement and logistics of our CTSN and AES Paraná discharge ports, in coordination with CAMMESA.

**Operational excellence.** We focus on comprehensive operational excellence, which includes safety, operational efficiency, community cooperation and environmental management, in order to achieve sustainable long-term electricity generation. Given no access to long-term PPAs in the market, we aim to increase plant availability in order to maximize our variable margin when operating under the Energía Base framework for spot energy sales. In order to achieve this operational efficiency, we focus on minimizing forced outages and optimizing reservoir management in our hydroelectric assets, as well as negotiating our maintenance plans to reduce the impact of maintenance outages on our capacity payments. Through this we seek to guarantee the long-term commercial availability of our generation assets and are aided by our extensive operating expertise and continuous maintenance and operational enhancements.

**Financial excellence.** Our financial policy focuses on profitability, stability and liquidity in order to maintain and develop our business. Our principal financial objectives include balancing our capital structure, maintaining adequate minimum liquidity, managing our debt amortization schedule and actively mitigating risks to prevent cash flow and earnings volatility. Our financial risk management aims to balance U.S. dollar denominated debt with revenues tied to the U.S. dollar.

**Expansion projects.** We are always ready to analyze new projects in order to maximize our potential. Planned investments in renewable energy generation, including pursuant to new regulations requiring large users to source certain minimum percentages of their power consumption from renewable sources, will allow us to expand our footprint within the Argentine market and thereby increase our installed capacity and revenues while at the same time improving the efficiency of the Argentine electricity system.

**Focus on Safety, Corporate Responsibility and Environment Management.** Safety is our top corporate value. To this end, a world-class safety program has been implemented to safeguard our employees, our contractors and the communities where our operations are located and our employees and contractors have all been granted “stop-work” authority. Corporate social responsibility is also one of our priorities and we interact with the communities where our assets are located, striving to establish permanent relationships through the creation of social responsibility initiatives and development programs, such as our infant malnutrition control program in Salta. We also apply integrated environmental management in order to ensure full compliance with regulatory requirements and identify environmental improvements.

### **History and Development of the Company**

We are controlled by The AES Corporation, a Fortune 500 global energy company with a diversified portfolio across four different continents with an installed capacity of over 32.33 GW. On May 18, 1993, we acquired CTSN (675 MW of installed capacity), which was the first acquisition by AES in Latin America. CTSN is the only privately-owned coal fired power plant in Argentina.

In the following years we obtained the concessions for the hydro plants Cabra Corral and El Tunal (1995) and Ullum (1996) and acquired the Central Sarmiento thermoelectric plant (1996). In 2000, we acquired the concession for the Alicura hydro plant (1,050 MW), which had been granted by the Argentine government in 1993 for 30 years. In 2002, we inaugurated our AES Paraná combined cycle plant (870 MW) after three years of construction.

In 2004, as a result of energy market reforms and overdue accounts receivable owed by CAMMESA to generators, the Argentine government invited the power generation companies with outstanding receivables to

contribute those receivables to fund the construction of new power plants under FONINVEMEM agreements. From January 2004 through January 2013, we contributed U.S.\$621 million (net of VAT) of our accounts receivable from the sale of electricity to CAMMESA and contributed U.S.\$518 million in outstanding receivables (net of VAT) to the FONINVEMEM funds. By 2010 the combined cycle power plants, TJSM (865 MW) and TMB (868 MW) started to operate in the system, and in 2016, the open cycle power plant TGB (578 MW), also under FONINVEMEM, began operations.

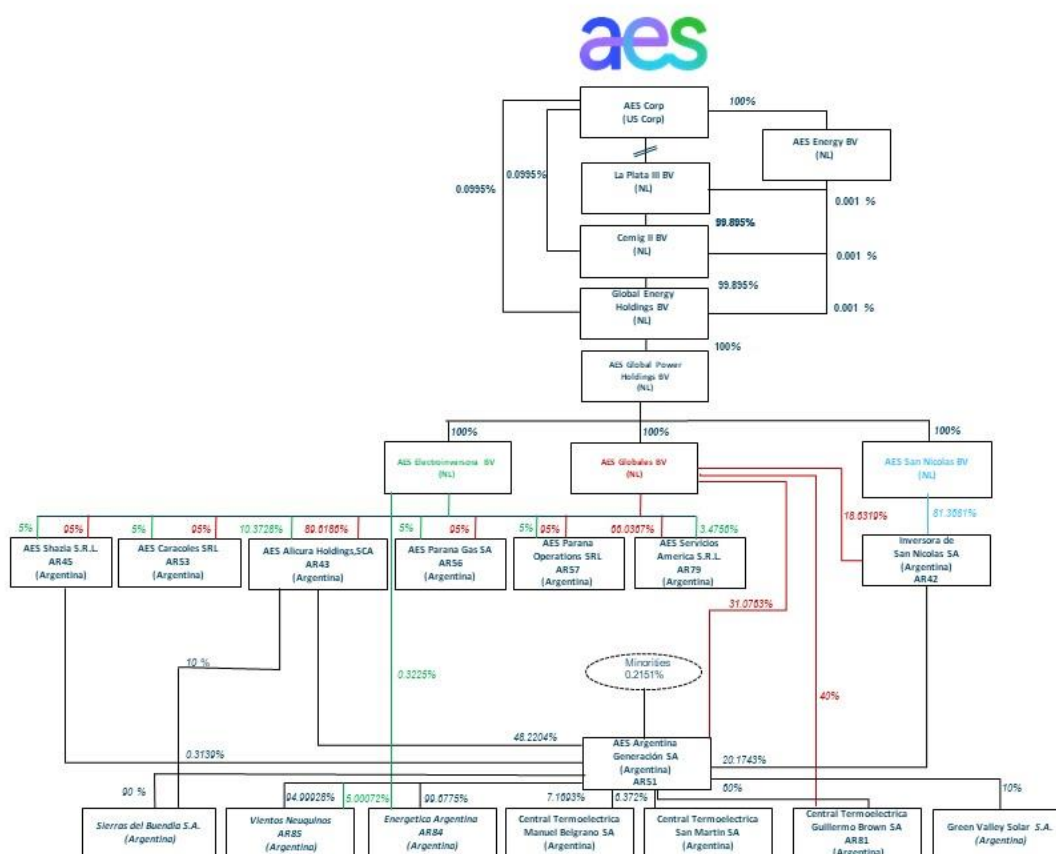
We currently own 6.372% of TJSM, 7.17% of TMB and 60% of TGB. On May 4 and 8, 2020, Extraordinary General Shareholders' Meetings of TMB and TJSM were held, respectively, in order to carry out the necessary actions to comply with the condition precedent of the Argentine government becoming a shareholder of such companies. In such meetings, it was stated for the record that differences had arisen among the shareholders and the Argentine government with respect to the relevant shareholding percentages that would correspond to the Argentine government in TMB and TSM. The shareholders resolved to carry out capital increases in TMB and TJSM in the necessary proportion in each company so that the Argentine government may subscribe shares and become the owner of 65.006% of the shares of TMB and 68.826% of the shares of TJSM. The capital increases were effected without preemptive or accretion rights of the current shareholders with respect to the shares to be issued in favor of the Argentine government and were paid through the capitalization of the capital adjustment account. On March 11, 2021, by means of private letters, the Argentine government informed to TMB and TJSM its acceptance to subscribe the relevant shares. Subsequently, on June 15, 2021, by way of the enacting of Decree No. 389/2021, ENARSA was assigned the shares issued in favor of the Argentine government in TMB and TJSM and, as a result, since then, our stakes in such companies have decreased to 6.372% and 7.17%, respectively. We expect that once the Argentine government becomes a shareholder of TGB, our stake in TGB will be up to 30%.

Since October 11, 2019, we have operated wind farm Vientos Bonaerenses (100 MW) in the town of Tornquist, Province of Buenos Aires. We also operate wind farm Vientos Neuquinos in the Province of Neuquén (100 MW), which began operating between June and September 2020.

On May 26, 2022, we executed a purchase option over the totality of the shares of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW wind farm (e.g., environmental impact studies, land use rights, easement agreements, etc.). Likewise, our Sierras del Buendía wind farm is registered with the Argentine Renewable Energy Projects (Registro de Proyectos de Energía Renovable) and will be able to participate in future tenders once fully developed. Our Sierras del Buendía is currently under development and not in operation.

## Corporate Structure

The chart below summarizes our current corporate structure:

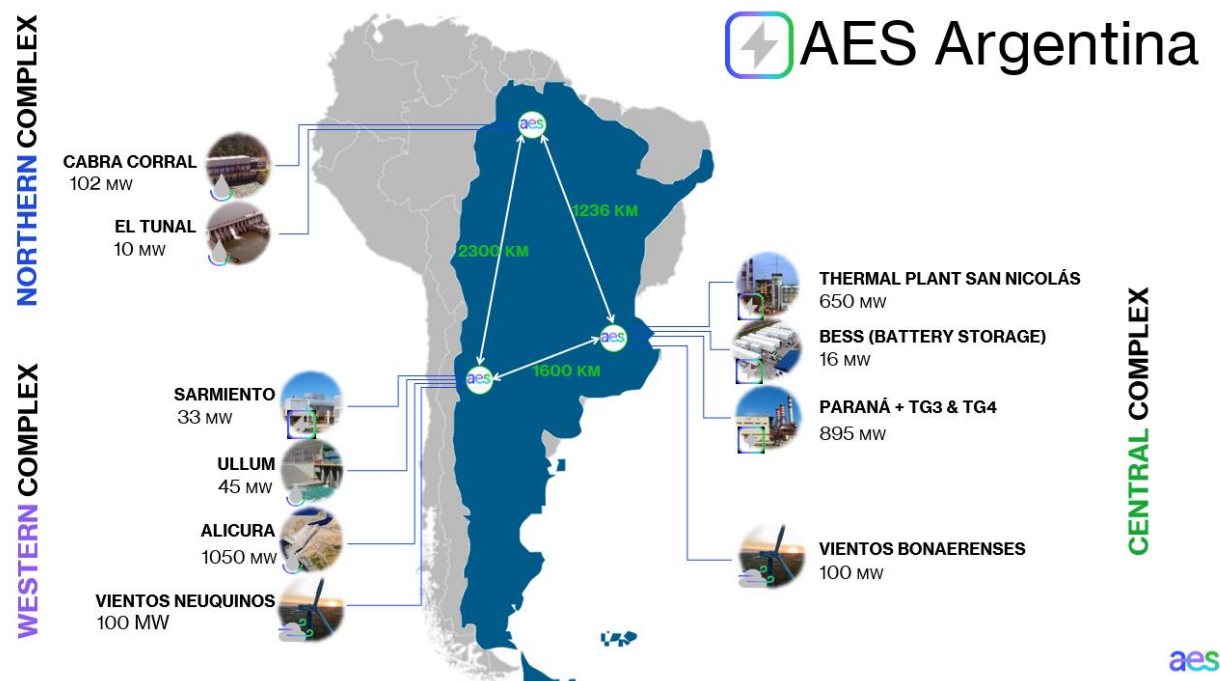


## Our Power Plants

We operate four fully operational hydroelectric plants, with aggregate installed capacity of 1,207 MW, three fully operational thermoelectric plants, with aggregate installed capacity of 1,578 MW, and two currently operative wind farms, with aggregate installed capacity of 200 MW, in addition to a 16 MW battery storage system (BESS) resulting in a total installed capacity of 3,001 MW. In the year ended December 31, 2022, without giving effect to our interests in the FONINVEMEM plants, our power plants generated a total of 6,815 net GWh of power, representing approximately 5% of the power generated in the MEM during that period and generated 1,836 GWh in the three months ended March 31, 2023.



The map below shows the location of each of our seven power plants in Argentina:



### Thermoelectric Generation Plants

We operate three fully operational thermoelectric plants located in two provinces in Argentina. These plants are gas turbines in open cycle, combined cycle and steam turbine plants.

#### CTSN

Located in the Province of Buenos Aires, with an installed capacity of 675 MW, CTSN is the only thermoelectric power plant in Argentina that can burn coal, fuel oil and natural gas. We acquired it in May 1993, and it was fully operational at that time. The plant consists of six units in total, comprised of four steam turbines of 75 MW each, an additional 350 MW steam turbine and a 25 MW open cycle gas turbine.

The table below provides a summary of each of CTSN's six units:

| Steam Turbine | Boiler Mfr  | Turbine |            | Generator |                 | Fuel                           |
|---------------|-------------|---------|------------|-----------|-----------------|--------------------------------|
|               |             | Mfr     | Model      | Mfr       | Model           |                                |
| TV 11 .....   | Steinmuller | Siemens | FTH 550/64 | Siemens   | FTH 550/64-3000 | Fuel Oil, Natural Gas and Coal |
| TV12 .....    | Steinmuller | Siemens | FTH 550/64 | Siemens   | FTH 550/64-3000 | Fuel Oil, Natural Gas and Coal |
| TV13 .....    | Steinmuller | AEG     | II/75020   | AEG       | FKWS 4140       | Fuel Oil and Natural Gas       |
| TV14 .....    | Steinmuller | AEG     | II/75020   | AEG       | FKWS 4140       | Fuel Oil and Natural Gas       |
| TV15 .....    | Franco Tosi | Ansaldo | TCDF       | Marelli   | SGTH 277102     | Fuel Oil, Natural Gas and Coal |
| TG03 .....    | -           | Alstom  | MS 5001    | Alstom    | MS 5001         | Natural Gas and Diesel         |

CTSN has a discharge port with a 370m dock. This port is able to unload coal, and the fuel oil and gas oil to be used in AES Paraná plant. CTSN's storage capacity is 200,000 Tn of coal, 13,550 Tn of fuel oil. Natural gas is supplied to the plant through a connection to the Transportadora de Gas del Norte S.A. gas pipeline. The electricity generated by this plant and its generation capacity are sold to the MEM represented by CAMMESA. The plant is connected to the electricity high voltage network through Transener S.A. and Transba S.A.

CTSN has the most cost-effective steam turbines in the country when using coal and is the only privately-owned plant in Argentina that can burn coal. As a result, it is run as a base load plant.

The following table presents certain data relating to the CTSN power plant for the periods indicated:

|                                            | Year Ended December 31, |       |       |
|--------------------------------------------|-------------------------|-------|-------|
|                                            | 2022                    | 2021  | 2020  |
| Total Sales (GWh).....                     | 1,626                   | 1,823 | 1,047 |
| Equivalent Availability Factor (EAF) ..... | 92.97%                  | 93.7% | 96.2% |

#### *BESS Battery Storage Project*

In the 20 kV output of Unit 5 there is a 16 MW battery energy storage system (BESS) that provides primary frequency regulation (PFR) even when the generating unit is out of service. The project consists of four modules of 4 MW each of lithium batteries (16 MW total/15 min) and, since January 2020, PFR has been marketed to CAMMESA.

#### *AES Paraná*

AES Paraná is a combined-cycle thermoelectric power plant that runs on natural gas, diesel and biodiesel, located in the Province of Buenos Aires next to the CTSN plant, with an installed capacity of 870 MW. Construction began in 1999, and the plant became fully operational in November 2001. The plant consists of two gas turbines and a steam turbine.

With an Equivalent Availability Factor (EAF) of 92.97% in 2022 and an average heat rate of 1,590 Kcal/kWh, it is one of the most efficient plants in Argentina, hence it is one of the base load plants in the country.

The table below provides a summary of each of AES Paraná's units:

| Turbine              | HRSG       | Turbine    |       | Generator  |       | Fuel                              |
|----------------------|------------|------------|-------|------------|-------|-----------------------------------|
|                      |            | Mfr        | Model | Mfr        | Model |                                   |
| Gas Turbine 01 ..... | Mitsubishi | Mitsubishi | 701 F | Mitsubishi | MB-H  | Natural Gas, Diesel and Biodiesel |
| Gas Turbine 02 ..... | Mitsubishi | Mitsubishi | 701 F | Mitsubishi | MB-H  | Natural Gas, Diesel and Biodiesel |
| Steam Turbine .....  | Mitsubishi | Mitsubishi | TC2F  | Mitsubishi | MB-J  | N/A                               |
| Gas Turbine 04 ..... | -          | Alstom     | 5001  | Alstom     | 5001  | Natural Gas and Diesel            |

AES Paraná was the first combined cycle plant in Argentina to run with biodiesel and can currently burn up to 10% mixed with gas oil. In order to ensure diesel and biodiesel supply, we own the AES Paraná dock facility which can unload a ship at the same time as the CTSN discharge port. The fuel storage capacity of AES Paraná is 26,800 m3 gas oil and 2,800 m3 biodiesel. Natural gas is supplied to the plant through a connection to the Transportadora de Gas del Norte S.A. gas pipeline.

The electricity generated by this plant and its generation capacity is sold to the MEM represented by CAMMESA. The plant is connected to the electricity high voltage distribution network through Transener S.A.

The following table presents certain data relating to the AES Paraná power plant for the periods indicated:

|                                            | Year Ended December 31, |        |        |
|--------------------------------------------|-------------------------|--------|--------|
|                                            | 2022                    | 2021   | 2020   |
| Total Sales (GWh).....                     | 2,408                   | 4,138  | 4,222  |
| Equivalent Availability Factor (EAF) ..... | 88.79%                  | 93.79% | 99.33% |

#### *Central Sarmiento*

Central Sarmiento is an open cycle thermoelectric power plant that runs on natural gas, diesel and biodiesel, located in the Province of San Juan, with an installed capacity of 33 MW. The plant consists of three gas turbines. Together with the Ullum hydroelectric plant (see “—Hydroelectric Power Plants—Ullum”) and Alicura (see “—Hydroelectric Power Plants—Alicura”), it is a part of the AES west complex. We acquired Central Sarmiento in March 1996.

Central Sarmiento is located in the city of San Juan, which is the capital to the province of San Juan, and it is commonly dispatched to cover the peak demand due to the lack of distribution lines infrastructure.

The table below provides a summary of each of Central Sarmiento's gas turbine units:

| Turbine              | Turbine          |              | Generator        |       | Fuel                              |
|----------------------|------------------|--------------|------------------|-------|-----------------------------------|
|                      | Mfr              | Model        | Mfr              | Model |                                   |
| Gas Turbine 21 ..... | General Electric | FRAME - 5.1D | General Electric | ATB-2 | Natural Gas, Diesel and Biodiesel |
| Gas Turbine 22 ..... | General Electric | FRAME - 5.1D | General Electric | ATB-2 | Natural Gas, Diesel and Biodiesel |
| Gas Turbine 23 ..... | General Electric | FRAME - 5.1D | General Electric | ATB-2 | Natural Gas, Diesel and Biodiesel |

Fuel storage capacity of Sarmiento is 1,000 m3, enough to run up to 10 days considering a normal dispatch with diesel. Fuel supply is delivered by trucks.

The electricity generated by this plant and its generation capacity are sold to the MEM represented by CAMMESA. The plant is connected to the electricity distribution network through Energía de San Juan S.A.

The following table presents certain data relating to the Central Sarmiento power plant for the periods indicated:

|                                            | Year Ended December 31, |       |       |
|--------------------------------------------|-------------------------|-------|-------|
|                                            | 2022                    | 2021  | 2020  |
| Total Sales (GWh) .....                    | 33                      | 6     | 25    |
| Equivalent Availability Factor (EAF) ..... | 97.87%                  | 98.8% | 94.6% |

### ***Hydroelectric Power Plants***

#### ***Alicura***

Alicura is a hydroelectric plant with a total installed capacity of 1,050 MW, located in the Province of Neuquén over Limay River. We acquired the Alicura plant in August 2000, through a concession that expires in August 2023. See "Risk Factors—Risks Relating to Our Business—We operate our hydroelectric plants under concessions and we may be unable to renew our concessions before the maturity of the New Notes."

The Argentine government began construction of the Alicura dam in 1979. Commercial operations began in 1985. The Alicura dam's primary functions are the regulation of the flow of Limay River and the generation of energy. Alicura has a reservoir of 3,215 Hm3 that is filled with Limay River inflows of a historical average of 268 cubic meters per second (m3/seg). The generation plant has four Francis turbines of 262.5 MW manufactured by Allis Chalmers-Toshiba and four electric generators of 280 MVA that were manufactured by Toshiba.

The electricity generated by this plant and its generation capacity are sold to the MEM represented by CAMMESA. The plant is connected to the electricity high voltage network distribution network through Transener S.A.

The following table presents certain data relating to the Alicura power plant for the periods indicated:

|                                            | Year Ended December 31, |        |        |
|--------------------------------------------|-------------------------|--------|--------|
|                                            | 2022                    | 2021   | 2020   |
| Total Sales (GWh) .....                    | 1,553                   | 1,148  | 1,672  |
| Equivalent Availability Factor (EAF) ..... | 97.27%                  | 97.73% | 99.82% |

#### ***AES Cabra Corral Complex***

Cabra Corral is a hydroelectric complex located in the Province of Salta, consisting of two plants, Cabra Corral and El Tunal, with installed capacity of 102 MW and 10 MW, respectively. We acquired the AES Cabra Corral Complex in November 1995 and have the concession to operate the plant until November 2025.

Cabra Corral construction began in 1966 and it began commercial operations in 1972. Located over the Juramento River, the Cabra Corral Complex's primary function is to regulate the flow of the river during the year

and to generate energy. Inflows of the Juramento River come from heavy rains during the summer and from the water storage in Cabra Corral (2,784 Hm<sup>3</sup>) the rest of the year. Average inflows of the Juramento River are 29 m<sup>3</sup>/seg.

The electricity generated by this plant and its generation capacity are sold to the MEM represented by CAMMESA. The plant is connected to the electricity high voltage network distribution network through TRANSNOA S.A.

The following table presents certain data relating to the Cabra Corral hydroelectric power plant for the periods indicated:

|                                            | Year Ended December 31, |        |        |
|--------------------------------------------|-------------------------|--------|--------|
|                                            | 2022                    | 2021   | 2020   |
| Total Sales (GWh).....                     | 166                     | 142    | 158    |
| Equivalent Availability Factor (EAF) ..... | 96.85%                  | 97.77% | 97.16% |

#### *Ullum*

Ullum is a hydroelectric power plant located in the Province of San Juan, with an installed capacity of 45 MW. The plant consists of two Francis turbines. Ullum operates as a concession, which we acquired in March 1996, and will expire in February 2026.

Located over the San Juan River in the middle of a cascade of four hydroplants (Caracoles, Punta Negra, Ullum and Quebrada de Ullum), Ullum is a run-of-river hydroelectric power plant with an average inflow of 53 m<sup>3</sup>/seg. The San Juan River inflows come mainly from snow melt during the spring and the first part of the summer, and they are the main source of water for the irrigation of the Ullum valley and drinking water for the city of San Juan.

The electricity generated by this plant and its generation capacity are sold to the MEM represented by CAMMESA. The plant is connected to the electricity high voltage network distribution network through Distrocuyo, S.A.

The following table presents certain data relating to the Ullum power plant for the periods indicated:

|                                            | Year Ended December 31, |        |        |
|--------------------------------------------|-------------------------|--------|--------|
|                                            | 2022                    | 2021   | 2020   |
| Total Sales (GWh).....                     | 108                     | 105    | 146    |
| Equivalent Availability Factor (EAF) ..... | 99.96%                  | 94.14% | 99.99% |

#### **Wind Power Plants**

##### *Vientos Bonaerenses*

Vientos Bonaerenses wind farm was built in the town of Tornquist, Province of Buenos Aires and consists of two phases:

- Phase 1 of wind farm Vientos Bonaerenses has an installed capacity of 20 MW. This wind farm has six Acciona AW132 wind turbines of 3.325 MW each, with a 120-meter-high concrete tower. The wind farm was developed by us, through our subsidiary Energética Argentina S.A., and obtained its commercial authorization in October 2019. Phase 1 of wind farm Vientos Bonaerenses sells the electricity it generates to industrial customers under the “MATER” regulatory framework established by Resolution 281/2017 of the former Minister of Energy and Mining. Under this framework, we negotiate sales conditions directly with customers.
- Phase 2 of wind farm Vientos Bonaerenses has an installed capacity of 80MW. This wind farm has 24 Acciona AW132 wind turbines of 3.325 MW each, with 120-meter-high concrete tower, having obtained its commercial authorization on February 6, 2020. Phase 2 of wind farm Vientos Bonaerenses sells the electricity generated to CAMMESA under a contract within the “Renovar 2” regulatory framework. The plant is connected to the high voltage electrical distribution network (132 kV) through Transba S.A.

### *Vientos Neuquinos*

The Vientos Neuquinos wind farm is located in the town of Collon Curá, Province of Neuquén, with an installed capacity of 100 MW. This wind farm has 29 Acciona AW132 wind turbines of 3.465 MW each, with a 120-meter-high concrete tower. The wind farm obtained its commercial authorization on the following dates:

- June 17, 2020, resulting in total capacity of 31.18 MW
- July 31, 2020, resulting in total capacity of 65.84 MW
- August 22, 2020, resulting in total capacity of 83.16 MW
- September 30, 2020, resulting in total capacity of 100 MW

The Vientos Neuquinos wind power plant sells all of the electricity generated to industrial customers under the “MATER” regulatory framework established by Resolution 281/2017 of the former Minister of Energy and Mining. Under this framework, we negotiate sales conditions directly with customers. The plant is connected to the high voltage (132 kV) electric distribution network through EPEN S.A.

### *Macondo*

The Macondo wind farm project under development is located in the town of Tandil, Province of Buenos Aires, with an expected capacity of 140 MW.

On May 26, 2022, we executed a purchase option over the totality of the shares of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW wind farm (e.g., environmental impact studies, land use rights, easement agreements, etc.). Likewise, our Sierras del Buendía wind farm is registered with the Argentine Renewable Energy Projects (*Registro de Proyectos de Energía Renovable*) and will be able to participate in future tenders once fully developed. Our Sierras del Buendía is currently under development and not in operation.

## **Our Technology**

We seek to purchase our equipment from suppliers with globally recognized track records and experience. Some of our turbines allow us to generate power using natural gas, diesel oil, fuel oil or biodiesel.

### *Thermoelectric Technology*

The following table summarizes the turbine technology used by our thermoelectric power plants as well as their total capacity:

| Power Plant                      | Unit                 | Fuel                               | Cycle            | Turbines         | Capacity    | Total Capacity  |
|----------------------------------|----------------------|------------------------------------|------------------|------------------|-------------|-----------------|
| Central Térmica San Nicolás..... | Units 1 and 2        | Coal, Fuel Oil and Natural Gas     | Closed (Rankine) | Siemens          | 75 MW each  | 675 MW          |
|                                  | Units 3 and 4        | Fuel Oil and Natural Gas           | Closed (Rankine) | AEG              | 75 MW each  |                 |
|                                  | Unit 5               | Coal, Fuel Oil and Natural Gas     | Closed (Rankine) | Ansald           | 350 MW      |                 |
|                                  | Gas Turbine 3        | Natural Gas                        | Open             | Alstom           | 25 MW       |                 |
| AES Paraná .....                 | Gas Turbines 1 and 2 | Natural Gas, Diesel and Biodiesel  | Combined         | Mitsubishi 701F  | 263 MW each | 870 MW          |
|                                  | Steam Turbine        | Natural Gas, Diesel and Biodiesel  | Combined         | Mitsubishi       | 319 MW      |                 |
|                                  | Gas Turbine 4        | Natural Gas, Diesel and Biodiesel  | Gas Turbine      | Alstom           | 25 MW       |                 |
|                                  |                      | Natural Gas, Diesel, and Biodiesel |                  |                  |             |                 |
| Central Sarmiento ...            | 3 Units              | Biodiesel                          | Open             | General Electric | 11 MW each  | 33 MW           |
| <b>Total .....</b>               |                      |                                    |                  |                  |             | <b>1,578 MW</b> |

### ***Maintenance – Thermoelectric Plants***

Our maintenance programs for our thermoelectric plants provide for scheduled outages of our combustion turbine units in the AES Paraná combined cycle and in CTSN. The maintenance programs vary depending on the amount of accumulated equivalent operating hours, or EOH, for each unit. Inspections are divided into three categories: boroscope inspection, turbine, and major overhaul. Hot gas paths, fuel nozzles, combustor baskets, transition pieces, turbine vessels and rotating blades deteriorate and have a limited life because they are directly exposed to combustion. A boroscope inspection is performed every 8,000 EOH. This inspection consists of replacing combustor baskets and transition pieces, as well as inspecting the condition of the first section of turbine vanes and conducting a nozzle flow test. Every 16,000 EOH, the turbine section undergoes a hot gas path inspection, which lasts approximately 18 days. This includes replacing combustor baskets and transition pieces, as well as turbine blades and vanes. Turbine inspection is performed to check the hot gas path parts. Every 48,000 EOH, the combustion turbine undergoes major maintenance, which lasts approximately 32 days. This maintenance consists of the same inspection as the hot path inspection plus the replacement of the third and fourth rows of blades and vanes and the removal of rotors and the replacement of axial compressor parts as needed. Hot path and major inspections also include the removal and replacement of certain hot parts, such as combustor baskets, transition pieces, vanes and blades. The actual cost of these outages depends on whether new parts are required or existing parts are repaired.

Maintenance work is also conducted on the heat recovery steam generator, the steam turbine generator and remaining plant equipment. All of these inspections are performed according to the manufacturer recommendations. The heat recovery steam generator inspections principally consist of internal drum inspection and assessment, safety valves inspection and calibration and steam water piping inspection. These inspections are carried out every 8,000 EOH, depending on the wear on the turbines. The steam turbine is inspected every 24,000 EOH. This inspection consists mainly of inspections on both the main stop and reheats stop valves. Additionally, low pressure stage of the turbine is inspected with boroscope in order to verify the state of degradation of the blades. Every 48,000 EOH, a complete rotor inspection is performed.

Our maintenance program for our thermoelectric units with steam turbines in CTSN varies depending on the running hours of each unit. Annually our STs undergo routine maintenance that last between 15 and 21 days, these maintenances involve works in BOP (balance of plant), burners, coal transport systems and mills, ash capture and evacuation systems, safety valves, control valves and turbine stop valves, NDT (nondestructive tests) in boiler, etc. The major inspections of steam units are performed every 48,000 running hours and they undergo major maintenances that last between 45 and 90 days depending on the scope which involve the complete revision of steam turbine, generator, boiler, condenser, coal and ash systems and BOP.

### ***Maintenance – Hydroelectric Plants***

#### ***Cabra Corral and El Tunal***

Our maintenance program for our Cabra Corral and El Tunal hydroelectric plants provides for scheduled outages of our hydroelectric dams. The maintenance programs vary depending on the accumulated EOH for each unit, the accumulated hours for the dam and the regulated intervention on the evacuation equipment. These inspections consist of:

| <b>Maintenance Performed</b>                     | <b>Outage Time</b> |
|--------------------------------------------------|--------------------|
| Major maintenance (MI).....                      | 35 days            |
| Annual maintenance (AM) .....                    | 14 days            |
| Annual maintenance of small hydrogen plant ..... | 27 days            |
| Maintenance of submerged installations .....     | 14 days            |

During the last five years, we have been performing annual maintenance inspections at Cabra Corral and El Tunal every year, including control and maintenance of the submerged installations. Outages last approximately 14 days. We undertake major maintenance inspections every three years or 25,000 EOH.

### *Ullum and Alicura*

Maintenance programs for our Ullum and Alicura hydroelectric plants provide scheduled outages for power plant, water channel, dams and evacuation equipment. The maintenance programs vary depending on the accumulated EOH for each generator unit. An inspection and maintenance program for water channel, dams and the evacuation equipment is performed on an annual basis.

For the Ullum plant, maintenance consists of:

| <b>Maintenance Performed in Ullum</b> | <b>Outage Time</b> |
|---------------------------------------|--------------------|
| Major maintenance (MI).....           | 30 days            |
| Annual maintenance (AM) .....         | 10 days            |

Scheduled maintenance is performed every two years or 10,000 EOH.

For Alicura, maintenance consists of:

| <b>Maintenance Performed</b>            | <b>Outage Time</b> |
|-----------------------------------------|--------------------|
| Scheduled maintenance .....             | 30 days            |
| Annual maintenance (AM) .....           | 10 days            |
| Underwater facilities maintenance ..... | 10 days            |

Major maintenance is performed every two years or 10,000 EOH.

### ***Maintenance – Wind Farms***

#### *Vientos Bonaerenses and Vientos Neuquinos*

The maintenance of both wind farms is executed under a contract with Nordex, the Original Equipment Manufacturer (“OEM”) of our wind turbines the terms of which are governed by a Master Operation and Maintenance Agreement (“MOMA”). All activities involving wind farm operation and maintenance are conducted under our supervision and in accordance with our safety, health and environmental standards.

### ***Major Maintenance – Summary***

The table below summarizes the maintenance performed over the past years and a schedule for the upcoming years, represented by the average maintenance days for each power plant:

| <b>Average Maintenance Days</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CTSN .....                      | 29          | 8           | 7           | 0           | 13          | 20          | 28          |
| Paraná.....                     | 16          | 16          | 15          | 15          | 36          | 37          | 7           |
| Alicura.....                    | 8           | 7           | 3           | 18          | 9           | 41          | 32          |
| Central Sarmiento.....          | 32          | 8           | 20          | 26          | 11          | 15          | 38          |
| Ullum .....                     | 26          | 26          | 16          | 49          | 49          | 71          | 42          |
| Cabra Corral.....               | 22          | 14          | 9           | 20          | 24          | 39          | 32          |
| El Tunal.....                   | 10          | 14          | 9           | 24          | 24          | 20          | 39          |
| BESS (Renewable).....           | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| Vientos Bonaerenses .....       | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |
| Vientos Neuquinos .....         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         | N/A         |

### **Investments in FONINVEMEM**

Following Argentina’s economic crisis in 2001 and 2002 and the subsequent devaluation of the peso, there were significant imbalances between the electricity prices generators received and their operating costs. Resources in the country’s stabilization fund, a fund administered by CAMMESA intended to make up for fluctuations between the seasonal price paid by distributors and the spot price in the MEM, became scarce due to the Argentine government’s decision to maintain seasonal prices (the energy prices paid by distributors) below the spot price paid to generators. As a result, the Argentine government, through a series of resolutions, imposed a set of priorities with respect to payments made from this fund. This resulted in a system under which generators collected payment for only variable

generation costs and power capacity, while the resulting monthly obligations to generators for the unpaid balance were considered receivables without a due date (*liquidaciones de venta con fecha de vencimientos a definir*, or “LVFVD receivables”).

In 2004, through SE Resolution 826/2004, generators with receivables due to the lack of funds in the stabilization fund (including us) were invited to participate in forming the FONINVEMEM, created by SE Resolution 712/2004. The FONINVEMEM allowed electric energy generators to convert their outstanding receivables from electric power sales from January 2004 through December 2006 into an interest in one or more combined cycle projects, with a right to receive payment of their receivables once the new combined cycle plants built with FONINVEMEM financing become operational.

During the period ranging from January 2008 to January 2013, generators continued generating LVFVD receivables. On November 2011, generators (including us) signed an agreement with the Argentine government called “Generators’ Agreement 2008-2011” under which generators committed to build new power plants using their outstanding receivables. In return, the government would repay the receivables to generators, starting on the date of commercial operation of each plant, with 120 monthly installments plus an interest rate of LIBOR+5% and a shareholding interest of up to 30% of the value of the plant (depending on the amount contributed) at the end of the tenth year. We hold stakes in various trusts by virtue of several agreements entered into with the LVFVD authorities from the period from January 2008 to January 2013 in connection with the construction of TGB.

As of the date of this Exchange Offer Memorandum, four FONINVEMEM funds have been created to construct four facilities (TMB, TJSM, TGB and Vuelta de Obligado). We participated in TMB, TJSM and TGB by investing U.S.\$518 million in outstanding receivables (net of VAT) from electric power sales to CAMMESA from January 2004 through January 2013. All of TMB, TJSM and TGB are operating. For TMB and TJSM, all payments have been received. For TGB, we continue to receive periodic payments in accordance with the relevant regulations. We did not participate in Vuelta de Obligado.

## **Our Customers**

We sell the availability of most of our power generation capacity and the electricity that we dispatch under the Energía Base Framework. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Energy Prices Under the Energía Base Framework.”

### ***Energía Base Regulatory Framework***

We sell the generation capacity and electricity we generate at our seven thermoelectric and hydroelectric power plants to CAMMESA under the Energía Base regulatory framework established by virtue of SE Resolution 1/2019. Under this framework, tariffs are paid by CAMMESA based on a system of fixed and variable costs established by the Secretariat of Energy through SE Resolution No. 1/2019. Under the Energía Base regulatory framework, the fuel necessary to produce the energy we generate is mostly supplied by CAMMESA free of charge, following Resolution 12/2019 of the Ministry of Productive Development, which repealed previous Resolution 70/2018 of the Secretariat of Energy (with the exception of coal used by our CTSN thermoelectric plant, which we procure separately and which is a variable cost that we declare to CAMMESA every 15 days). See “The Argentine Electricity Industry and Regulation.”

### ***RenovAr 2 Regulatory Framework***

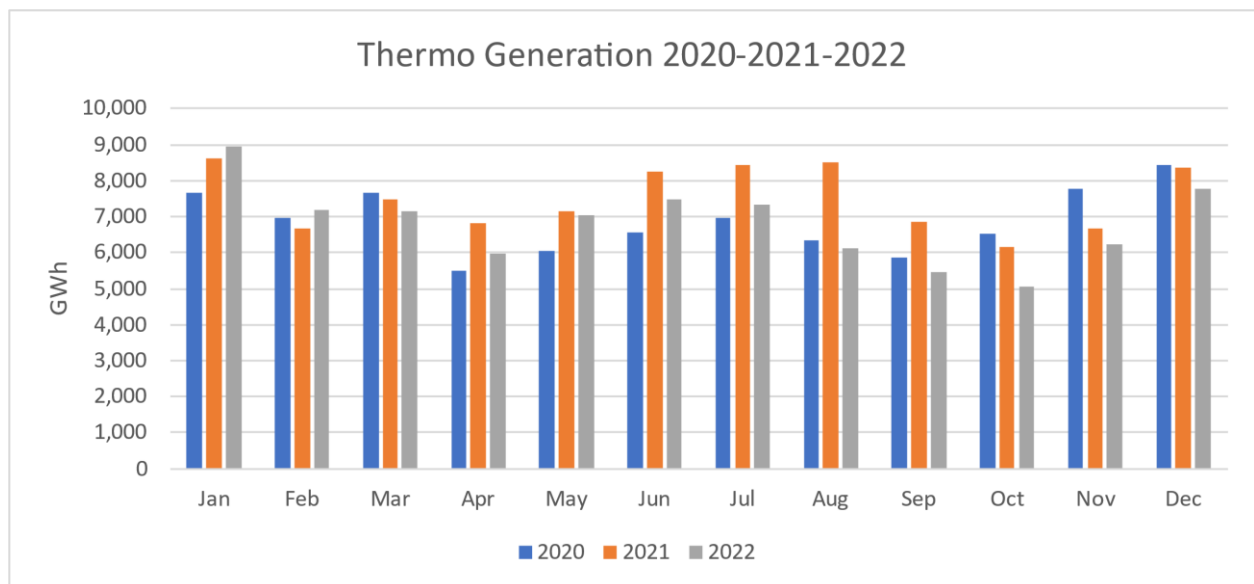
Generation from our wind farms is sold under long-term agreements with industrial customers under the “MATER” regulatory framework, established by Resolution MeyM 281/2017, and with CAMMESA under the RenovAr 2 regulatory framework. 80% of the energy from our 100MW Vientos Bonaerenses wind farm is contracted under RenovAr 2 PPAs and, and 20% is contracted with industrial customers under PPAs subject to the MATER regulatory framework. All the energy from our 100MW Vientos Neuquinos wind farm is contracted with industrial customers under MATER PPAs. Under the MATER regulatory framework, we directly negotiate the conditions of each PPA with our customers. Under both MATER and RenovAr 2, contract prices, both with CAMMESA and with industrial customers, are indexed to U.S. dollars.



## Seasonality

### *Seasonality of Electricity Generation by Thermoelectric Facilities*

The following graph breaks down our thermoelectric energy production over the last three years on a monthly basis:



### *Seasonality of Water Resources and Electricity Generation of Hydroelectric Facilities*

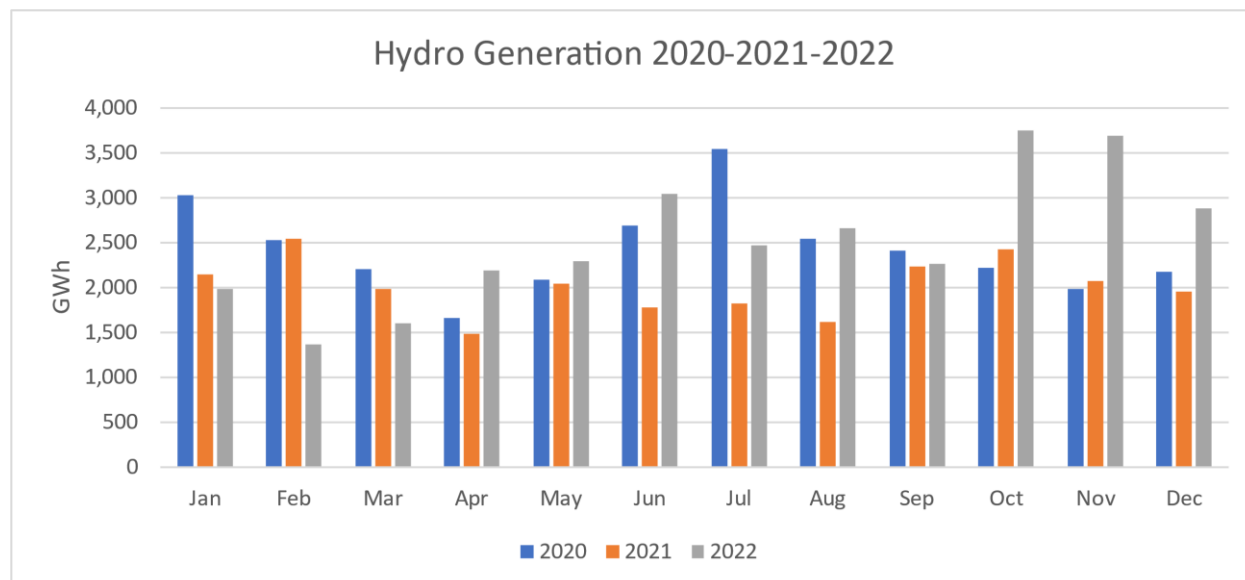
We operate hydroelectric facilities in three different basins in Argentina: Alicurá (located on the Limay River), Cabra Corral and Tunal (located on the Juramento River), and Ullum (located on the San Juan River).

Inflows of the Limay River come mainly from rain and snowfall during the winter and some rain and snowmelt during the spring and summer. Historical average inflow of the Limay River is 269 m<sup>3</sup>/second.

Inflows of the Juramento River come from heavy rains during the summer, and from water storage in Cabra Corral (2,784 Hm<sup>3</sup>) and Tunal (320 Hm<sup>3</sup>) during the rest of the year. Average inflows of the Juramento River are 29 m<sup>3</sup>/second.

The San Juan River inflows come mainly from snow melt during the spring and the first part of the summer, and are the main source of water for the irrigation of the Ullum valley and drinking water for the city of San Juan.

The following graph breaks down our average hydroelectric energy production over the last three years on a monthly basis:



### Property, Plant and Equipment

Most of our property, plant and equipment is intended to be used in the generation of electricity and all of it is located in Argentina.

We believe that all of our production facilities are in good operating condition. We own all of our plants, and we believe that our facilities are in accordance with standards generally accepted in the electric power industry. As of December 31, 2022 and December 31, 2021, the consolidated net book value of our property, plant and equipment was Ps.76,361,962 thousand and Ps.85,873,819 thousand, respectively.

The following table lists the value of our property, plant and equipment as of December 31, 2022 and December 31, 2021:

| Main Item                               | As of December 31,                                                    |                   |
|-----------------------------------------|-----------------------------------------------------------------------|-------------------|
|                                         | 2022                                                                  | 2021              |
|                                         | (in thousands of pesos, in constant currency as of December 31, 2022) |                   |
| Construction in progress.....           | 311,770                                                               | 349,668           |
| Lands .....                             | 36,076                                                                | 36,076            |
| Buildings .....                         | 918,540                                                               | 967,859           |
| Electric power facilities .....         | 74,711,045                                                            | 84,169,433        |
| Information technology equipment .....  | 124,932                                                               | 162,651           |
| Furniture, fixtures and equipment ..... | 41,366                                                                | 57,213            |
| Vehicles.....                           | 121,364                                                               | 99,420            |
| Other property plant and equipment..... | 96,869                                                                | 31,499            |
| <b>Total for current year .....</b>     | <b>76,361,962</b>                                                     | <b>85,873,819</b> |

### Competitive Framework

Demand for power and electricity in Argentina is served by a variety of generation companies, both state-owned and private. These companies seek to supply generation capacity and electricity and to develop projects to serve the growing demand for electricity in Argentina. During the second half of 2022 (and particularly, on December 6, 2022 per CAMMESA's records), there was a historic demand peak recorded totaling 28.3 GW, which was supplied by 26.5 GW of capacity domestically (out of a total installed capacity of 42.9 GW) and the remainder from Brazil and Uruguay.

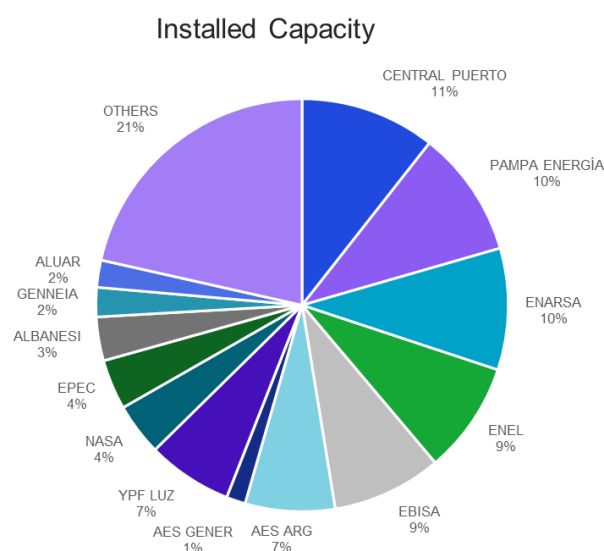
Our primary competitors in the electricity generation market are Central Puerto S.A., Pampa Energía S.A. and the ENEL Group.

Below we detail the installed capacity of the main private generators in Argentina as of December 31, 2022:

| Company and subsidiaries           | Power (MW) |
|------------------------------------|------------|
| AES Argentina Generación S.A. .... | 3,001      |
| Central Puerto S.A.....            | 4,551      |
| Pampa Energía S.A.....             | 4,268      |
| ENEL Group.....                    | 3,757      |

Sources: CAMMESA

The following graphic breaks down market share of electricity generation supplies in Argentina as of December 31, 2022:



Our efficiency levels have generally been better than the system average. We believe our AES Paraná plant is one of the most efficient combined cycle plants in the system because it is one of the newer entrants. In terms of steam turbines, while our CTSN plant has a similar efficiency as the rest of the system, the variable cost of its energy is cheaper because of its fuel capabilities. Therefore, CTSN's coal fired units run as base turbines as they are the cheapest units to run following the combined cycles units.

## Fuel Procurement

We procure coal separately for our CSTN thermoelectric power plant, which is a variable cost that we declare to CAMMESA every 15 days. The rest of the fuels used by our plants are supplied by CAMMESA, following Resolution 12/2019. For coal procurement, we leverage on the AES global capabilities. Currently most of the coal is sourced from Australia and Colombia. See "Risk Factors—Risks Relating to Our Business—Factors beyond our control may affect the supply of coal for CTSN or supply of fuel at our other thermoelectric plants."

## Legal Proceedings

We are involved in several claims and legal actions arising in the ordinary course of business. These legal proceedings or regulatory actions are not likely to have a material adverse effect on our operations or financial condition individually or in the aggregate.

On December 12, 2019, the Company was notified of a claim for an undetermined amount in the proceeding entitled: "Schwindt Lucía y Otro c/ AES Corporación – AES Argentina s/ Acción Preventiva (Daños)," File No. 11,247/2019, pending before the Civil and Commercial Court No. 4 of San Nicolás, province of Buenos Aires, in

connection with an alleged environmental damage supposedly produced by the Company as a consequence of the operation of CTSN. The abovementioned Court suspended the proceedings until June 2023 to let the parties discuss a possible settlement, and such term expired without an agreement. As of the date of this Exchange Offer Memorandum, the suspension of the proceedings has ended, the proceedings have been resumed and no injunctions or measures have been taken by the relevant Court.

## **Employees**

As of December 31, 2022, we had 318 employees. All of our employees have a right to a participation bond, as determined by our shareholders in accordance with our bylaws.

We have not entered into any significant outsourcing agreements or stock options in connection with our employees.

With the objective of long-term company sustainability and professional development, we develop and train our employees to be able to appropriately face present and future challenges. In order to effectively and efficiently operate our generation plants, administer our business and construct and implement our development projects, we seek to stimulate and retain our personnel while strengthening our team with suitable individuals that have the potential to take on new projects and successfully replace existing professionals. Within this framework, in recent years, we have focused our efforts on developing the skills of our existing and recently hired employees to be able to fill positions at our plants. We seek to maintain a pleasant work atmosphere and encourage communication between team leaders and the professionals they supervise. We hold leadership workshops as part of an ongoing program to promote team leadership skills and to help leaders acquire the tools they need to succeed as managers.

## **Unions**

There are three union associations, in which approximately 74% of our workers were enrolled as of December 31, 2022. Historically, we have had good relations with those unions and have been able to agree on terms without being exposed to strikes. We have not experienced any significant strikes.

The collective bargaining agreements entered into with the several unions that have members working at our sites include the terms and conditions that govern the employment contracts of the workers affiliated with each of these unions. Some of the most relevant terms and conditions of these agreements discriminate those positions that are included in and those excluded from bargaining, work schedules, salary levels and additional amounts payable on the basis of the employee's job, working days and leaves, among others.

Matters that are not specifically agreed upon in collective bargaining are governed by the applicable Argentine labor laws.

The collective bargaining agreements are entered into for a specific term and may be renewed by the parties. If not renewed, they may remain in place under the principle of survival of repealed laws set forth in Collective Bargaining Agreement Law No. 14,250.

## **Insurance**

We believe that the level of insurance coverage that we maintain for our properties, operations, personnel and businesses is reasonably appropriate for the risks that we face and is comparable to the level of insurance coverage maintained by other companies of a similar size operating in the businesses in which we are engaged.

We currently have a comprehensive insurance package which includes property damage and business interruption. These policies cover our physical assets such as power plants, offices, equipment and substations as well as the cost of business interruption from equipment breakdown or catastrophic events. We also have third party liability coverage, including employers' liability and excess motor liability. In addition, we maintain all risk coverage in connection with (i) construction, which includes coverage of material damages, delayed start up, marine cargo and third party liability and (ii) the retrofitting of our existing units.

We maintain insurance policies with global and local insurance firms such as Zurich, La Meridional Cia. de Seguros (AIG), La Caja Seguros, SURA Seguros, CHUBB, and QBE, among others.

## **Environment**

We are committed to incorporating the principles and practices of corporate sustainability in our culture and in the day-to-day management of our business. This commitment inspires us to plan and make short, medium and long-term decisions, taking into account, in a balanced way, economic, environmental and social aspects. We always put occupational health and safety issues first for all people working in our plants and recognize environmental protection as a fundamental part of our business performance.

To ensure compliance with the regulatory framework and safety, health and environmental standards, we have developed an Audit and Legal Compliance Assessment Program to follow up on the relevant findings. These audits are carried out both internally and with the collaboration of external consultants. Our Audit and Legal Compliance Assessment Program includes the following audits:

- Legal compliance audits on safety, health and environment, which are performed with the support of specialized consultants.
- Internal audits on safety, health and environment, which are based on our corporate standards (i.e., ISO 14001/15 EMS and ISO 45001/18 SGS).
- Third party audits on safety, health and environment, through ISO Standards Certifying Bodies.

All of our plants are certified under international standards for Quality (ISO 9001:15), Health and Safety (ISO 45001:18), and Environment (ISO 14001:15). Additionally, CSTN and Alicura are certified for Asset Management (ISO 55001:14). During 2021, we started a unification process between Chile, Colombia y Argentina, which has allowed us to achieve unique certifications according to ISO 14001 and 45001 International Standards.

## **Safety**

Safety is our top corporate value. We focus on work related safety, emphasizing risk prevention for our employees, contractors and the communities where we are located, and our employees and contractors have all been granted “stop-work” authority. Periodic activities, which include monthly safety meetings and on-site inspections, are held throughout the Company in order to keep our safety culture active. We conduct regular activities, including monthly safety meetings and site inspections, to maintain an active safety culture. Those in leadership positions perform these periodic on-site inspections, or “safety walks,” in order to involve management in promoting and monitoring safety within each of our business areas. We work continually to meet the exacting international safety standards of AES and to comply with Argentine Law and the Occupational Safety and Health Administration’s safety regulations.

In recent years we have been working to implement new digital tools for environmental and safety management. In order to maintain our strict safety standards, we have also implemented a complete internal auditing plan at our generation, transmission and construction businesses. In addition, we have worked to improve contractors’ safety standards, providing technical assistance to help them improve their standards and improve efficiency. Our contractors must meet our same standards, the implementation of which has resulted in a significant decrease in accidents.

In order to preserve and improve our safety culture we have been working intensively with our employees and contractors on the dissemination of the values, safety beliefs, and “stop-work” authority. We focus on work related safety, emphasizing risk prevention for our employees, contractors and the communities where we are located. The communication of preventive measures are carried out by means of activities ranging from safety meetings with all staff, committee meetings, walks, safety inspections, incident reporting, newsletters, intranet and monitors. Currently all businesses have an integrated management system and maintain certifications according to ISO 14001, ISO 9001 and ISO 45001. Additionally, CSTN and Alicura are certified under ISO 55001 (Asset Management).

## **Corporate Social Responsibility**

Corporate social responsibility is also one of our priorities. We interact with the communities where our assets are located, striving to establish permanent relationships through the creation of social responsibility initiatives and development programs.

Since 2016, in Salta, we participate in an infant malnutrition control program, together with Fundación Nutrir (CONIN). We also collaborate with the Carita de Jesús Community Dining Room in the town of Cobos and the San Bernardo dining room in Coronel Moldes by donating a daily lunch for children, pregnant women and the elderly. We also provided assistance to schools by supplying building materials.

In the city of San Nicolás, Province of Buenos Aires, we collaborated in a program focused on the development of parks and plazas in the Saavedra neighborhood together with the Municipality of San Nicolás. We participated in the UNAMOS group, which is comprised of local NGOs and companies, with the aim of working together on environmental protection initiatives. We also collaborate with Asociación Nicoleña Antipoliomielítica y de Rehabilitación for the purchase of equipment and building improvements. We participate in the annual marathon organized by a cultural center, where donations are used for workshops and training courses designed to prepare young people for the job market.

We actively collaborate with and donate to schools to promote the education of children. We have helped schools to fund student trips to the Mathematics Olympics 2022. We also welcome students for a presentation and a tour of the plants, and we visit primary and lower secondary schools to provide training on energy generation, rational use of energy, first aid, and safety at home and on public roads.

## THE ARGENTINE ELECTRICITY INDUSTRY AND REGULATION

### The Argentine Electric Power Sector

*The following is a summary of certain matters relating to the electric power industry in Argentina, including provisions of Argentine laws and regulations applicable to the electric power industry and to us. This summary is not intended to constitute a complete analysis of all laws and regulations applicable to the electric power industry. Investors are advised to review the summary of such laws and regulations published by the Secretariat of Energy (<https://www.argentina.gob.ar/economia/energia>), CAMMESA ([www.cammesa.com.ar](http://www.cammesa.com.ar)) and the Ente Nacional Regulador de la Electricidad (Argentine Electricity Regulatory Entity, or “ENRE”) ([www.enre.gob.ar](http://www.enre.gob.ar)) and to consult their respective business and legal advisors for a more detailed analysis. None of the information on such websites is incorporated by reference into this Exchange Offer Memorandum.*

#### **History**

During the majority of the second half of the 20th century, the assets and operation of the Argentine electric power sector were controlled by the Argentine government. By 1990, virtually all of the electric power supply in Argentina was controlled by the public sector (97% of total generation). The Argentine government had assumed responsibility for the regulation of the industry at the national level and controlled all of the national electric power companies. In addition, several Argentine provinces operated their own electric power companies. As part of the economic plan adopted by former President Carlos Menem, the Argentine government undertook an extensive privatization program of all major state-owned industries, including those in the electric power generation, transmission and distribution sectors. Argentine Law No. 23,696 passed in 1989 (the “Federal Reform Law”) declared a state of emergency for all public services and authorized the Argentine government to reorganize and privatize public companies. The privatization had two ultimate objectives: first, to reduce tariffs and improve service quality through free competition in the market, and second, to avoid the concentration of control of each of the three subsectors of the market in a small group of participants and thereby reduce their ability to fix prices. Separate limitations and restrictions for each subsector were imposed in order to reach these goals. In accordance with the Federal Reform Law, Decree No. 634/1991 established guidelines for the decentralization of the electric power industry, for the basic structure of the electric power market, and for the participation of private sector companies in the generation, transmission, distribution and trading sub-sectors.

#### **General Overview of Legal Framework**

##### *Key Statutes and Complementary Regulations*

The basic regulatory framework of the Argentine electric power sector currently consists of the following rules: (i) Law No. 15,336, enacted on September 20, 1960, as amended by Law No. 24,065, passed on December 19, 1991, partially promulgated by Decree No. 13/92, and regulated by Decree No. 1398/92 and Decree No. 186/95 (collectively, the “Regulatory Framework”), (ii) Law 24,065 which implemented privatizations of government-owned companies in the electric power sector and separated the industry vertically into four categories: generation, transmission, distribution and demand, and also provided for the organization of the MEM (described in greater detail below) based on the guidelines set forth in Decree No. 634/91; and (iii) Decree No. 186/95, which also created the notion of “participant,” including the “trader,” which is defined as a company that is not a MEM agent but trades electric power in bulk.

##### *ENRE*

Law No. 24,065 also created the *Ente Nacional de Regulador de la Electricidad* (Argentine National Electricity Regulator) (“ENRE”) as an autonomous entity within the scope of the former Secretariat of Electric Energy (currently, Secretariat of Energy under the Ministry of Economy), the main duties of which are as follows: (a) enforcing the Regulatory Framework and controlling the rendering of public services and the performance of the obligations set forth in the concession contracts at a national level; (b) issuing the regulations applicable to the MEM agents; (c) setting forth the basis for calculation of tariffs and approving the tariff schedules of transmission and distribution companies holding national concessions; (d) authorizing electrical conduit easements; and (e) authorizing the construction of new facilities. Besides, Law No. 24,065 has entrusted ENRE with a jurisdictional function. Any dispute arising between MEM agents should be subject to prior compulsory jurisdiction of ENRE (subject to further judicial review).

Pursuant to Decree No. 258/16, the Executive Branch appointed four interim members of the ENRE's board of directors and ordered the former Ministry of Energy and Mining to put in place an open call (*convocatoria abierta*) to select the members of the ENRE's board of directors. The Executive Branch had designated the five new board members through Decree No. 84/2018.

However, in 2019, Section 6 of the Solidarity Law authorized the Executive Branch to intervene in the ENRE's board for one year. In that context, the ENRE was intervened by virtue of Decree No. 277/2020 until December 31, 2020. This intervention was extended until December 31, 2021 by means of Decree No. 1020/2020 and until December 31, 2022, by means of Decree No. 871/2021.

Later, though Decree No. 815/2022, the Executive Branch extended ENRE's intervention as from January 1, 2023 for an additional period of one year or until the new tariff regime resulting from the Definitive Agreements of the Comprehensive Tariff Review (RTI) come into effect, whichever occurs first.

#### *The Secretariat of Electric Energy*

In addition to the ENRE, another of the main regulatory entities in Argentina is the Secretariat of Energy. Its role is defined in Law No. 24,065 and Decree No. 50/2019. Pursuant to Decree No. 50/2019 (as amended, particularly by Decree No. 480/2022), its main duties are:

- To intervene in the elaboration and execution of the national energy policy.
- To take part in the plans, programs and projects of the area of its competence and in its budgetary, accounting and financial management.
- To intervene in the elaboration and supervision of the fuel regime and to be involved in the setting of fuel prices, when appropriate, in accordance with the respective guidelines.
- To intervene in the preparation of policies and standards for the regulation of public utilities in the energy area, in the supervision of the agencies and entities that control public works or services concessionaires, as well as in the preparation of standards for the regulation of public utilities licenses applicable to federal regimes in the energy area.
- To exercise the functions of enforcement authority of the laws that regulate the exercise of the activities in energetic matters.
- To take part in the segmentation of the subsidies of the tariffs of the public services of the energy area and in the elaboration of tariff structures in energy matters.
- To take part in the design and execution and to assist in the elaboration of the policy of export reimbursements and refunds.
- To assist the Minister of Economy in research and technological development in connection with the various energy areas.
- To exercise the powers granted to federal government agencies under Law No. 27,007.
- To direct the representation in the companies of the energy sector in which the Secretariat has a shareholding and exercises its shareholding.
- To coordinate the management of the directors representing the Federal Government in those companies of the energy sector with State participation within the Jurisdiction.
- To promote the application of sector policies encouraging the rational exploitation of natural resources and the preservation of the environment.
- To promote the use of new energy sources, the incorporation of conventional hydroelectric supply and research applied to these fields.



- To assist in the execution of international and interjurisdictional cooperation and integration agreements on energy matters to which Argentina is a party, and to supervise their execution.
- To take part in the design and execution of the policy for the survey, conservation, recovery, defense and development of natural resources in the energy area.
- To represent the Secretariat in the Federal Council of Electric Energy.
- To be involved in the definition of nuclear policy, in all matters related to the peaceful uses of nuclear energy or radioactive sources, the fuel cycle, the management of radioactive waste, the development and research of nuclear activity, and in particular those related to the generation of nuclear power.
- To exercise the supervisory control of ENRE, the National Gas Regulatory Entity (“ENARGAS”), the Special Unit of the Transmission System (Unidad Especial del Sistema de Transmisión de Energía Eléctrica – UESTEE) and the National Commission of Atomic Energy (CNEA).
- Promote and enter into agreements with public and private entities and participate in negotiations with national and international organizations in the energy field.

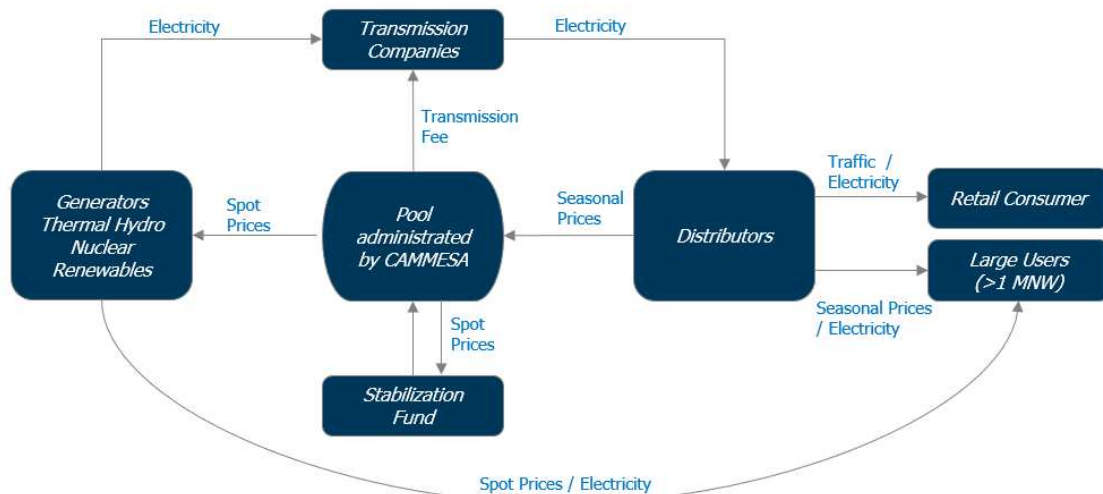
*MEM (Wholesale Electricity Market for its acronym in Spanish)*

Pursuant to Section 35 of Law No. 24,065 and other regulations, the *Despacho Nacional de Cargas* (National Dispatch Board) must be structured as a corporation. CAMMESA was created for such purpose (Decree No. 1,192/92) and to coordinate the technical and administrative supply and demand of electric power within a real-time operation system, centralizing and processing information produced by the MEM agents. CAMMESA also acts as a collection entity for all MEM agents.

The MEM consists, in principle, of:

1. a **term market**, where contractual quantities, prices and conditions are freely agreed upon among sellers and buyers. However, Resolution No. 95/2013 established the suspension of new contracts in the term market, with the exception of those contracts entered into under certain special regimes, and those contracts that have a differential remuneration regime, and this suspension remains in effect to this day. Since the entry into force of Resolution No. 95/2013, large users of the MEM must purchase their electricity demand directly from CAMMESA, except in the case of contracts entered into under special regimes;
2. a **spot market**, where prices are established on an hourly basis based on the economic production cost, represented by the short-term marginal cost measured at the system’s load center (market node) (however, in practice, this system has suffered significant regulatory distortions since the year 2002.) Purchases made in the spot market vary according to the nature of the buyer: large users, generators and self-generators pay the Spot Price, while distributors pay a seasonal price calculated by CAMMESA and approved by the SE. Seasonal prices are periodically established by the SE based on the programming made by CAMMESA, and maintained for six-month periods (subject to quarterly adjustments), in order for distributors to pay a stabilized price, and thus be able to transfer it to the tariffs paid by end users. It should be noted that since 2002, this price is not transferred in full to demand agents of the MEM, which in turn leads to relevant deficits in the Stabilization Fund (as defined below) administered by CAMMESA. Finally, the electricity remuneration values for generators (Energía Base) are set by the National Argentine government; and
3. a quarterly **stabilization system** of spot market prices, intended for the purchases of electric power by distributors.

The following chart shows the relationships among the various actors in the MEM:



### ***Procedures for the Programming of Operation, Dispatch and Price Calculation***

For the purposes of implementing the provisions set forth in the Regulatory Framework, a set of regulatory provisions were issued, through former Secretariat of Electric Energy Resolution No. 61 of April 29, 1992, which are referred to as the “Procedures for the Programming of Operation, Dispatch and Price Calculation” (the “Procedures”). The Procedures have been amended, supplemented and extended by subsequent resolutions issued by the relevant authorities.

#### ***CAMMESA***

CAMMESA is a not-for-profit corporation. The shareholders of CAMMESA each hold twenty percent stakes and are as follows: the Argentine government (represented by the Secretariat of Energy) and the four associations representing the different segments of the electric power sector (generation, transmission, distribution and large users).

CAMMESA is managed by a board of directors composed of ten regular directors and up to ten alternate directors, which are appointed by its shareholders. Each of the associations that represent the different segments of the electric power sector is entitled to appoint two regular directors and two alternate directors. The two remaining regular directors of CAMMESA are the current Secretariat of Energy, who serves as chairman of the board and an independent member who acts as vice chairman, appointed at a meeting of the shareholders. The decisions adopted by the board of directors of CAMMESA require the affirmative vote of a majority of the directors present at the meeting, including the affirmative vote of the chairman of the board.

CAMMESA is in charge of:

- managing the SADI in accordance with the Regulatory Framework, which includes:
  - determining the technical and economic dispatch of electric power (including determining the schedule of production of all generation plants of a power system to balance the production with the demand) at the SADI;
  - maximizing system security and the quality of electric power supplied;
  - minimizing wholesale prices in the spot market;
  - planning energy capacity requirements and optimizing energy use in accordance with the rules set forth periodically by the Secretariat of Electric Energy; and

- monitoring the operation of the term market and administering the technical dispatch of electric power under the agreements entered into in that market.
- acting as agent of the various MEM participants;
- purchasing and selling electric power from or to other countries by performing the relevant import/export transactions within the framework of existing agreements between Argentina and bordering countries and/or among MEM agents and third parties from bordering countries; and
- carrying out the commercial administration and dispatch of fuels for the MEM generation plants.

In addition to the responsibilities mentioned above, under current applicable regulations, CAMMESA has been tasked with the role of acquiring and supplying the fuel for the electric power sold under the Energía Base free of charge to the generators.

Since January 1, 2021, and as a result of the implementation of the “GasAr” Plan (Plan Gas IV), the Secretariat of Energy established through Resolution 354/20 dated 12/1/2020, that those generators authorized to carry out self-management of fuel in the MEM, and therefore not subject to resolutions 95/2013 and 529/2014, they may assign to CAMMESA the operational management of the gas volumes contracted with producers with gas volumes awarded in the Gas Plan IV and / or the gas transportation service / s contracted with Natural Gas carriers and / or Distribution companies, so that said contracts (volumes and transportation of natural gas) are assigned for their consumption in thermal generation in such a way to minimize the total costs of supplying the MEM.

CAMMESA’s operating costs are funded by means of the mandatory contributions of all MEM participants.

On the other hand, the Secretariat of Energy, through Resolution 354/20, established, among other things, that as long as the Plan “GasAr” (Plan Gas IV) remains in force, the Generators of the MEM will be able to adhere to the centralized dispatch, assigning to CAMMESA the contracts that they had with natural gas producers or transporters, in order for said contracts to be used by the Dispatch Agency (OED) based on the dispatch criteria.

Likewise, Resolution 354/20 established that generating agents that have obligations to supply their own fuel under the framework of Resolution No. 287/2017, will have the option of canceling such obligations, which would result in the consequent recognition of their associated costs. Generators that exercise this option have to preserve the maintenance of the respective transport capacity for the purposes of its management in the centralized dispatch, as long as CAMMESA determines the convenience of preserving such maintenance obligations.

### ***Provincial Regulatory Powers***

Provinces can (and do) regulate the electrical system within their territories, and are enforcement authorities in charge of granting and controlling electric power distribution concessions within their territories. Nonetheless, if a provincial electric power market participant is connected to the SADI, it must also comply with federal regulations. In general terms, provinces have followed federal regulatory guidelines and have established similar regulatory institutions. In addition, isolated provincial electric power systems are very rare, and most provincial market participants are connected to the SADI and buy and sell electric power in the MEM, which falls within the regulatory powers of the Argentine government.

Pursuant to Sections 6 and subsequent Sections of Law No. 15,336, electric power generation, whatever its source, transformation or transmission, is subject to exclusive federal jurisdiction when:

1. it is related to national security;
2. it is aimed to be used in the trade of electric power between different jurisdictions and districts inside the country (e.g., between two different provinces or between the City of Buenos Aires and a province);
3. it is correlated to a place that is exclusively under jurisdiction of the Argentine Congress;
4. it is related to hydroelectric or tidal energy facilities that need to be connected between them or with others of the same or different source for a rational and economic use of them;

5. it is connected to the *SADI* in any spot of the country;
6. it is related with the trade of electric power with a foreign nation; or
7. it is related to electric power plants that use or transform nuclear or atomic energy.

This exclusive federal jurisdiction implies, among other things, that provinces have limited taxing and police powers when generation, transformation and transmission facilities of electric power are involved.

## **Structure of the Industry**

### ***Generation and the MEM***

According to Law No. 24,065, electric power generation is classified as an activity of general interest associated with the provision of the public service of transmission and distribution of electric power but conducted within the framework of a competitive market. As a result of the privatization and incorporation of new market players, the generation sector, even after a consolidation process that took place over the past few years, has a structure with at least five major companies of similar size: (i) AES Argentina (which includes Central Térmica San Nicolás S.A. and Hidroeléctrica Alicurá S.A.); (ii) Endesa Argentina S.A.; (iii) Pampa Energía S.A. (which includes Central Térmica Güemes S.A., Central Térmica Loma la Lata S.A., Inversora Piedra Buena S.A., Inversora Diamante S.A., CTG and Inversora Nihuales, and the plants formerly owned by Petrobras Argentina S.A., which were assumed by Pampa Energía S.A.) and (iv) Central Puerto S.A. In addition, a significant portion of the generation sector is controlled by state-owned and state-controlled companies (e.g., Yacretá, Salto Grande, Atucha and Embalse and YPF) and other private sector generators (e.g., Orazul, Albanesi and Capex).

Thermal electric power generators (i.e., generation using natural gas, liquid fuels derived from oil, such as gas oil and fuel oil or coal) do not need a concession granted by the government to operate, whereas hydroelectric power generators do need a concession granted by the government to be able to use water sources. Typical terms included in concession agreements include the right to use water resources and facilities for a fixed amount of time (e.g., thirty years), in cases where the dam is owned by the Argentine government or an Argentine provincial government, and the option to extend or renew the concession period for a fixed number of years. Usually, the concessionaire must make a one-time initial payment to the Argentine government or an Argentine provincial government in exchange for the rights granted in the concession and periodically must pay a fee and/or royalties to the respective provincial government where the river is located in exchange for the use of this water resource. Normally, these periodic fees vary according to the amount of energy generated.

As of the date of this Exchange Offer Memorandum, following the enactment of SE Resolution 95/2013, large users operating in the term market purchase electric power through agreements with CAMMESA, except for those power purchase agreements executed under certain special regimes or under the scope of Resolution No. 281/2017, which created the renewable energy term market.

### ***Electricity Dispatch and Spot Market Pricing Prior to SE Resolution No. 95/13***

According to the Regulatory Framework, an electric power generators' remuneration is a function of two components: (1) a variable component, based on quantity of energy sold in the market, and (2) a fixed component that aims to remunerate the generator for each MW of capacity of its units available per hour in the MEM, regardless of the consumption of the electric power generated by such units. The value of the fixed component depends on, among other things, the connection node to which the unit connects to the *SADI*.

In accordance with the spot market that was in place prior to the Energía Base regulatory framework, electric power was traded at prices reflecting supply and demand. CAMMESA dispatched the available power units based on the variable costs of production determined by the generation agents, either based on the cost of fuel or the price of water determined, dispatching the most efficient power units first. The spot market price was determined by CAMMESA on an hourly basis at a specific geographic location, referred to as the "market node," which was located in the system's load center at Ezeiza, Province of Buenos Aires. The energy price consisted of a value referred to as the "marginal system price" or "market price," and represented the economic cost of generating the next MWh to satisfy an increase in demand at the same value. The seasonal price fixing system was directly related to the quarterly average prices of the spot market.

CAMMESA is regulated in a manner that is intended to keep operating costs low and to optimize prices. Pursuant to the regulations and procedures enforced by the Secretariat of Energy, CAMMESA applied optimization models in accordance with applicable regulations, based on weather estimates, dam levels, rain forecasts for the following months and the availability of nuclear plants and thermal machines. These optimization models were aimed at keeping operating costs at the lowest possible level while satisfying the expected daily demand for electric power.

To meet electric power demand, CAMMESA organizes and coordinates the electric power dispatch of generators by prioritizing power units with a lower variable production cost, followed by those with a higher variable production cost, until all electric power demand has been satisfied. Generators must inform CAMMESA of the thermal generation plants' variable production costs, which depend on the availability of different types of fuels provided by CAMMESA (e.g., natural gas, fuel oil and gas oil).

With respect to demand, CAMMESA calculates the typical hourly consumption curves considering the limitations of the transmission grid, the needs of distributors, large users and self-generators that purchase energy in the MEM, and demand from interconnected importing countries that only receive energy if there is excess supply in Argentina.

As a result of this process, CAMMESA defines an optimal market price, which results from adding the variable cost of transmission from the generator's connection point to the market node to the accepted variable production cost.

The procedure described above is used to project the future needs of the SADI and MEM. However, often projections and actual market conditions differ, which creates differences between purchases by distributors at seasonal prices and payments to generators for energy sales at the spot price.

However, in practice, the Spot market pricing mechanisms have suffered significant changes since 2002, e.g., by establishing price caps. By means of Resolution No. 95/2013, relevant changes were made to the remuneration of the generation sector, transforming the system into a "cost plus" regime, in which generators are remunerated on the basis of variable "non-fuel" costs, fixed costs and an additional margin. In addition, Resolution No. 95/2013 prohibited generators to purchase their own fuel, with CAMMESA being the only buyer and administrator of fuel.

### ***The Stabilization Fund***

Energy prices are passed on to end-users through the public utility distribution companies. To fix prices for end-users, CAMMESA analyzes electric power supply and demand for the period for which the price is being calculated. The seasonal price is a fixed quarterly price. The Regulatory Framework created the stabilization fund (the "Stabilization Fund") that absorbs the differences between the seasonal price and the spot price in the MEM. When the seasonal price is higher than the spot price, there is an accumulated surplus in the Stabilization Fund. Any surplus is used to offset any losses resulting from periods during which the spot price has been higher than the seasonal price. However, due to public policies with respect to tariffs, the Stabilization Fund was in deficit since 2003.

Through the enacted Resolution No. 7/16, the former Ministry of Energy and Mining suspended any transfer of funds from the Stabilization Fund to EDENOR and EDESUR intended to fund these companies' planned works, which would have been implemented through financing agreements with CAMMESA and funded by the Stabilization Fund.

### ***Developments since the Public Emergency Law No. 25,561***

Since the approval of the Public Emergency Law No. 25,561 (the "Public Emergency Law") on January 6, 2002, a series of temporary provisions amended the original mechanism for the determination of prices in the MEM. The measures adopted pursuant to the Public Emergency Law also distorted this mechanism: in spite of an increase in the spot price, the seasonal price remained frozen for all users until 2004, when a partial adjustment was adopted that did not affect residential demand. As a result, the amounts collected based on seasonal prices have been lower than the amounts based on spot prices, therefore increasing the Stabilization Fund deficit.

In addition, the remuneration to power generators was maintained in artificial low levels through regulations that, among other measures, set a cap on spot prices and froze capacity payments.

Resolution No. 6/16 issued by the former Ministry of Energy and Mining on January 27, 2016, sought to gradually implement a standardization program of several macroeconomic variables, foster the efficient and rational use of electric power and ensure that the appropriate conditions are in place to benefit from private sector investments in the sector's activities and segments. Pursuant to this resolution, the former Ministry of Energy and Mining acknowledged the gap between actual costs and prevailing prices. However, on the basis of social policy, the former Ministry of Energy and Mining had fixed a new seasonal price for the MEM that was below actual supply costs, and thereafter, seasonal prices continued to be regularly approved by the relevant authorities. Recently, seasonal prices have been approved by means of Resolution SE No. 40/2022 (amended by Resolution SE No. 105/2022), 305/2022, 605/2022 and 719/2022. Likewise, through Resolution 627/2022 (amended by Resolution 629/2022), the Secretariat of Energy approved the "Reference Prices of Power and Stabilized Price of Energy" in the MEM for the period from September 1 to October 31, 2022. In 2023, by means of Resolution No. 54/2023, the SE approved the "Quarterly Summer Rescheduling" for the period between February 1 and April 30, 2023. By means of Resolution SE No. 323-2023, the SE approved the "Winter Seasonal Programming" for the period between May 1 and October 31, 2023.

The former Ministry of Energy and Mining also created incentives for residential customers to save electric power, which consist of lower tariffs for users who reduce their consumption over a given period compared to the same period during the previous year and fixed a social tariff to be applied to certain sectors of demand.

### ***Import and Export Transactions***

Pursuant to Decree No. 974/97, import and export transactions are conducted through the TEII (*Sistema de Transporte de Energía Eléctrica de Interconexión Internacional*), a public service subject to the concession granted by the former Secretariat of Electric Energy.

### ***Transmission and Distribution***

Pursuant to Law No. 24,065, transmission and distribution activities are regulated as public services due to the fact that they are natural monopolies. The Argentine government has granted concessions to private entities conducting these activities, subject to certain conditions, such as service quality standards and fixing the tariffs they are entitled to collect for their services.

Electricity transmission is comprised of (i) a high-voltage transmission system (operated by the company Transener, S.A., which is currently co-controlled by the Eling Group, Transelec and Integración Energética Argentina S.A. -formerly known as ENARSA), which connects the main electric power production and consumption areas allowing the transmission of electric power between different Argentine regions and (ii) several regional trunk systems, which transmit electric power within a particular region and connect the generators, distributors and large users that operate in such region.

Electricity distribution is regulated only at the federal level for the City of Buenos Aires and the districts in the metropolitan areas of Greater Buenos Aires. EDENOR operates in the northern area of both the City of Buenos Aires and Greater Buenos Aires, and EDESUR operates in the southern area of both the City of Buenos Aires and Greater Buenos Aires. In the rest of the country, the electric power distribution service is regulated at the provincial level and subject to concession granted by provincial authorities. Section 124 of Law No. 27,467 established that management of both EDENOR and EDESUR would be transferred to the regulatory jurisdiction of the Province of Buenos Aires and the City of Buenos Aires, as applicable. However, such transfer was not implemented, and was later suspended by the Solidarity Law that established that the ENRE will retain its regulatory powers over such companies for as long as the emergency declared by such law remains in force.

Transmission services are rendered by concessionaires that operate and use high and medium voltage transmission lines. Transmission services consist of the transformation and transmission of electric power from generators' delivery points to distributors or large users' reception points. Law No. 24,065 provides that electricity transmission companies must be independent from other MEM participants and prohibits them from purchasing or selling electric power.

Distribution companies are in charge of supplying electric power to end-users who cannot contract with an independent electric power supply source due to their consumption levels, such as residential end-users.

The main characteristics of concession contracts for the transmission and distribution of electric power are: (i) service quality standards with penalties that are applied in case of breach; (ii) a concession term of 95 years for the monopoly of the supply service in a supply area or network, divided into “management periods,” with an initial term of 15 years and subsequent terms of ten years (at the end of each management period, the Argentine government must call for bids to sell the majority stake of the corresponding transmission or distribution company); and (iii) tariffs fixed based on economic criteria with a price cap system and predefined processes regarding their calculation and adjustment.

### ***Tariffs***

The tariffs charged by electric power transmission companies include: (i) a connection charge, (ii) a transmission capacity charge and (iii) a charge for actually transmitted energy. In addition, transmission companies may receive income derived from the expansion of the system. Transmission tariffs are passed on to final users through the distributors.

The amounts that distribution companies charge to end-users include: (i) the price for the purchase of energy in the MEM (the seasonal price as described above), (ii) transmission costs, (iii) the value-added for distribution (“VAD”), which compensates the distributor, and (iv) taxes. The VAD is the marginal cost of providing services, including the network development and investment costs, operation maintenance and commercialization costs, as well as depreciation and a reasonable return on the invested capital. The tariffs determined as set forth above must enable an efficient distributor to cover its operating costs, finance the renovation and improvement of its facilities, satisfy increasing demand, comply with established quality standards and obtain a reasonable return, while also enabling such distributor to comply with certain operating efficiency standards and operate in a manner consistent with the amounts it has invested and the national and international risks inherent in its operations.

In December 2019, the Solidarity Law froze tariffs applied by distribution and transmission companies subject to federal jurisdiction for a 180-day period, and set the relevant tariffs at values effective as of December 23, 2019. In addition, the Solidarity Law empowered the Executive Branch to renegotiate tariffs effective as of such date aiming to reduce the tariff burden placed on households, stores and industrial facilities for the year 2020.

Through the Solidarity Law, the Argentine government also invited provinces to freeze and review tariffs applied by distribution and transmission companies subject to provincial jurisdiction. On June 19, 2020, through Decree No. 543/2020, the tariff freeze decided through the Solidarity Law was further extended for 180 additional days from the expiration of the previous term.

Likewise, Decree No. 311/2020 established the prohibition for distribution companies (among other public services concessionaries) to suspend the relevant services to certain end users (those considered most vulnerable) in the event of default or non-payment and set the threshold for suspension at seven consecutive or alternate invoices. Such measure was later extended by Decree No. 756/2020.

On December 16, 2020, the Executive Branch issued Decree No. 1,020/2020, which established:

- (i) the commencement of tariffs review negotiations for gas and energy transmission and distribution companies subject to federal jurisdiction. Initially, the term of the negotiation would not extend more than two years after the entry in force of Decree No. 1020/2020. Nonetheless, the term was extended for an additional year by means of Decree No. 815/2022.
- (ii) An extension of the term of the tariff freeze for electric power and natural gas set forth by the Solidarity Law for 90 additional days, or until the new transitory tariff regimes enters into force, whichever occurs first.

Likewise, on January 19, 2021, through Resolutions No. 16/2021 and 17/2021, the ENRE formally began the procedure for the temporary adjustment of tariffs of energy transmission and distribution activities subject to federal jurisdiction, with the objective of establishing transitional tariffs, until a final renegotiation agreement is reached.

On March 4, 2021, ENRE Resolutions No. 53/2021, 54/2021, 55/2021, 56/2021 and 57/2021 were published in the Official Gazette, calling for public hearings in order to inform and hear opinions regarding the transition tariff regime of the following companies, namely: EDENOR and EDESUR; TRANSENER; TRANSBA and DISTROCUYO; TRANSPA, TRANSCO and EPEN; TRANSNEA and TRANSNOA. The public hearing in

connection with EDENOR and EDESUR was held on March 30, 2021, and the rest of the hearings took place on March 29, 2021.

On April 30, 2021, the ENRE issued Resolutions No. 106 and 107, through which the transition tariff regime was approved. EDESUR and EDENOR were subject to numerous tariff regulations thereafter.

On January 27, 2022, Resolution No. 28/2022 of the Secretariat of Energy was published in the Official Gazette. The Secretary instructed the ENRE to include the treatment of the seasonal reference prices of the Stabilized Energy Power and the Stabilized Price of Transmission in the MEM and for the MEM of the Tierra del Fuego System, as part of the public hearings to be held within the framework of the transitional adjustments of tariffs of the Public Service of Electric Power Transmission of national scope, the treatment of the seasonal reference prices of the Stabilized Power, Stabilized Energy and the Stabilized Price of Transmission in the MEM and for the MEM of the Tierra del Fuego System, in order to broaden the dissemination of the respective information and facilitate a greater participation of the users of the service of the different jurisdictions in the treatment of such matter.

By means of Resolution No. 25/2022, the ENRE proceeded as instructed: it called for a Public Hearing in order to inform and hear opinions regarding: (i) the treatment of the determination of the seasonal reference prices of Power, Stabilized Energy in the MEM, as well as the Stabilized Price of Transmission and for the MEM of the Tierra del Fuego System; (ii) the proposals of the electric power transmission and distribution public service concessionaires, aimed at obtaining a transitory adjustment of tariffs, within the Comprehensive Tariff Review renegotiation process and prior to defining the tariffs to be applied by the concessionaires. The Public Hearing was held on February 17, 2022.

Through Resolution 105/2022, the Secretariat of Energy established the Power Reference Prices of Stabilized Energy in the MEM, for the demand of electric power declared by the Distributing Agents and/or Providers of the Public Service of Distribution of the MEM, as destined to supply its electric power users, or those of other Providers of the Public Service of Distribution of electric power within the area of influence or concession of the Distributing Agent, the application of the Power Reference Prices (POTREF) and the Stabilized Energy Price (PEE) in the MEM.

Likewise, it establishes the application of the values of the Stabilized Price of Transmission corresponding to each Distributing Agent of the MEM for the Public Service of Transmission of Electric Power in High Voltage and for “Main” Distribution.

On February 26, 2022, ENRE Resolutions No. 66, 67, 68, 69, 70, 71, 72, and 74 were also published, which approved the hourly values to be applied to regulated equipment effective as from February 1, 2022 for the following transmission companies, respectively: TRANSPA, TRANSCO, TRANSENER, TRANSBA, EPEN, TRANSNOA, TRANSNEA and DISTROCUYO.

On April 18, 2022, the Secretariat of Energy published Resolution No. 235/2022 in the Official Gazette, calling for a Public Hearing on the implementation of subsidy segmentation for the 2022-2023 biennium. The hearing took place on May 12, 2022. On June 16, 2022, the Argentine government established a subsidy segmentation regime for residential users of electric power and natural gas public services through the network via Decree No. 332/2022. The goal of this regime is to achieve reasonable energy values applied with fairness and distributive equity criteria. The Secretariat of Energy is responsible for implementing the segmentation regime. Additionally, the government created the Registry of Access to Energy Subsidies (RASE), under the Undersecretariat of Energy Planning, to register residential users of public utilities of electric power and natural gas who request the subsidy from the Federal Government.

The government also established the Single National Registry of Owners of Essential Public Services (ReNUT) under the National Council for the Coordination of Social Policies. The ReNUT manages the flow of data and information for the National scope to determine the qualitative and quantitative composition of the users of public services. Finally, on June 28, 2022, the Secretariat of Energy issued Resolution No. 467/2022, instructing the Undersecretariat of Energy Planning to implement the Segmentation of Subsidies to Residential Users of public utilities of electric power and natural gas established in Decree No. 332/2022.

Taking into account the subsidy segmentation regime established in Decree No. 332/2022, the Secretariat of Energy issued Resolution No. 627/2022 (published in the Official Gazette on August 30, 2022, and amended by



Resolution No. 629/2022) whereby it defined three segments of residential users with differentiated subsidy levels, as follows:

- Level 1 - Higher Income: Users, who will be responsible for the full cost of the energy component of the respective service;
- Level 2 - Lower Income: Users, to whom, taking as a reference the scope of national jurisdiction, the impact on the bill generated by the correction of the energy component, will be equivalent to a total annual percentage increase in their bill that may not exceed 40% of the Salary Variation Coefficient (CVS) of the previous year; and
- Level 3 - Average Income: Users, not included in Levels 1 and 2, to whom, taking as a reference the scope of national jurisdiction, the impact on the bill generated by the correction of the Energy component, will be equivalent to a total annual percentage increase in their bill of up to 80% of the Salary Variation Coefficient (CVS) of the previous year.

Thus, from September 1, 2022 and until October 31, 2022, the implementation of the subsidy segmentation regime for Residential users of public electric power services was applied according to the following criteria: (i) Residential demand users of the Level 1 - Higher Income segment had a 20% reduction of the subsidy applied to the seasonal price established in Resolution SE No. 605/2022; (ii) Residential demand users of the Level 2 - Lower Income segment had no modification in the allocation of the current subsidy; (iii) Residential demand users of the Level 3 - Middle Income segment, the current seasonal prices were maintained.

In addition, from September 1, 2022 and until October 31, 2022, general demand users (Demands Lower than 300 kW - Non-Residential) had a 20% reduction of the subsidy applied to the seasonal price established in Resolution SE No. 605/2022.

Accordingly, Resolution SE No. 627/2022 (as amended by Resolution No. 629/2022) approves the Power Reference Prices (POTREF) and the Stabilized Energy Price (PEE) in the MEM to be used for their corresponding application in the tariff charts by the Distribution Agents and other Public Distribution Service Providers that require it during the period from September 1 to October 31, 2022.

On September 15, 2022, Resolution No. 649/2022 of the Secretariat of Energy was published in the Official Gazette, which implemented a scheme for the allocation of consumption caps without removal of differentiated subsidies (according to the characteristics of each jurisdiction) for residential users that do not face the full cost of energy.

Thus, from September 1, 2022, the electric power demand that MEM distribution agents declare as destined to supply users with homes categorized in “Level 3-Average Income” will be subject to the Power Reference Price (POTREF) and the Stabilized Energy Price (PEE) in the MEM that have been defined for “Level 1-High Income” (in Resolution SE No. 629/2022), for those electric power consumptions exceeding 400 kWh/month.

For households in the provinces of Misiones, Corrientes, Formosa, Chaco, Catamarca and La Rioja, the consumption cap will be increased to the excess consumption of 550 kWh/month.

On September 26, 2022 Resolution No. 661/2022 of the Secretariat of Energy was published in the Official Gazette, which clarified that, for the purposes of the allocation of energy subsidies established by Decree No. 332/2022, in each billing cycle, those services that have not been identified as belonging to Level 2 or Level 3 beneficiaries in the list reported to ENRE, ENARGAS, the regulatory entities, the provincial authorities and/or the companies rendering public utilities for the distribution of electric power and natural gas by network, must receive the treatment corresponding to higher income residential users (Level 1).

On November 3, 2022, Resolution No. 742/2022 of the Secretariat of Energy was published in the Official Gazette, which established the application of the Power Reference Prices (POTREF) and the Stabilized Energy Price (PEE) in the MEM defined by Resolution No. 719/2022 (and successive resolutions that may replace it in the future), for the “Level 2 - Lower Income” segment.

On October 21, 2022, Resolution No. 539/2022 of the ENRE was published, which called for a public hearing in order to inform and hear opinions regarding the proposals of the concessionaires of the electric power

transmission public service aimed at obtaining a transitory adjustment of tariffs, within the process of renegotiation of the Comprehensive Tariff Review and prior to defining the tariffs to be applied by the concessionaires. The hearing was held on November 30, 2022. The final report of the hearing was approved by ENRE Resolution No. 682/2022, published on December 27, 2022.

On November 11, 2022, Resolution No. 576/2022 of the ENRE was published, which called for a public hearing in order to inform and hear opinions regarding the proposals of the concessionaires of the electric power distribution public service aimed at obtaining a transitory adjustment in the tariff, as part of the renegotiation process of the Comprehensive Tariff Review, prior to defining the tariffs to be applied by the concessionaires. The hearing was held on January 23, 2023. The final report of the hearing was approved by Resolution No. 154/2023 of the ENRE, published on February 1, 2023.

On April 29, 2023, Resolution SE 323/2023 was published, by means of which the Secretariat of Energy approved the Winter Quarterly Rescheduling for the MEM for the period from May 1, 2023 to October 1, 2023.

On February 7, 2023, Resolution SE No. 56/2023 was published in the Official Gazette, which regulates a new debt regularization regime pursuant to Article 89 of Law 27,701, establishing specific criteria and conditions in this respect.

On the same date, Resolution SE No. 59/2023 was published in the Official Gazette, by means of which the Secretariat of Energy enabled the generating agents owners of thermal generation plants whose technology is classified as "Combined Cycle" as determined by Resolution No. 826/2022, that are not committed in contracts for the supply of electric energy, to adhere to a "Power Availability and Efficiency Improvement Agreement" with CAMMESA (on behalf of the Distributors and Large Users of the MEM) in order to encourage the necessary investments for major and minor maintenance of the machines.

On April 20, 2023, ENRE Resolutions No. 364/2023 and 365/2023 were published in the Official Gazette, whereby it was resolved, respectively:

- (i) To start the comprehensive tariff review process for the electric power distribution companies under national jurisdiction (EDENOR and EDESUR) as from June 1, 2023.
- (ii) To start the comprehensive tariff review process for the electric power transmission companies under national jurisdiction (TRANSENER, TRANSBA, TRANSPA, TRANSCO, TRANSNEA, TRANSNOA, DISTROCUYO and EPEN) as from June 1, 2023.

On May 31, 2023, ENRE Resolutions No. 421/2023 and 422/2023 were published in the Official gazette, whereby it was resolved, respectively:

- (i) To approve the program for the transportation tariff review in the year 2023 and the first quarter of 2024.
- (ii) To approve the program for the distribution tariff review in the year 2023 and the first quarter of 2024.

### ***Large Users***

The MEM classifies large users of energy into three categories: (i) *Grandes Usuarios Mayores* (Major Large Users, or "GUMAs"), (ii) *Grandes Usuarios Menores* (Minor Large Users, or "GUMEs") and (iii) *Grandes Usuarios Particulares* (Particular Large Users, or "GUPAs").

GUMAs are users with a maximum capacity equal to or greater than 1 MW and a minimum annual energy consumption of 4,380 MWh. These users are required to contract at least 50.00% of their demand and purchase the rest from the spot market. Their transactions in the spot market are invoiced by CAMMESA.

GUMEs are users with a maximum capacity ranging from 0.03 to 2 MW. They are not required to have any minimum annual demand. These users are required to contract all of their demand and do not affect any transactions in the spot market.

GUPAs are users with a minimum capacity of 0.030 MW and a maximum of 0.1 MW. They are not required to have any minimum annual demand. These users are required to contract all of their demand and do not operate in the spot market.

### ***Traders***

Since 1997, traders have been authorized to participate in the MEM by intermediating block sales of energy. Currently, there are 31 authorized traders in the MEM.

### ***Vertical and Horizontal Restrictions***

The MEM agents are subject to vertical restrictions, pursuant to Law No. 24,065 and Decree No. 1,398/92, according to which:

1. neither a generation or distribution company nor a Large User or any of its controlled companies or its controlling company, can be an owner or a majority shareholder of a transmission company or the controlling entity of a transmission company. Nevertheless, the Executive Branch may authorize a generation or distribution company or a Large User to build, at its own cost and for its own need, a transport network for which it will establish the modality and form of operation.
2. the holder of a distribution concession cannot be the owner of generation units; however, the shareholders of the electric power distributor may own generation units, either by themselves or through any other entity created with the purpose of owning or controlling generation units; and
3. no transmission company may purchase or sell electricity.

Section 33 of the Argentine Corporate Law states that “companies are considered as controlled by others when the holding company, either directly or through another company: (1) holds an interest, under any circumstance, that grants the necessary votes to control the corporate will in board meetings or ordinary shareholders’ meetings; or (2) exercises a dominant influence as a consequence of holding shares, quotas or equity interest or due to special linkage between the companies.” However, we cannot assure you that the electric power regulators will apply this standard of control in implementing the restrictions described above. According to the ENRE resolutions, a company controlled by or controlling an electric power transmission company is a company that owns more than 51% of the voting shares of the controlled company and exercises a majority control.

Both electric power transmitters and distributors are also subject to horizontal restrictions. The horizontal restrictions applicable to transmission companies are the following:

1. two or more transmission companies can merge into or be part of a same economic group only if they obtain an express approval from the ENRE; such approval is also necessary when a transmission company intends to acquire shares in another electric power transmission company;
2. pursuant to the terms of the concession agreement that govern the transmission of electric power through transmission lines above 132 kV and below 140 kV, the transmission service is rendered exclusively in the specific areas indicated in such agreement; and
3. pursuant to the terms of the concession agreement of the company that renders electric power transmission services through lines with voltage equal to or higher than 220 kV, the service must be rendered exclusively and without territorial restrictions, throughout Argentina.

The horizontal restrictions applicable to electric power distribution companies are the following:

1. two or more distribution companies can merge into or be part of a same economic group only if they obtain an express approval from the ENRE; such approval is also necessary when a distribution company intends to acquire shares in another electric power distribution company; and
2. the distribution service is rendered within the areas specified in the respective concession contracts.

### ***The Impact of the Public Emergency Law No. 25,561 of 2001 and its Implementation***

The electric power sector has been significantly affected by the Public Emergency Law and the measures adopted as a consequence thereof. As a result of the law, electric power transmission and distribution tariffs were converted into pesos and frozen for more than six years. They were only subject to limited and small-scale increases.

The contract renegotiation process provided for by the Public Emergency Law for public contracts subject to federal jurisdiction, including the concessions granted for electric power transmission and distribution in the City of Buenos Aires and La Plata, progressed very slowly. After more than five years of negotiations, electric power transmission and distribution companies reached an agreement with the Argentine government with the participation of the UNIREN, which was created within the scope of the Ministry of Economy and the former Ministry of Federal Planning, Public Investment and Services. As a result of these negotiations, transmission tariffs were subject to the abovementioned limited and small-scale increases.

In the distribution sector, the Renegotiation Agreements provided for limited increases in income and to a portion of the tariffs (namely, the VAD). Such increases were generally applied to commercial and industrial users, while a comprehensive review of tariffs that would include residential users has been proposed on several occasions. This delay in updating rates caused an imbalance in the payments that distributors made to CAMMESA and those charged by the generators to CAMMESA, which resulted in shortages in the Stabilization Fund and delays in payments to generators. See “—Shortages in the Stabilization Fund and Responses from the Argentine Government.”

The UNIREN was dissolved through Decree No. 367/16, dated February 17, 2016, which provided that the procedures for renegotiating public service contracts should take place within the scope of the ministries governing such contracts. Furthermore, this decree empowers the competent ministries, jointly with the Ministry of Economy and Public Finance, to execute partial contractual Renegotiation Agreements and apply interim tariff and price adjustments as necessary to ensure the continuity of the respective ordinary services until full contractual Renegotiation Agreements are entered into, which must take into account the outcomes of the full tariff review.

### ***Shortages in the Stabilization Fund and Responses from the Argentine Government***

The natural gas supply shortage has also had a significant impact on the industry. Because Resolution SE No. 240/03 provides that the spot price must be calculated as if there were no natural gas supply shortage, electric power generators have not been able to pass increases in the price of fuel on to buyers. This situation has led to the depletion of the Stabilization Fund, which has resulted in the inability to pay the electric power generators' bills.

As a result of the deficit in funds required to pay MEM agents, the Secretariat of Electric Energy issued Resolution No. 406/03. Section 4 of such resolution provides that if there are insufficient resources, the order of priority to settle debts owed to MEM creditors should be the following: (i) the amounts due as receivables payable to the unified fund created by Section 37 of Law No. 24,065; (ii) the monthly income to be allocated to the MEM funds and accounts; (iii) the amount necessary to pay for the receivables of MEM agents once the remuneration items set forth in subsections (iv), (v) and (vi) have been paid; (iv) the items related to the payment of remuneration for the capacity and services rendered to the MEM; (v) the amounts pertaining to: (a) the energy produced and delivered in the hourly spot market valued at its operating cost based on the variable production costs declared and approved for thermal generation *plus* all the relevant transmission charges, (b) the energy produced and delivered at the hourly spot market by hydroelectric plants, valued at the representative average operation and maintenance cost of a hydroelectric power plant established in Annex 26 to the Procedures *plus* the total amount of the relevant transmission charges (Ps.2 per MW per hour), (c) the remuneration payable to electric power transmission companies and (d) the additional providers of technical transmission services that are not distributors and have receivables in the MEM in connection with the transactions of large users in the market; and (vi) the commitments assumed in relation to Annexes II, III, IV of Resolution SE No. 01/03.

To overcome these problems and consider the forecasts of the future increase in demand, the Argentine Executive Branch launched different programs and policies promoting the availability of new generation capacity. For example, the Energía Plus and Energía Distribuida programs were implemented to encourage private sector investments in new generation facilities, allowing owners to sell the energy produced at prices sufficient to cover the cost of the projects *plus* a reasonable profit. The purpose of these measures is not only to overcome the energy

shortage situation but also to add installed capacity to satisfy the steady growth in demand that is expected in the short and medium term.

### ***The FONINVEMEM and Similar Programs***

In 2004, the Argentine government, seeking to increase generation capacity, created the FONINVEMEM (Resolution SE No. 712/2004), a fund to be administered by CAMMESA. To provide capital for the FONINVEMEM, the former Secretariat of Electric Energy invited all MEM participants holding LVFVDs (*Liquidaciones de Venta con Fecha de Vencimiento a Definir*, as per Resolution SE No. 406/2003 and 943/2003) that originated from amounts owed by CAMMESA's to generators from the period January 2004 to December 2006, to contribute these credits to the FONINVEMEM. In the initial stages of the FONINVEMEM, generators had to participate in the construction of two new 800 MW combined cycle thermal generation plants. Consequently, on December 13, 2005, the generation companies TMB and TJSM were created. Eventually the generators also contributed the LVFVDs from 2007 to said projects.

The FONINVEMEM reimburses the private sector contributors the amount of their contributed receivables in 120 equal, consecutive monthly installments starting from the commercial launch date of the plants, converted into U.S. dollars at the rate effective as of the date of the applicable agreement, with interest at the interest rate specified in the applicable agreement for each project.

Collection of the receivables that we allocated to FONINVEMEM began in March 2010, as scheduled, when the first and second FONINVEMEM power plants (i.e., TJSM and TMB) came into operation, and, with respect to these plants. We have received the restitution of our contributions in full. In December 2016, we began to collect the receivables related to the third FONINVEMEM power plant (i.e., TGB), which became operational in April 2016. We have received payments of U.S.\$394.4 million, related to accrued and unpaid monthly installments for the period between March 2010 and March 2023.

### ***Resolution SE No. 146/2002***

Resolution SE No. 146 of October 23, 2002, provides that any generator that needs to perform major or extraordinary maintenance works and needs resources for such works may request financing, subject to the availability of funds and the performance of the conditions set forth by such rule.

### ***Energía Plus***

In September 2006, the former Secretariat of Electric Energy issued Resolution No. 1281/06 which created the Energía Plus Service, to respond to the sustained increase in energy demand and to foster new private sector interested parties to invest fresh capital into the energy sector in order to generate new energy sources.

The resolution provided that:

1. The energy available in the market will be used primarily to serve residential customers, public lighting, public entities and industrial and commercial users whose energy demand is at or below 300 kW and that have not entered into term contracts.
2. GUMAs, GUMEs and large customers of distribution companies (in all cases with consumption equal or higher than 300 kilowatts) are allowed to satisfy any consumption in excess of their base demand (equal to their demand in 2005) with energy from the Energía Plus service, consisting of the supply of additional energy generation from new generators and generation agents, co-generators or self-generators that are not agents of the MEM or who, as of the date of publication of the resolution, were not interconnected with the MEM. The price required to pay for excess demand, if not previously contracted for under the Energía Plus, was originally fixed to be equal to the marginal cost of operation. The marginal cost is equal to the generation cost of the last generation unit transmitted to supply the incremental demand from electric power at any given time. With the Energía Plus, the price has been amended to for GUMAs and GUMEs and has been maintained for large customers of distribution companies for their excess demand (Note No. 111/16 issued by the Secretariat of Electric Energy).

### ***Resolution 220/07***

Pursuant to Resolution No. 220/07, the Secretariat of Energy authorized the execution of Power Purchase Agreements (“PPAs”) between the MEM (represented by CAMMESA) and companies that offer additional generation to the system (i.e., the so-called offer of additional generation and associated energy from generation, co-generation and self-generation agents that, as of the date of publication of the resolution, were not MEM agents or did not have the generation facilities to commit to such supply). PPAs are applicable to all such projects for additional energy generation that involved the participation of the Argentine government or IEASA or those that be determined by the former Ministry of Federal Planning, Public Investment and Services (currently, the Secretariat of Energy).

Resolution No. 220/07 sets forth the standard terms of PPAs, including:

1. *Effective Term*: Maximum of ten years.
2. *Parties*: The company whose offer has been approved by the former Secretariat of Electric Energy, as seller, and the MEM as a whole, represented by CAMMESA, as buyer.
3. *Remuneration*: To be determined based on the costs accepted by the former Secretariat of Electric Energy and approved by the former Ministry of Planning.
4. *Delivery Point*: The connection node of the plant with the SADI.
5. *Remedies*: The PPAs must include remedies for breach based on the effect that the unavailability of the units committed under the PPAs may have on the proper supply of the electric power demand in the SADI.
6. *Dispatch*: The machines and plants assigned to the PPAs will generate electric power to the extent they are dispatched by CAMMESA.

Furthermore, such resolution details the requirements that the additional generation offers must meet for a PPA to be executed. The respective investment projects must be submitted to the Secretariat of Electric Energy and include the following information: (i) the units to be approved that will assume the commitment; (ii) guaranteed availability of the units; (iii) the offered duration of the PPAs; (iv) the effective term of the offer; (v) the availability of capacity committed for the period offered in MW; the former Secretariat of Electric Energy may establish committed capacity value limits; and (vi) a breakdown of fixed and variable costs, in particular, those related to the funding used for the installation of the new capacity offered and supporting documents of such breakdown, along with backing documentation.

Based on the information provided, the former Secretariat of Electric Energy must evaluate the submitted offers and inform CAMMESA of those that are accepted for contracts, expressly stating the annual payment amount for the installation costs to be considered and/or the calculation method to be applied for such purposes, as well as the fixed or variable costs associated with the PPAs. The Secretariat of Electric Energy then must send CAMMESA the text of the contract to be executed and the methodology that should be used for its inclusion in the economic transactions of the MEM.

The capacity assigned and the energy supplied in connection with the PPAs will be compensated by means of a monthly payment calculated based on the annual installation costs to be considered, and the fixed and variable costs required for the proper operation of the committed equipment, based on a method that must be defined in the relevant agreement.

The generation agents that are parties to the PPAs must meet all the requirements set forth in the Procedures, including determining the variable production costs and water costs of the units committed in accordance with the methods in force and the maximum costs acknowledged pursuant to Resolution No. 220/07.

As long as Resolution SE No. 406/2003 is applicable, the payment obligations under the PPAs will have the payment priority provided in subsection (e) of Section 4 of Resolution SE No. 220/07.

To reduce the risk arising from payment for sales under the PPAs, the costs associated with such agreements must have payment priority over the receivables of other agents in the market. In this context, the order of priority to

be applied for the settlement of payment obligations derived from such contracts must be equal to or higher than thermal generators' obligations in respect of operating costs. For example, the recovery of costs associated with the PPAs must have at least the same priority level as the recovery of the costs of fuel used for the generation of electric power that is already installed.

Pursuant to Resolution SE No. 1836/07, the former Secretariat of Energy instructed CAMMESA to execute with IEASA the PPAs pertaining to energy projects located in specific sites communicated in each case by such secretariat, approving, as Annex I, the sample contract to be executed and providing for the specific conditions of each PPA that should be approved by the former Secretariat of Electric Energy.

### ***Distributed Energy (Energía Distribuida)***

*Law No. 27,424 (and related Decree No. 986/2018)*

Law No. 27,424, enacted in 2017, established the “*Régimen de Fomento a la Generación Distribuida de Energía Renovable Integrada a la Red Eléctrica Pública*” (Promotion of Distributed Energy from Renewable Sources Regime). Law No. 27,424 was later implemented through Decree No. 986/18 (both Law No. 27,424 and Decree No. 986/2018, its amendments and its complementary regulations, the “Promotion Regime”).

The Promotion Regime sets forth the policies and contractual terms for the generation of electric power from renewable sources by users of the electric power distribution service, either for self-consumption or, eventually, for the supply of additional energy to the grid.

It also establishes the obligation of the electric power distribution companies to allow such energy supply by the abovementioned user-generators, securing free access to the distribution grid. Distributed generation of electricity from renewable sources was declared of national interest.

The goal of the Promotion Regime is to achieve 1,000 MW of installed capacity within 12 years from the date on which Decree No. 986/2018 came into force (November 3, 2018).

Every user of the distribution service has the right to install equipment to generate power from renewable energy sources to a capacity equal to the one contracted and demanded to its own distributor, provided such user-generator falls within the scope of Section 6 of Law No. 27,424 and subject to the distributor's previous authorization. In the event the user-generator intends to install a larger capacity, a special authorization shall be requested to the corresponding distributor.

After obtaining the abovementioned authorization, the user-generator and the distributor shall execute a Distributed Electricity Generation Agreement, under the terms of the Promotion Regime. Pursuant to it, the distributor shall enable the user-generator's facilities to supply energy to the grid.

In case of controversies among the distributor and the user-generator, Law No. 27,424 establishes that the latter can bring its claim before the competent regulatory entity.

The compensation and remuneration scheme for the supplied energy shall be administered by the distributor in the following terms:

- (a) The user-generator shall receive a tariff for the supply of each kilowatt per hour (KW/h) delivered to the grid, as of the moment the measuring equipment is installed by the distributor. The pricing shall be in Argentine pesos. The applicable tariff scheme was approved by ENRE Resolution No. 189/2019, and also by means of ENRE Resolution No. 490/2021 (modified by Resolution No. 190/2023) regarding EDENOR and EDESUR (see “Tariff Scheme – ENRE Resolution No. 189/2019” below).
- (b) In the usual bills for the provision of electricity, the distributor shall reflect the energy provided to the user-generator, and the energy supplied by the user-generator to the grid, with the price for each KW/h. The user-generator shall pay the net value before taxes. No additional tax charges can be made over the energy supplied by the user-generator. In the event there is a surplus amount in favor of the user-generator, a credit against the distributor will be accounted for further periods. If such surplus amounts accrue for a certain period of time, a retribution can be requested to the distributor.

- (c) Profits from supplying electricity to the grid by user-generators with up to 300kw of contracted capacity, in compliance with the regulations, will be exempt from income tax and value added tax.

The current enforcement authority of the Promotion Regime is the Secretariat of Energy. Among other things, such authority is empowered to: (i) establish the technical and administrative standards for the approval of distributed energy projects; (ii) establish the requirements to be fulfilled to authorize the connection to the grid requested to distributors by user-generators; (iii) establish the value of the tariff for the supply of electricity through distributed energy projects; (iv) establish the general guidelines of the Distributed Electricity Generation Agreements to be executed among distributors and users-generators.

Any breach of the distributors obligations under the Promotion Regimen will be subject to sanctions, and the user-generator will have a right for compensation.

The Promotion Regime also created the “*Fondo Fiduciario para el Desarrollo de la Generación Distribuida de Energías Renovables*” (“FODIS”), with the purpose of granting loans, incentive, guarantees, capital contributions and acquisition of other financial instruments, destined to the implementation of systems of distributed generation from renewable resources.

The Federal Government (through the enforcement authority of the Promotion Regime) would be the FODIS Trustor, while the selected public bank would be the trustee. The Beneficiaries would be all the people domiciled in Argentina and businesses incorporated in Argentina, whose projects of distributed generation have obtained approval from the FODIS authorities, pursuant to the applicable regulations.

The FODIS model agreement was approved by means of Disposition No. 62/2019 of the former Undersecretariat of Renewable Energy and Energetic Efficiency. Such disposition also named Banco de Inversión y Comercio Exterior (BICE) as the FODIS Trustee. Activities performed within the FODIS are subject to tax benefits.

Finally, the Promotion Regime also sets forth the “*Régimen de Fomento para la Fabricación Nacional de Sistemas, Equipos e insumos para la Generación Distribuida a partir de fuentes renovables*” (“FANSIGED”), currently under the scope of the Ministry of Productive Development. FANSIGED will be in effect for 10 years from the enactment of the Promotion Regime (2017). The National Executive Branch can extend it for an additional 10-year term.

The activities falling within the scope of the FANSIGED are research, design, development, investment in capital goods, production, certification and installation services for the distributed generation of energy from renewable sources. A series of tax benefits are available under the FANSIGED. Micro, small and medium-sized companies incorporated in Argentina that develop any of the activities falling within the scope of the FANSIGED can adhere to the regime.

Resolution No. 314/2018 also created the *Registro Nacional de Usuarios-Generadores de Energías Renovables* (RENUGER), applicable to projects that obtained the Certificate of User-Generator and are included in the Promotion Regime. Resolution No. 314/2018 approved further regulations to the Promotion Regime, which include, among others:

- (i) The distinction between Small User-Generators (up to 3 kW of capacity), Medium User-Generators (from 3 KW up to 300 kW of capacity) and Large User-Generators (from 300 KW up to 2 MW of capacity).
- (ii) The procedure to follow for the connection of user-generators, and technical criteria.
- (iii) The guidelines for the execution of Distributed Electricity Generation Agreements, setting forth the parties’ rights and obligations, causes for suspension, and causes for termination.
- (iv) Specifications for the measurement systems.
- (v) Billing and compensation mechanisms.
- (vi) Further regulations for the promotional benefits regime.



The former Undersecretariat of Renewable Energy and Energetic Efficiency issued Disposition No. 28/2019 to complement the provisions of Resolution No. 314/2018.

#### ***Tariff Scheme – ENRE Resolution No. 189/2019 and complementary regulations***

ENRE Resolution No. 189/2019 approved the applicable tariffs to User-Generators for the supply of energy to the grid as of May 2019, valued in Argentine pesos per hourly kilowatt (\$/kwh).

On November 19, 2021, ENRE Resolution 490/2021 was published in the Official Gazette, approving the Injection Tariffs for User-Generators of the concession areas of EDENOR and EDESUR S.A., effective as of August 1, 2021. This resolution was modified by means of ENRE Resolution No. 190/2023.

#### ***The National Program***

The former Secretariat of Electric Energy issued Resolution No. 724/2008, which authorized the execution of MEM committed supply agreements associated with the repair or repowering of diesel generation groups and related equipment with MEM generation agents. The compensation to be received by the seller will be paid according to the payment priority provided in subsector “I” of Section 4 of Resolution SE No. 406/03.

On November 11, 2009, Resolution SE No. 762/2009, which created the National Hydroelectric Works Program (the “National Program”), was published in the Official Gazette.

The purpose of the National Program is to promote and support the construction of hydroelectric plants within Argentina through the creation of funding sufficient to assure the repayment of investments made and loans provided in such framework.

Within this framework, the Argentine government has provided that CAMMESA and the MEM generation agents to be determined by the former Ministry of Energy and Mining may enter into electric power supply agreements in respect of the energy generated by the hydroelectric works that are part of the National Program. One of the purposes of the supply agreements for hydroelectric works is to repay the investments made and the loans used to complete all hydroelectric works included in the National Program.

The standard term of such agreements may be of up to 15 years, but such agreements may be extended by the former Ministry of Energy and Mining. Upon expiration of such term, each hydroelectric plant that is part of the National Program may sell the energy generated by it at the price then specified by the MEM.

The terms and conditions of the agreements were determined by the former Secretariat of Electric Energy taking into account principles of economic reasonableness, equity and operating benefits for the electric power system as a whole, according to which it will qualify the hydroelectric works to be executed within the scope of the National Program.

#### ***PPAs with IEASA (former ENARSA)***

Resolution SE No. 712/09 approved the sample contracts to be executed between CAMMESA and ENARSA – now IEASA for the supply of electric power derived from renewable sources generated under the contracts awarded in ENARSA’s Bidding Process No. 1/09.

Resolution SE No. 712/09 also added Annex 39 and replaced Annex 40 of the Procedures. In this regard, the new Annex 39 sets forth the guidelines for renewable energy generation, excluding hydroelectric and wind energy, while Annex 40 set forth the guidelines for wind power generation.

Regarding the contracts to be awarded, prior to their execution, ENARSA had to carry out certain efforts with the former Secretariat of Electric Energy to obtain approval for the generation availability offer pursuant to which it intends to execute each agreement with CAMMESA.

Based on the assessment of the requests received, the former Secretariat of Electric Energy would consider the merits of contracting for the availability of generation and related energy, instruct CAMMESA to execute a contract with those parties whose requests have been accepted and send the text of the contract to be executed with the specific provisions for each contract.

The main characteristics of these sample contracts approved by Resolution SE No. 712/09 were the following:

1. The energy supplied must be generated by designated units in conformity with CAMMESA's dispatch requirements and must be adequate for the generator's capacity.
2. The term of the contracts must be for a maximum of 15 years, which may be extended for a maximum term of 18 additional months.
3. In cases of contracts for energy generated from renewable sources other than biofuels (such as wind and solar energy), no capacity payment is provided. In these cases, the consideration shall consist of the payment for the energy supplied, a management charge and the payment of a portion of fixed costs (charges for transport, expenses, fees and other charges specifically provided for). The price of the energy supplied shall remain constant throughout the term of the specific contract.
4. A guarantee fund will be established to ensure the performance of the obligations under the PPAs, which shall be set up by CAMMESA, until reaching a limit of 10.00% of the future obligations assumed under each of the contracts at which point the fund ceases to accumulate funds.

Resolution SE No. 108/2011, dated April 13, 2011, authorized the execution of new PPAs between CAMMESA, on behalf of the MEM, and certain parties offering availability of electric power generation using the renewable sources set forth in Law No. 26,190 that meet the following requirements:

1. at the time of the publication of Resolution No. 108/2011, such parties do not have the generation facilities to be committed under such offers or, having completed the interconnection to the MEM, have not committed their availability of generation and related energy under any form of contract; and
2. they present projects where the Argentine government, IEASA or other generation agents have an interest.

The remuneration is paid on a monthly basis in U.S. dollars and is determined based on the costs and annual income acknowledged by the former Secretariat of Electric Energy. For such purposes, the fixed and variable installation costs required for the proper operation of the committed equipment shall be considered based on the method determined in each PPA.

Both Resolutions 712/2009 (except Annex 39 and 40) and 108/2011 of the Secretariat of Energy were repealed by the former Ministry of Energy and Mining by means of Resolution 202-E/2016.

### ***Renewable Energy Program***

In recent years, Argentina has prioritized the generation of electric power from renewable sources. In such regard, it has not only issued regulations intended to regulate and incorporate this type of energy into the MEM, but it has also promoted it by granting incentives in the form of tax benefits and preferential or subsidized tariffs.

To promote renewable energy, Law No. 26,190 was enacted in December 2006 and approved the National Promotional Regime for the Use of Renewable Sources of Energy (the "Promotional Regime"). The renewable energy sources provided for in this system include wind, solar, geothermal, tidal, hydraulic (hydroelectric power plants up to 30 MW), biomass, landfill gas, sewage-treatment plant gas and biogas (except for the uses provided for in Law No. 26,093 on biofuels). The purpose of Law No. 26,190 is to increase the proportion of energy provided by renewable energy sources to 8% of the national electric power consumption within ten years from its effective date. Law No. 26,190 also established a system of investments for the construction of new works intended to generate electric power from renewable energy sources, which will remain in force for 10 years. The system set forth by Law No. 26,190 has been excluded from the general remuneration scheme regulated by Resolution No. 95 (as described below).

The beneficiaries of this system are individuals and legal entities that hold investments and concessions for new renewable energy generation works in Argentina that have been approved by the enforcement authority. The energy must be intended for the MEM and the project must be related to the rendering of public services.

On September 23, 2015, Law No. 26,190 was amended by Law No. 27,191. The amendments seek to establish a legal framework to increase investments in renewable energy and foster the diversification of the electric power generation mix, increasing the participation of renewable sources. To such end, the law, among other things:

1. sets renewable energy consumption targets for all of Argentina's electric power consumers, as minimum percentages of renewable electric power that they are required to consume as of December 31 of the following years: 8% for 2017, 12% for 2019, 16% for 2021, 18% for 2023, and 20% for 2025;
2. amends and expands the tax benefits for eligible projects;
3. establishes the Fund for the Development of Renewable Energies (*Fondo para el Desarrollo de Energías Renovables* or "FODER", pursuant to its Spanish acronym) as a trust fund for which the Argentine government serves as the trustor, Banco de Inversión y Comercio Exterior (BICE) serves as the trustee and the owners of the approved investment projects are the beneficiaries. The trust fund must allocate the trust assets to extend credit, make capital contributions and acquire all such other financial instruments as required for the execution and financing of eligible projects involving electric power generation from renewable sources; and
4. establishes obligations for large users and large demand: clients of electric power distribution providers or distribution agents with capacity demand equal to or higher than 300 KW must meet gradual goals through self-generation or otherwise purchase such electric power from generators (directly or through electric power distributors or brokers or from the wholesale market operator CAMMESA), at a price which may not exceed an average of US \$113/MWh until March 30, 2018, and thereafter at a price determined by the former Ministry of Energy and Mining. In this respect the former Ministry of Energy and Mining by means of Resolution 281-E/2017, established the regulatory framework that allows large users to purchase renewable energy from private generating companies.

Pursuant to Decree No. 531/16, the Argentine government set forth general guidelines and principles for the development of energy projects, by delegating the procedures for compliance with energy goals, bids or auctions for the implementation of the FODER to the former Ministry of Energy and Mining, particularly to the Undersecretary of Renewable Energy. The most important aspects of these regulations are as follows:

1. The former Ministry of Energy and Mining must be the enforcement authority of the law. (currently the Secretariat of Energy).
2. The system is applicable to projects for the construction of new facilities or for expanding or upgrading existing ones, the acquisition of new or second-hand equipment, to the extent new assets, works and other services are used for the project and are directly connected to the project. Access to the system is allowed for projects for which, after having been selected under Resolutions Nos. 220/2007, 712/2009 and 108/2011 set forth by the former Secretariat of Electric Energy, construction has not yet begun and that have been selected by the enforcement authority and the executed agreement is terminated. Projects for which construction has begun may also be eligible to the extent amendments to the executed contracts are allowed, as required by the enforcement authority. The enforcement authority must establish the merit order for projects that have been approved and determine the granting of the promotional benefits for each project.
3. The goals established by the law must be audited annually commencing on December 31, 2018. Users are allowed a 10% margin of error per year for achieving the goals related to energy consumption from renewable sources established by the law.
4. The enforcement authority must establish the terms and conditions under which it will allocate a portion of the funds of FODER's financing account to finance the development projects of the value chain of local production of power generating equipment, using renewable energy sources, parts or components.

#### ***Tax Benefits under Law No. 26,190***

The former regime includes the following tax benefits:

- Early refund of the VAT on the project's new depreciable assets: the VAT as invoiced to the beneficiaries on the purchase, production, manufacture or final import of capital goods or the execution of infrastructure works shall be credited against other taxes by the AFIP as soon as at least three fiscal periods have elapsed, as counted from the fiscal period in which the investments were made, or it shall be recoverable in the term provided upon approving the project, under conditions and with the guarantees set forth in that respect.
- Accelerated asset depreciation for purposes of income tax: the beneficiaries may apply depreciations on the investments associated with the projects subsequent to their approval and under the terms set forth therein. These depreciations are subject to a differential treatment depending on their timing, within the first, second or third twelve-month period after project approval. This alternative is subject to the condition that the assets are to remain as property of the project holder for at least three years.
- Non-calculation of the minimum presumed income tax provided by Law No. 25,063 on the assets allocated to the projects initiated under the system created by the renewable energy law: this benefit applies to the three fiscal periods preceding the completion of the relevant project. The assets must be connected to the relevant project and must be acquired by the company after the approval of the project. Pursuant to Law No. 27,260, passed by the Argentine Congress on June 29, 2016, the minimum presumed income tax was eliminated for tax periods beginning as of January 1, 2019.

The regime also provides for certain additional compensation. In that regard, the projects will be entitled to an additional compensation equivalent to US \$0.015 per KW/h payable to the generators that produce electric power from renewable sources, except in the case of solar-based electric power, for which generators will collect US \$0.9 per KW/h. Such additional compensation will be paid according to: (i) fuel substitution, (ii) the involvement of Argentine industries and job creation opportunities and (iii) the amount of time it takes to launch the project.

#### ***Tax Benefits under Law No. 27,191***

The Promotional Regime includes the following tax benefits:

1. Early refund of VAT and accelerated depreciation of assets for income tax purposes, with beneficiaries being able to apply for both benefits simultaneously, subject to reduced benefits based on the actual commencement date of the project's execution.
2. Extension to ten years of the tax loss carry forward term. Tax loss carry forwards arising from the promoted activity may only be set off against net income arising from the same activity.
3. Exclusion of assets connected to the activity subject to the Promotional Regime from the taxable base related to the minimum presumed income tax until the eighth fiscal year following the project's commencement (inclusive of the first year). Excluded assets are those connected to the project subject to the Promotional Regime and included in the owner's net worth after the approval of such project.
4. A 10% exemption on tax on the dividends distributed by the companies that own the projects subject to the Promotional Regime, which are reinvested in new infrastructure projects within Argentina. However, this benefit would not apply to the tax created by Law No. 27,430, as amended. In addition, due to the amendments introduced by Law No. 27,630, dividends originated in profits obtained during fiscal years initiated after January 1, 2021 onward would be subject to a 7% income tax withholding on the amount of such dividends.
5. Tax certificate applicable to the payment of income tax, VAT, minimum presumed income tax and excise taxes for an amount equal to 20% of the value of components of electromechanical facilities made in Argentina, *provided* that at least 60% of the components (excluding civil works) are made in Argentina. Where there is insufficient or a lack of production in Argentina, the percentage is reduced to 30%. The assignment of the tax certificate is conditioned upon the fact that the taxpayer cannot have liquidated debts due and payable to the AFIP.
6. Other benefits, including the possibility of shifting increased costs arising from tax increases to the price of the renewable energy sold; exemption from import duties and the statistical rate for the import of new capital assets, special equipment and related parts and components that are necessary for, among other things, the execution of the project; and the exemption from special taxes, fees and royalties of any

jurisdiction imposed on the access to and use of renewable sources of energy within participating jurisdictions until December 31, 2025, excluding potential fees payable on the use of the state-owned land where the projects are based.

7. Those who wish to participate in the Promotional Regime must waive the benefits afforded by previous systems under Laws No. 25,019 and 26,360, and the projects that benefitted from such systems may only have access to the Promotional Regime if the works committed under the contracts executed thereunder have not commenced as of the date of the application.

### ***Termination of Renewable Energy Contracts***

On April 25, 2023, the Secretariat of Energy issued resolution 284/2023 that establishes the conditions for companies that own projects for the generation of electricity from renewable sources to request the termination of their PPAs with CAMMESA. The relevant aspects of Resolution 284/2023 are the following:

1. Scope of the rule: companies (i) awarded PPAs under Rounds 2 and 3 of the RenovAr Program, or (ii) that were authorized to request their incorporation to the National RenovAr Program, or (ii) that were authorized to request their incorporation to the National Promotion Regime for Renewable Energies under Resolution No. 202/2016 of the former Ministry of Energy and Mines (exception regime), which have not reached the exception), that have not reached the Commercial Qualification Date.
2. Requirements:
  - The payment of a one-time sum: U.S.\$35,000 for each MW of Contracted Capacity.
  - The company that owns the project must submit (i) a waiver of any administrative, judicial, extrajudicial, or arbitration right, action or claim in Argentina, abroad and abroad and within the scope of the Argentine Republic (i) a waiver of any administrative, judicial, extrajudicial or arbitration right, action or claim in the Argentine Republic, abroad and at the international level, against the National the National Government, the Secretariat of Energy and/or CAMMESA, and (ii) a declaration whereby it undertakes to hold the National Government harmless against any action, administrative, judicial, extrajudicial or arbitration claim, in or arbitration, in the Argentine Republic, abroad and internationally, of its shareholders or controlling or related companies.
  - The company owning the project must present (together with the presentation of the documentation of the previous points) a sworn statement of waiver of the tax benefits granted and not taken advantage of, as provided for in Section 9 of Law No. 26,190 (as amended by Law No. 27,191) and Decree No. 814 of 2017.
3. Deadline to file the rescission request: it must be filed before CAMMESA within a term no longer than thirty (30) calendar days as from the publication of the measure, that is to say, as from April 25, 2010. The documentation associated with the request for termination of the contract will be timely requested by CAMMESA once it has received the request from the company that owns the project, which will have a maximum period of ninety (90) days for its presentation.
4. Certificate of Inclusion: once the sworn statement of resignation has been submitted, the Authority of Application shall annul the administrative act by which the Certificate of Inclusion was granted.
5. Termination: in the event that the requirements listed in point 2) herein are fulfilled, the Project Owner Company and CAMMESA will sign the instrument that will terminate the contractual relationship.

Likewise, project holding companies that opt for the termination of their PPAs must pay a penalty (of U.S.\$35,000 for each MW of Contracted Capacity) that will be allocated to a FODER fund. Upon withdrawal of the contract the project holding company will lose access to any amounts collected under FODER.

### ***RenovAR (Round 1, Round 1.5 and Round 2): Bidding Process for Renewable Energy Generation Projects***

After carrying out a public consultation period to submit comments and suggestions to the preliminary version of the bidding terms and PPAs and due to the proximity of the period for submitting bids to the “Round 1” from the RenovAR Program, Presidential Decree No. 882/16, published on July 22, 2016, in the Official Gazette on the grounds of “necessity or urgency,” which decree has modified and established different precisions regarding the legal framework for the Promotional Regime.

Below are the main measures introduced by the Decree No. 882/16:

1. Fiscal Quota: For the year ended December 31, 2016, a budget of US \$1,700,000,000 was approved in order to be allocated to the promotional benefits under the Promotional Regime. In case the specified budget is not allocated in full in 2016, it will be automatically transferred to the following year.
2. PPAs term: In order to recover the investment and obtain a reasonable return, the PPAs will have a maximum term of 30 years.
3. Put and Call Options: The PPAs may grant rights to: (a) the Argentine government to purchase the power generation or their assets upon material breaches of the contract that constitute ground for termination; the purchase price will be lower than the unamortized investment at the time the option is exercised; and (b) the owner of the project to sell the power generation or their assets upon the occurrence of any of the “grounds for put option” for a price, which in no case may exceed the unamortized investment at the time the option is exercised.
4. PPAs are subject to Argentine private law.
5. Choice of Forum: In the event of any dispute concerning the interpretation or execution of the PPAs for disputes arising out of the contracts signed between the Argentine government or the FODER with the beneficiaries of the Promotional Regime, alternative dispute resolution methods from Argentina or abroad can be included in the PPAs.
6. FODER: As a result of the Decree No. 13/2015 in which the former Ministry of Energy and Mining was established, the Decree No. 882/16 replaced paragraphs 2, 3, 7, 8 and 9 of Section 7 of Law 27,191 and proceeded to modify the Argentine government’s role in the FODER, establishing the former Ministry of Energy and Mining as trustor and trustee of the FODER. It also granted power to the Minister of Energy and Mining (or his designee or replacement) to approve the trust agreement of the FODER and sign the trust agreement with the trustee.
7. Guarantee of payment for put option: The decree empowers the Ministry of Treasury and Public Finance to issue and deliver treasury bills to the FODER (up to a maximum nominal value of US \$3,000,000,000 or its equivalent in other currencies) for and on behalf of the former Ministry of Energy and Mining and to guarantee the payment in the event that the owner exercises the put option and sells the generation plant.

Resolution No. 136/16, issued by the former Ministry of Energy and Mining and published in the Official Gazette on July 26, 2016, launched the public auction process for submitting bids for Round 1 of the RenovAR Program. Resolution No. 136/16 also approved both the bidding terms and conditions of the above-mentioned auction and the PPAs with CAMMESA.

According to the terms and conditions of such bid, the relevant PPAs shall include the following features and provisions:

1. Purpose: The purpose of the agreement must be to supply the amount of electric power associated with the new equipment for electric power generation from renewable sources to the MEM beginning on the date on which the power plant is permitted to operate in the MEM until the termination of the contractual term.
2. Seller: The generation, co-generation or self-generation agent of the MEM whose bid is accepted pursuant to the provisions of this resolution and supplementary regulations set forth by the Secretariat of Electric Energy.

3. Buyer: CAMMESA, on behalf of the distribution agents and large users of the MEM (until such role is reassigned among distribution agents or large users of the MEM), to meet the goals of renewable energy source contribution set since December 31, 2017, for the demand of electric power in the MEM.
4. Term: Up to twenty years from the date on which operations commence.
5. Type and technology of the energy to be supplied.
6. Electricity committed to be delivered per year.
7. Generation capacity of each unit and total installed capacity committed.
8. Remuneration to be received by the seller and paid by the buyer for the electric power to be supplied, determined on the basis of the bid price in U.S. dollars per megawatt/hour (US \$/MWh).
9. The terms and conditions of the seller's contractual performance guarantee.
10. The point of delivery of the electric power purchased shall be the connection node to the SADI.
11. The remedies for contractual breach.
12. The enforcement of the guarantee for payment through FODER's escrow account.
13. Contracts for the purchase of electric power shall have first priority in payment and rank equally with payments to the MEM.

On September 5, 2016, after concluding the period for submitting bids to the first round of the RenovAr Program, the former Minister of Energy and Mining, Juan José Aranguren, and the former Undersecretary of Renewable Energy, Sebastián Kind, pursuant to Resolution No. E 205/16 signed by the Minister of Energy and Mining, announced that 123 bids were submitted, requesting 6,346 MW (six times more than 1,000 MW originally tendered), of which 105, a total of approximately 5,209 MW, were technically qualified. This consisted of 42 wind projects with a total installed capacity of approximately 2,780 MW, 50 solar projects with a total installed capacity of approximately 2,304 MW and 13 biomass, biogas and small hydroelectric power projects with a total installed capacity of approximately 35 MW.

Pursuant to Resolution No. 213-E/16 of the former Minister of Energy and Mining, the results of the tender were published on October 7, 2016. A total of 29 projects with a total installed capacity of 1,141.51 MW, located in nine different provinces were awarded:

- 12 wind projects for a total installed capacity of 707 MW, with a weighted average price of US \$59.39/MWh, a minimum price of US \$49.10/MWh and a maximum price of US \$67.20/MWh;
- four solar projects for total installed capacity of approximately 400 MW, with a weighted average price of US \$59.75/MWh, a minimum price of US \$59.00/MWh and a maximum price of US \$60.00/MWh;
- five small hydro projects for total installed capacity of 11.37 MW, all at a price of US \$105/MWh;
- six biogas projects with a total installed capacity of approximately 8.64 MW, with a weighted average price of US \$154 /MWh, a minimum price of US \$118/MWh and a maximum price of US \$160/MWh; and
- two biomass projects, for a total installed capacity of 14.5 MW, both at a price of US \$110/MWh.

*Round 1.5 of the RenovAr Program: Public Bid Process for New Renewable Energy Generation Units*

In October 2016, the former Ministry of Energy and Mining also issued Resolution No. 252-E/16, calling for national and international bids under round 1.5 of the RenovAr Program to auction an additional 600 MW of renewable energy (400 MW of wind and 200 MW of solar). On November 11, 2016, CAMMESA began analyzing the technical aspects of the bids that were filed, which included 47 projects totaling 2,486.4 MW.

Pursuant to Resolution No. 281-E/16 of the Minister of Energy and Mining, the results of the tender were published on November 25, 2016. A total of 30 projects with a total installed capacity of 1,281.53 MW, located in 12 different provinces were awarded:

- 10 wind projects for a total installed capacity of 765.35 MW, with a weighted average price of US \$53.34/MWh, a minimum price of US \$46/MWh and a maximum price of US \$59.38/MWh; and
- 20 solar projects for total installed capacity of approximately 516.18 MW, with a weighted average price of US \$54.94/MWh, a minimum price of US \$48.00/MWh and a maximum price of US \$59.20/MWh.

*Round 2 of the RenovAr Program: Public Bid Process for New Renewable Energy Generation Units*

Pursuant to Resolution No. 275-E/2017 issued on August 16, 2017, the former Ministry of Energy and Mining instructed CAMMESA to carry out a national and international open call procedure - RenovAr Program (Round 2) - for the admission and possible award of contracts for the purchase and sale of electric power generated from wind, solar photovoltaic, biomass, biogas, landfill biogas and small hydroelectric plants. On the same occasion, the former Ministry of Energy and Mining also approved the bidding terms and conditions.

A total of 1,200 MW were awarded in that edition of RenovAr. Qualifying projects were projects of (i) new power plants; or (ii) expansion or repowering of power plants (iii) carried out with new or used equipment and proven technologies. The presentation of cogeneration or self-generation projects was allowed.

On this occasion, the former Ministry of Energy and Mining awarded, through Resolution N ° 473-E / 2017, sixty-six projects for a total capacity of 1,404 MW, distributed as follows: 117.2 MW for biomass, 35 MW for biogas; 13.1 MW for landfill biogas, 20.8 MW for small hydro, 665.8 MW for wind energy and 556.8 MW for solar energy.

Similar to Round 1, through Resolution No. 473/2017, the former Ministry of Energy and Mining invited qualified but not awarded bidders to enter into renewable energy sources supply agreements and the corresponding FODER adhesion contracts. This Round was named as “RenovAr Round 2 - Phase 2”.

*Round 3.0 of the RenovAr Program: Public Bid Process for New Renewable Energy Generation Units*

Through Resolution No. 100/2018, dated November 14, 2018, the former Secretariat of Energy launched Round 3.0 of the RenovAr program and issued the bidding terms and conditions ruling such bidding contest. In this new round, participants can submit bids with respect to electricity projects of no more than 10 MW of capacity each, regardless of the applicable technology (wind, solar, etc.). The total capacity to be awarded in this round is 400 MW of renewable energy. On August 2, 2019, pursuant to Disposition SSERyEE 91/2019 the awarding of the PPAs was decided for a total of 259 MW.

### **Changes to the Electric Power Sector under the Previous Administration**

On December 15, 2015, the Executive Branch declared a state of emergency with respect to the Argentine electric power sector until December 31, 2017. Pursuant to Decree No. 134/2015, the former Ministry of Energy and Mining (as well as its successors) must:

1. prepare and put in place a plan of action addressing the issues affecting the electric power generation, transmission and distribution sectors within its jurisdiction in order to adjust the quality and safety of the electric power supply and ensure the supply of electric power under suitable technical and economic conditions; and
2. coordinate with other Argentine government agencies to develop a program for the efficient use of energy.

The former Ministry of Energy and Mining set forth Resolutions No. 6 and No. 7 under this scheme.

Additionally, on October 31, 2017, the Executive Branch issued Decree No. 882/2017 ordering the restructuring of the Argentine government's energy sector assets aimed at the reduction of government participation. Decree 882/2017 mandated the former Ministry of Energy and Mining to execute the merger of ENARSA and Emprendimientos Energéticos Binacionales S.A. (EBISA). EBISA is a company responsible for selling the



electricity generated by certain binational energy projects in which the Argentine government is a party. In accordance with the provisions of such decree, ENARSA would absorb EBISA and would change its name to IEASA. Through Resolution 11-E/2018, the former Ministry of Energy and Mining instructed the boards of directors of the aforementioned companies to carry out all due diligence necessary to perform the merger.

According to Decree No. 882/2017, IEASA will also be responsible for continuing certain energy infrastructure public work projects previously performed by the former Ministry of Energy and Mining (acting as a contracting entity). Pursuant to such decree, the former Ministry of Energy and Mining can also assign to IEASA with any other public work project to be performed by such ministry.

Through Decree No. 882/2017, the Executive Branch granted IEASA a concession to develop the Condor Cliff and La Barrancosa hydroelectric power plants.

Decree No. 882/2017 also instructed the former Ministry of Energy and Mining (acting as a shareholder of IEASA), to implement the necessary measures so that IEASA sells, assigns or transfers its assets, rights and/or shares (as the case may be) related to Ensenada Barragan, Brigadier López and Manuel Belgrano II thermal power plants and Compañía Inversora de Transmisión Eléctrica CITELEC S.A.

The subsequent sales and transfers must contemplate public and competitive procedures which must protect the rights established in the companies' bylaws and related corporate and contractual documentation.

#### **Changes to the Electric Power Sector under the Current Administration**

As of the date of this Exchange Offer Memorandum, the following measures have been adopted in the electric power sector since the elected administration took office on December 10, 2019:

- The Governmental Secretariat of Energy –under the jurisdiction of the former Ministry of Treasury- was reorganized as the Secretariat of Energy –within the scope of the Ministry of Economy.
- By means of the Solidarity Law, tariffs applied by distribution and transmission companies under federal jurisdiction were frozen for 180 days, at the values in force as of the day in which the law came into force (December 21st, 2019). This measure was extended by means of Decree No. 543/2020 (180 days) and Decree No. 1,020/2020 (90 days, or until the new tariff regimes enter in force).
- The Executive Branch was empowered to renegotiate tariffs effective as of December 21, 2019, with the aim of reducing the tariff burden placed on households, stores and industrial facilities for 2020 and said process was formally began by the ENRE.
- By means of the Solidarity Law, the National Executive Branch was empowered to intervene the ENRE board of directors per one year. This measure was implemented by means of Decree No. 277/2020 and extended by means of Decree No. 1020/2020 (until December 31, 2021), Decree No. 871/2021 (until December 31, 2022) and Decree No. 815/2022 (until December 31, 2023).
- The transfer of EDENOR and EDESUR to the jurisdictions of the City of Buenos Aires and the Province of Buenos Aires, as applicable, was suspended. Therefore, such companies still remain under the regulatory power of the Federal Government.
- On December 27, 2019, the Ministry of Productive Development issued Resolution MDP No. 12/2019, repealing Resolution SGE No. 70/2018 and restoring Art. 8 of SE Resolution 95/2013. Beginning in January 2020, CAMMESA became the only fuel supplier for generation companies, except for (i) thermal units that had prior commitments with CAMMESA for energy supply contracts with their own fuel management and (ii) thermal units under the Energía Plus regulatory framework, authorized under Resolution SE No. 1281/05 to supply energy to large private users.
- On February 27, 2020, the Secretariat of Energy issued Resolution 31/20 applicable from February 1, 2020, which replaces the regulatory framework for Energía Base, changing the energy and power capacity prices for the units under this regulatory framework. Resolution 31/20 was later modified by means of Resolution

No. 440/2021, Resolution No. 238/2022 and Resolution No. 826/2022. For the details of these regulations, see “—Remuneration Scheme.”

- Resolution Secretariat of Energy 354/2020. Through this resolution it was established, mainly among other things, that as from the validity of the “GasAr” Plan (Plan Gas IV), the MEM Generators will be able to adhere to the centralized dispatch, assigning to CAMMESA the operational management of the contracts that these have with producers awarded with gas volumes in the Plan Gas IV and / or with natural gas transporters and / or distributors, so that said contracts are used by the Dispatch Agency (OED) in order to minimize total costs supply criteria for the MEM dispatch criteria and for a given priority of dispatch of natural gas according to its origin (Natural Gas from Plan Gas IV natural gas imprinted from Bolivia by IEASA, LNG and the rest of natural gas in local basins outside the Plan Gas IV). In particular, Resolution 354 also established that generating agents that have obligations to supply their own fuel within the framework of Resolution No. 287/2017, will have the option to nullify the aforementioned obligation, having to preserve the maintenance of the respective transport capacity for the purposes of its management in the centralized dispatch, as long as CAMMESA determines the convenience of having it.
- On January 19, 2021, the ENRE initiated, with the enactment of Resolutions 16/2021 and 17/2021, the proceedings for the transitory adjustments of the tariffs of the public utilities of distribution and transmission of energy, with the purpose of establishing a transitional tariff regime, until a final renegotiation agreement is reached.
- On January 21, 2021, the SE created through Resolution 40/2021 two regimes:
  - (i) a “Special Regime for the Regularization of Obligations” for the debts maintained with CAMMESA and/or with the MEM of the electric power distributors agents of the MEM, whether for energy consumption, power, interest and/or penalties, accumulated as of September 30, 2020;
  - (ii) a “Special Credits Regime” for those electric power distributors that, being MEM agents, do not register debt with CAMMESA and/or the MEM or are considered within reasonable values in relation to their level of transactions as of September 30, 2020.
- Both regimes will be implemented through the signing of particular “Actas Acuerdo” that will be signed between the electric power distributors agents of the MEM and its granting authority and/or control entity and the SE, where the treatment of the entirety of the comprised debt and the obligations to which the distributor will be subject.
- By means of Decree No. 88/2022, both regimes were extended until December 31, 2022. On February 7, 2023, Resolution SE No. 56/2023 was published in the Official Gazette, regulating a new debt regularization regime pursuant to Article 89 of Law 27,701, establishing specific criteria and conditions in this respect.
- By means of Resolution No 53/2021, issued on March 3, 2021, the ENRE called for a public hearing to discuss the “Transition Tariff Regime” to be applied by EDENOR and EDESUR, all within the integral tariff revision process.
- Later, on March 5, 2021, ENRE issued Resolution 58/2021. Through this Resolution, ENRE instructed EDENOR and EDESUR issue the invoices for the electric power distribution public service including only the amounts due for consumption in the invoiced period, and separately, inform debts originated or accrued during the mandatory quarantine (ASPO) and the social distancing measure (DISPO), without contemplating interests. It also ordered both distributors to refrain from suspending the supply of their services due to amounts owed up to February 28, 2021.
- On April 30, 2021, the ENRE issued Resolutions No. 106 and 107, through which the values of the Distribution Cost and the values of the tariff chart of EDESUR (106) and EDENOR (107) were approved, effective as from May 1, 2021 (Transition Tariff Regime). EDESUR and EDENOR were subject to numerous tariff regulations thereafter.

- On January 27, 2022, Resolution No. 28/2022 of the Secretariat of Energy was published in the Official Gazette. The Secretary instructed the ENRE to include the treatment of the seasonal reference prices of the Stabilized Energy Power and the Stabilized Price of Transmission in the MEM and for the MEM of the Tierra del Fuego System, as part of the public hearings to be held within the framework of the transitional adjustments of tariffs of the Public Service of Electric Power Transmission of national scope, the treatment of the seasonal reference prices of the Stabilized Power, Stabilized Energy and the Stabilized Price of Transmission in the MEM and for the MEM of the Tierra del Fuego System, in order to broaden the dissemination of the respective information and facilitate a greater participation of the users of the service of the different jurisdictions in the treatment of such matter.
- By means of Resolution No. 25/2022, the ENRE proceeded as instructed: it called for a Public Hearing in order to inform and hear opinions regarding: (i) the treatment of the determination of the seasonal reference prices of Power, Stabilized Energy in the MEM, as well as the Stabilized Price of Transmission and for the MEM of the Tierra del Fuego System; (ii) the proposals of the electric power transmission and distribution public service concessionaires, aimed at obtaining a transitory adjustment of tariffs, within the Comprehensive Tariff Review renegotiation process and prior to defining the tariffs to be applied by the concessionaires. The Public Hearing was held on February 17, 2022.
- Through Resolution 105/2022, the Secretariat of Energy established the Power Reference Prices of Stabilized Energy in the MEM, for the demand of electric power declared by the Distributing Agents and/or Providers of the Public Service of Distribution of the MEM, as destined to supply its users, or those of other Providers of the Public Service of Distribution of electric power within the area of influence or concession of the Distributing Agent, the application of the Power Reference Prices (POTREF) and the Stabilized Energy Price (PEE) in the MEM. Likewise, it establishes the application of the values of the Stabilized Price of Transmission corresponding to each Distributing Agent of the MEM for the Public Service of Transmission of Electric Power in High Voltage and for “Main” Distribution.
- On February 26, 2022, ENRE Resolutions No. 66, 67, 68, 69, 70, 71, 72, and 74 were also published, which approved the hourly values to be applied to regulated equipment effective as from February 1, 2022 for the following transmission companies, respectively: TRANSPA, TRANSCO, TRANSENER, TRANSBA, EPEN, TRANSNOA, TRANSNEA and DISTROCUYO.
- By means of Resolution No. 235/2022, published in the Official Gazette on April 18, 2022, the Secretariat of Energy called for a Public Hearing to address the implementation of the segmentation in the granting of subsidies to the price of energy by the Federal Government to users of natural gas and electric power services for the 2022-2023 biennium. The hearing took place on May 12, 2022.
- By means of Decree No. 332/2022, published in the Official Gazette on June 16, 2022, the Argentine government established, as from June 2022, a subsidy segmentation regime for residential users of electric power and natural gas public services through the network, in order to achieve reasonable energy values that may be applied with fairness and distributive equity criteria. The Secretariat of Energy is the authority in charge of the application of the segmentation regime.
- Through Resolution No. 467/2022, published in the Official Gazette on June 28, 2022, the Secretariat of Energy instructed the Undersecretariat of Energy Planning to implement the Segmentation of Subsidies to Residential Users of public utilities of electric power and natural gas by network established in Decree No. 332/2022.
- Taking into account the subsidy segmentation regime established in Decree No. 332/2022, the Secretariat of Energy issued Resolution No. 627/2022 (published in the Official Gazette on August 30, 2022, and amended by Resolution No. 629/2022) whereby it defined three (3) segments of residential users with differentiated subsidy levels, as follows: Level 1 - Higher Income: Users, who will be responsible for the full cost of the energy component of the respective service; Level 2 - Lower Income: Users, to whom, taking as a reference the scope of national jurisdiction, the impact on the bill generated by the correction of the energy component, will be equivalent to a total annual percentage increase in their bill that may not exceed 40% of the Salary Variation Coefficient (CVS) of the previous year; and Level 3 - Average Income: Users, not included in Levels 1 and 2, to whom, taking as a reference the scope of national jurisdiction, the impact on the bill generated by the correction of the Energy component, will be equivalent to a total annual

percentage increase in their bill of up to 80% of the Salary Variation Coefficient (CVS) of the previous year.

- (i) Thus, as from September 1, 2022 and until October 31, 2022, the implementation of the subsidy segmentation regime for Residential users of public electric power services will be applied according to the following criteria: (i) Residential demand users of the Level 1 - Higher Income segment will have a 20% reduction of the subsidy applied to the seasonal price established in Resolution SE No. 605/2022; (ii) Residential demand users of the Level 2 - Lower Income segment will have no modification in the allocation of the current subsidy; (iii) Residential demand users of the Level 3 - Middle Income segment, the current seasonal prices will be maintained.
- (ii) In addition, as from September 1, 2022 and until October 31, 2022, general demand users (Demands Lower than 300 kW - Non-Residential) will have a 20% reduction of the subsidy applied to the seasonal price established in Resolution SE No. 605/2022.
- Accordingly, Resolution SE No. 627/2022 (as amended by Resolution No. 629/2022) approves the Power Reference Prices (POTREF) and the Stabilized Energy Price (PEE) in the MEM to be used for their corresponding application in the tariff charts by the Distribution Agents and other Public Distribution Service Providers that require it during the period from September 1 to October 31, 2022.
- On September 15, 2022, Resolution No. 649/2022 of the Secretariat of Energy was published in the Official Gazette, which implemented a scheme for the allocation of consumption caps without removal of differentiated subsidies (according to the characteristics of each jurisdiction) for residential users that do not face the full cost of energy.
  - (i) Thus, as from September 1, 2022, the electric power demand that MEM distribution agents declare as destined to supply electric power users with homes categorized in “Level 3 -Medium Income-” will be subject to the Power Reference Price (POTREF) and the Stabilized Energy Price (PEE) in the MEM that have been defined for “Level 1 -High Income” (in Resolution SE No. 629/2022), for those electric power consumptions exceeding 400 kWh/month.
  - (ii) In the case of the demand of households in the provinces of Misiones, Corrientes, Formosa, Chaco, Catamarca and La Rioja, the consumption cap will be increased to the excess consumption of 550 kWh/month.
- On September 26, 2022 Resolution No. 661/2022 of the Secretariat of Energy was published in the Official Gazette, which clarified that, for the purposes of the allocation of energy subsidies established by Decree No. 332/2022, in each billing cycle, those services that have not been identified as belonging to Level 2 or Level 3 beneficiaries in the list reported to ENRE, ENARGAS, the regulatory entities, the provincial authorities and/or the companies rendering public utilities for the distribution of electric power and natural gas by network, must receive the treatment corresponding to higher income residential users (Level 1).
- On November 3, 2022, Resolution No. 742/2022 of the Secretariat of Energy was published in the Official Gazette, which established the application of the Power Reference Prices (POTREF) and the Stabilized Energy Price (PEE) in the MEM defined by Resolution No. 719/2022 (and successive resolutions that may replace it in the future), for the “Level 2 - Lower Income” segment.
- On October 21, 2022, Resolution No. 539/2022 of the ENRE was published, which called for a public hearing in order to inform and hear opinions regarding the proposals of the concessionaires of the electric power transmission public service aimed at obtaining a transitory adjustment of tariffs, within the process of renegotiation of the Comprehensive Tariff Review and prior to defining the tariffs to be applied by the concessionaires. The hearing was held on November 30, 2022. The final report of the hearing was approved by ENRE Resolution No. 682/2022, published on December 27, 2022.
- On November 11, 2022, Resolution No. 576/2022 of the ENRE was published, which called for a public hearing in order to inform and hear opinions regarding the proposals of the concessionaires of the electric power distribution public service aimed at obtaining a transitory adjustment in the tariff, as part of the renegotiation process of the Comprehensive Tariff Review, prior to defining the tariffs to be applied by the

concessionaires. The hearing was held on January 23, 2023. The final report of the hearing was approved by Resolution No. 154/2023 of the ENRE, published on February 1, 2023.

- Through Resolution No. 59/2023 published in the Official Gazette on February 7, 2023, the Secretariat of Energy authorized generators owners of Thermal Generation Plants whose technology is classified as “combined cycle” according to the provisions of Resolution No. 826/2022, which are not committed in electric power supply contracts, to adhere to a “Power Availability and Efficiency Improvement Agreement” with CAMMESA (on behalf of the Distributors and large users of the MEM) with the purpose of encouraging the necessary investments for Major and Minor Maintenance of the machines.
- Through Resolution SE 360/2023, published in the Official Gazette on May 10, 2023, the SE modified the “MATER” regulatory framework established by Resolution SE 281/2017. For more information, see “— Resolution No. 281-E/17: The Renewable Energy Term Market in Argentina.”

### **Call for Bids for New Thermal Generation Capacity and Associated Electricity Generation**

Pursuant to Decree No. 134/15 and Resolution No. 6/16 set forth by the former Ministry of Energy and Mining, the Secretariat of Electric Energy issued Resolution No. 21/16 (“Resolution No. 21”) calling for bids for thermal generation capacity and associated electric power generation. The energy was to be made available in the MEM to meet essential demand requirements beginning with the following seasons: summer 2016/2017, winter 2017 and summer 2017/2018.

Resolution No. 21 provided for the following bid specifications:

- Bids may only be submitted to CAMMESA by such parties that already were or had simultaneously submitted an application to the Secretariat of Electric Energy to become, generation, co-generation or self-generation agents of the MEM under the terms of the Procedures.
- Bids had to be for projects to install new generation capacity, in addition to the expected capacity for the period in which commercial operation of the project was committed.
- Bidders did not have to offer pre-existing generation units that were connected to the SADI or units in which the power capacity being offered was already committed and partially performed under agreements approved by the former Secretariat of Electric Energy. If, in the case of the latter, there was no partial performance of the agreements and bidders submitted bids under Resolution No. 21, CAMMESA had to submit the matter to the former Secretariat of Electric Energy.
- Bids did not have to commit, at each proposed connection point, a generation capacity lower than 40 MW and the net power of each generating unit for such location did not have to be lower than 10 MW.
- The committed equipment had to be capable of running on two types of fuel and be able to operate on either of them as needed by the MEM economic dispatch. If there was ongoing and unlimited availability of a given fuel or if deemed logistically beneficial by the bidder, bidders had to submit an alternative offer with generating equipment capable of running on a single type of fuel.
- There was no pre-established ceiling for the capacity of power that could be offered, and the location of the projects could be freely chosen, but both the capacity and the location of the projects was limited by the capacity of the transmission system and the supply of fuel.
- For each generating unit at the proposed interconnection spot, bidders had to offer a price for power availability (expressed in U.S. dollars per month) and a price for the electric power generated (expressed in U.S. dollars per hour), estimating the value of non-fuel related variables for each type of fuel on which the power plant was able to run, and the related committed maximum specific consumption stated in kilocalories per kilowatt-hour.
- Bidders were required to submit evidence of full compliance with applicable environmental laws, including but not limited to the related statement of Environmental Impact and Environmental Impact Study.

- Bids had to be submitted in two envelopes. One envelope had to include technical information in connection with the availability of the power being offered. The other envelope had to include the bid price for the committed power availability and the electric power generated, the maximum specific consumption being offered, the committed due date by which the generation capacity being offered would have been commercially available for service, the requested term for the contract, the bid bond and the *pro forma* guarantee of compliance with the committed due date.
- Before submitting the bids, the Secretariat of Electric Energy could specify or supplement the contents of Resolution No. 21 and the information and documents to be submitted.

The agent whose bid was finally accepted was required to enter into a contract for the sale of electric power generation capacity availability and the related generated electric power in the MEM (a “wholesale demand contract”) with the distribution agents and large users of the MEM represented by CAMMESA.

The bids submitted are required to be reviewed by CAMMESA following the methodology established by the Secretariat of Electric Energy. This methodology included following a streamlined simulation model of the expected operation of the generation units committed in each bid, considering certain requirements set forth by Resolution No. 21. The bid assessment process is required to consider the risks of undelivered electric power expected for the summer 2016/2017, winter 2017 and summer 2017/2018, estimating the value the early incorporation of the generation capacity being offered would have for the electric power system. Bids are required to be ordered and selected based on the increasing costs each of them would have on the electric power system. CAMMESA is required to assess and report to the Secretariat of Electric Energy the costs that each of the bids deemed acceptable under the approved methodology would represent for the system and, if applicable, the bids that have been excluded at such stage for their failure to meet the bid specifications.

CAMMESA was required to issue the commercial documentation deemed necessary for making payments to selling agents under such wholesale demand contracts during the term of the emergency declared under Decree No. 134/15 or until the enactment of regulations governing the transfer to the selling agents of the responsibility to issue such commercial documentation.

As long as such duty is performed by CAMMESA, it must document and certify to the selling agent the proportional part that large users and distributors must pay for the electric power they consume to initiate summary collection proceedings.

As required by Resolution No. 21, CAMMESA prepared the terms of reference that govern the call for bids under Resolution No. 21, with such terms of reference having been approved by Note 161/16 set forth by the Secretariat of Electric Energy.

In accordance to Resolution No. 21, the Secretariat of Electric Energy received bids for 6,611 MW and awarded an aggregate amount of 2,871 MW.

Pursuant to Resolution No. 155/16 and Resolution No. 216/16, the Secretariat of Electric Energy authorized CAMMESA to subscribe the wholesale demand contracts with every winning bidder, for 1,915 MW with an average price of US \$21.833/MW-month, and for 956 MW with an average price of US \$19.907/MW-month, respectively. In addition, through Resolution No. 387/16, the Secretary of Electric Energy authorized CAMMESA to execute additional wholesale demand contracts for two generation projects (one for 100 MW and the other for 137 MW).

## **Remuneration Scheme**

### ***The Current Remuneration Scheme for Generators (Energía Base)***

On February 27, 2020, the Secretariat of Energy issued Resolution 31/20, modifying Resolution No. 1/2019 of the former Secretariat of Renewable Resources and Electricity Market, establishing a remuneration scheme in Argentine pesos applicable as from February 1, 2020 for Authorized Generators in the Wholesale Electricity Market. The remuneration scheme was later modified and updated by means of Resolution No. 440/2021, Resolution No. 238/2022 and Resolution No. 826/2022.

### ***Remuneration of Thermal Generators***

Under Resolution 1/2019 (as amended by Resolution 31/2020 and the further resolutions mentioned above), regarding generation from thermal sources, “Authorized Thermal Generators” will be remunerated for (i) monthly available capacity and (ii) energy. The concept of “Authorized Thermal Generators,” defined in Article 2 of Resolution N° 1/2019, includes all power generators in the WEM, excluding hydro binational power plants, nuclear plants and generators whose capacity is committed under the framework of PPAs, meaning that their energy will be destined to fulfill such contracts.

- Remuneration for available capacity is comprised of (i) a minimum price associated to the actual available capacity (DRP) and (ii) a price for guaranteed capacity according to the fulfilment of an offered guaranteed capacity availability (DIGO).

DRP is the medium monthly availability for each month (“m”) of each generation unit (“g”) that does not fall under Programmed and Agreed Maintenance, and that shall be calculated for Authorized Thermal Generators taking the values for such month.

DIGO is the capacity availability offered by an Authorized Thermal Generator for each “g” generation unit for each DIGO period (which are: (a) summer period: December-January-February, (b) winter period: June-July-August, (c) remaining periods: (c1) March-April-May, (c2) September-October-November).

- Remuneration for energy will be the sum of three items: (i) Generated Energy, (ii) Operated Energy (associated to the rotating power in each hour), and (iii) energy generated in peak hours. The hourly volume of Operated Energy must correspond with the optimal dispatch for the fulfilment of energy and reserves assigned. Remuneration for energy is determined at the connection node of the generator.

### ***Remuneration for Available Capacity***

#### ***Base Price for Available Capacity***

The base price to remunerate capacity from thermal sources will be determined pursuant to the following values of capacity base price (PrecBasePot) for each technology and scale:

As of February 2023 energy and capacity sales:

| <b>Technology / Scale</b>               | <b>PrecBasePot<br/>(Ps./MW-month)</b> |
|-----------------------------------------|---------------------------------------|
| Combined-cycle Large > 150 MW .....     | 306,355                               |
| Combined-cycle Small <= 150 MW .....    | 341,509                               |
| Steam Turbine Large > 100 MW .....      | 436,932                               |
| Steam Turbine Small <= 100 MW .....     | 522,308                               |
| Gas Turbine Large > 50 MW .....         | 356,577                               |
| Gas Turbine Small <= 50 MW .....        | 462,042                               |
| Internal Combustion Engines<=42MW ..... | 522,308                               |

As of August 2023 energy and capacity sales:

| <b>Technology/Scale</b>                 | <b>PrecPotDIGO (Ps./MW-month)</b> |
|-----------------------------------------|-----------------------------------|
| Combined-cycle Large > 150 MW .....     | 392,135                           |
| Combined-cycle Small <= 150 MW .....    | 437,132                           |
| Steam Turbine Large > 100 MW .....      | 559,273                           |
| Steam Turbine Small <= 100 MW .....     | 668,555                           |
| Gas Turbine Large > 50 MW .....         | 456,419                           |
| Gas Turbine Small <= 50 MW .....        | 591,414                           |
| Internal Combustion Engines<=42MW ..... | 668,555                           |

The resulting remuneration will be the base value for available capacity for those generators that do not declare DIGO.

*Price for DIGO guaranteed capacity (“PrecPotDIGO”)*

For each month, all authorized power generators shall be acknowledged with a price of guaranteed capacity (PrecPotDIGO) for remuneration of available capacity.

As for February 2023 available capacity sales:

| Period                        | PrecPotDIGO<br>\$/MW month |
|-------------------------------|----------------------------|
| Dec-Jan-Feb .....             | 1,095,752                  |
| Jun-Jul-Aug .....             | 1,095,752                  |
| Mar-Apr-May-Sep-Oct-Nov ..... | 821,814                    |

As for August 2023 available capacity sales:

| Period                        | PrecPotDIGO<br>\$/MW month |
|-------------------------------|----------------------------|
| Dec-Jan-Feb .....             | 1,402,562                  |
| Jun-Jul-Aug .....             | 1,402,562                  |
| Mar-Apr-May-Sep-Oct-Nov ..... | 1,051,922                  |

*Remuneration for Available Capacity for Generators that do not declare DIGO:*

Total remuneration for available capacity for generators that do not declare DIGO is obtained from the DRP of the month at the PrecBasePot value. The availability is determined by discounting the forced unavailable capacity and Programmed and Agreed Maintenances.

$$\text{REM BASE } [\$/\text{month}] = \text{PrecBasePot} * \text{DRP [MW]} * \text{kFM}$$

Where:

kFM = hours of the month outside agreed maintenance/hours of the month.

*Remuneration for Guaranteed Offered Capacity for Generators that do declare DIGO:*

The remuneration of the DIGO is the remuneration of the available capacity of the corresponding unit, which is valued with the PrecPotDIGO [\$/MW-month] according to the following:

$$\text{REM DIGO } [\$/\text{months}] = \text{DRP[MW]} * \text{kFM} * \text{PrecPotDIGO}$$

Where:

kFM = hours of the month outside agreed maintenance/hours of the month.

*Total Remuneration for Available Capacity for Generators that do not declare DIGO*

$$\text{REM TOTgm } [\$/\text{month}] = \text{REM BASE}$$

*Total Remuneration for Available Capacity for Generators that do declare DIGO*

$$\text{REM TOTgm } [\$/\text{month}] = \text{REM DIGO}$$

### ***Energy Remuneration***

Energy remuneration is comprised of two items: (i) generated energy and (ii) operated energy. This remuneration is determined at the connection node of the generator.



### *Remuneration for Generated Energy*

For conventional thermal generation, a maximum value (depending on the kind of fuel used by the generation unit “g”) will be considered in concept of non-fuel variable costs (*CostoOYMxComb*), as indicated in the below chart, for the energy delivered in each hour.

As of February 2023 energy and capacity sales:

| Technology/Scale                        | CostoOYMxComb            |                             |                      |                           |
|-----------------------------------------|--------------------------|-----------------------------|----------------------|---------------------------|
|                                         | Natural Gas<br>(Ps./MWh) | FuelOil/GasOil<br>(Ps./MWh) | BioComb<br>(Ps./MWh) | Mineral Coal<br>(Ps./MWh) |
| Combined-cycle Large > 150 MW .....     | 731                      | 1,279                       | 1,826                | 0                         |
| Combined-cycle Small <= 150 MW .....    | 731                      | 1,279                       | 1,826                | 0                         |
| Steam Turbine Large > 100 MW .....      | 731                      | 1,279                       | 1,826                | 2,192                     |
| Steam Turbine Small <= 100 MW .....     | 731                      | 1,279                       | 1,826                | 2,192                     |
| Gas Turbine Large > 50 MW .....         | 731                      | 1,279                       | 1,826                | 0                         |
| Gas Turbine Small <= 50 MW .....        | 731                      | 1,279                       | 1,826                | 0                         |
| Internal Combustion Engines<=42MW ..... | 731                      | 1,279                       | 1,826                | 0                         |

As of August 2023 energy and capacity sales:

| Technology/Scale                        | CostoOYMxComb            |                             |                      |                           |
|-----------------------------------------|--------------------------|-----------------------------|----------------------|---------------------------|
|                                         | Natural Gas<br>(Ps./MWh) | FuelOil/GasOil<br>(Ps./MWh) | BioComb<br>(Ps./MWh) | Mineral Coal<br>(Ps./MWh) |
| Combined-cycle Large > 150 MW .....     | 936                      | 1,637                       | 2;338                | 0                         |
| Combined-cycle Small <= 150 MW .....    | 936                      | 1,637                       | 2;338                | 0                         |
| Steam Turbine Large > 100 MW .....      | 936                      | 1,637                       | 2;338                | 2,806                     |
| Steam Turbine Small <= 100 MW .....     | 936                      | 1,637                       | 2;338                | 2,806                     |
| Gas Turbine Large > 50 MW .....         | 936                      | 1,637                       | 2;338                | 0                         |
| Gas Turbine Small <= 50 MW .....        | 936                      | 1,637                       | 2;338                | 0                         |
| Internal Combustion Engines<=42MW ..... | 936                      | 1,637                       | 2;338                | 0                         |

### *Remuneration for Operated Energy*

Operated Energy remuneration is 255 \$/MWh as from the February 2023 financial transaction and 326 \$/MWh as from the August 2023 financial transaction, for any kind of fuel. When a generating unit is operating under forced condition, requested by the generator, Operated Energy remuneration will be determined considering only 60% of its installed capacity.

### *Remuneration for Energy Generated in Peak Hours*

The remuneration for thermal generation during peak hours (6:00 p.m. to 11:00 p.m.) in the months of December, January, February, June, July and August will be twice the value of the current non-variable fuel cost price [*CostoOYMxComb*] -for the type of dispatch fuel to be applied.

The remuneration for thermal generation during peak hours (6:00 p.m. to 11:00 p.m.) in the months of March, April, May, September, October and November, will be one time the value of the current non-variable fuel cost price [*CostoOYMxComb*] -for the type of dispatch fuel to be applied.

### *Remuneration of Hydroelectrical Generators*

Remuneration of Authorized Hydroelectrical Generators is comprised of (i) a payment for monthly available capacity and (ii) a payment for energy (which is comprised of three items: (a) generated energy, (b) operated energy and (c) energy generated in peak hours).

#### *Remuneration for Available Capacity*

This remuneration will depend on the DRP and a capacity base price. The latter will be determined pursuant to the following values considering the technology of the generation unit and its size.

As for February 2023 available capacity sales:

| <b>Technology/Scale</b>                                      | <b>Capacity Base Price<br/>(PrecBasePot)<br/>(Ps./MW-month)</b> |
|--------------------------------------------------------------|-----------------------------------------------------------------|
| Large HI Units with P > 300 MW .....                         | 301,332                                                         |
| Medium size HI Units with P > 120 and < 300 MW .....         | 401,776                                                         |
| Small HI Units with P > 50 and < 120 MW .....                | 552,442                                                         |
| Renewable HI Units with P < 50 MW .....                      | 903,995                                                         |
| Large HB pumping Units with P > 300 MW .....                 | 301,332                                                         |
| Medium size HB pumping Units with P > 120 and < 300 MW ..... | 401,776                                                         |

As for August 2023 available capacity sales:

| <b>Technology/Scale</b>                                      | <b>Capacity Base Price<br/>(PrecBasePot)<br/>(Ps./MW-month)</b> |
|--------------------------------------------------------------|-----------------------------------------------------------------|
| Large HI Units with P > 300 MW .....                         | 385,705                                                         |
| Medium size HI Units with P > 120 and < 300 MW .....         | 514,273                                                         |
| Small HI Units with P > 50 and < 120 MW .....                | 707,125                                                         |
| Renewable HI Units with P < 50 MW .....                      | 1,157,114                                                       |
| Large HB pumping Units with P > 300 MW .....                 | 385,705                                                         |
| Medium size HB pumping Units with P > 120 and < 300 MW ..... | 514,273                                                         |

For hydroelectric power plants that are responsible for the operation and maintenance of control structures in the course of the river, and that do not have an associated hydroelectric power plant, an increase coefficient of 1.20 must be applied for the remuneration of the power of the head plant.

A factor of 1.05 shall be applied to the recognized value, based on its minimum typical standard incidence.

DRP is the average monthly available capacity corresponding to the “m” month of each generation unit (“g”) that is not under programmed and agreed maintenance and that will be calculated for hydroelectrical authorized generators considering the monthly average real availability determined independently from the real level of the dam or the inputs and expenditures. The application in the calculations for month “m” is made taking into consideration the values registered in the month. In the case of hydroelectrical pumping units (HB), it must be considered, for the evaluation of its availability, both the corresponding to its operation as a turbine in all the hours of the period, as well as its availability as pump in all the hours of the period.

Following the abovementioned, remuneration of availability capacity (REM PBASE Ps./month) is calculated pursuant to the following formula:

$$\text{REM PBASE (Ps./month)} = \text{PrecBasePot} * \text{DRP (MW)} * \text{kFM}$$

Where:

kFM: hours of the month outside agreed maintenance period/hours of the month

#### *Remuneration for Energy*

This remuneration, which is determined at the connection node of the generator, is comprised of two items (i) remuneration for generated energy and (ii) remuneration for operated energy.

With respect to the remuneration for generated energy, in each hour, the price of the energy generated will be Ps.639/MWh as from February 2023 sales, and Ps.818 /MWh as from the August 2023 sales.

Regarding remuneration for operated energy, generators will receive a monthly remuneration, represented by the integration of hourly powers in the period, equal to Ps.255 /MWh as from February 2023 sales and Ps.326 /MWh as from August 2023 sales. The hourly volume of operated energy must correspond to the optimal dispatch for the fulfilment of energy and reservoirs assigned.

With relation to hydroelectrical pumping plants operating as a synchronic compensator, the price of the energy generated will be Ps.182 /MVar and Ps.255 -/MWh for its operated energy as from February 2023 sales and, as from August 2023 sales, the price of the energy generated will be Ps.233 /MVar and Ps.326 /MWh for its operated energy.

#### *Remuneration for Energy Generated in Peak Hours:*

For hydroelectric generation, a remuneration equivalent to two times the value corresponding to the current price for generated energy to be applied, will be acknowledged for peak hours (6:00 p.m. to 11:00 p.m.) in the months of December, January, February, June, July and August.

For hydroelectric generation, a remuneration equivalent to one time the value corresponding to the current price for generated energy to be applied, will be acknowledged for peak hours (6:00 p.m. to 11:00 p.m.) in the months of March, April, May, September, October and November.

#### ***Other Generating Technologies in the Spot Market***

Resolution 826/2022 sets forth that energy generated from non-conventional resources (solar, eolic, biomass, biogas) will be priced at Ps.5,113/MWh for its generated energy as from February 2023 sales, and Ps.6,545/MWh as from August 2023 sales.

Following this, the Non-Conventional Energy Remuneration will be calculated by the hourly integration in the month of the energy generated by generation unit “g” in each hour “h” (EGengh) by PENC in that hour:

$$\text{REM ENC (\$/month)} = \sum \text{h.month (PENC * EGengh)}$$

Generation coming from units that are in a stage prior to commercial authorization will be granted 50% of the corresponding remuneration until reaching such authorization.

#### ***The Previous Remuneration Schemes***

##### *Resolution SE No. 31/20*

On February 27, 2020, the Secretariat of Energy of the National Ministry of Production Development issued Resolution 31/20, which abrogated Resolution No. 1/19, reducing the remuneration scheme applicable from February 1, 2020 for Authorized Generators in the Wholesale Electricity Market.]

##### *Remuneration of Thermal Generators*

Resolution 31/20 sets forth, regarding generation from thermal sources, that authorized thermal generators will be remunerated for (i) monthly available capacity and (ii) energy.

Remuneration for available capacity is comprised of (i) a minimum price associated to the real available capacity (DRP) and (ii) a price for guaranteed capacity according to the fulfilment of an offered guaranteed capacity availability (DIGO). DIGO is the capacity availability offered by an authorized thermal generator for each “g” generation unit for each DIGO period (which are: (a) summer period: December-January-February, (b) winter period: June-July-August, (c) remaining periods: (c1) March-April-May, (c2) September-October-November). The power remuneration will be affected according to the Utilization Factor (FU) of the generation unit.

Remuneration for energy will be the sum of two items: (i) Generated Energy and (ii) Operated Energy (associated to the rotating power in each hour). The hourly volume of Operated Energy must correspond with the optimal dispatch for the fulfilment of energy and reserves assigned. Remuneration for energy is determined at the connection node of the generator.

In addition, Resolution 31/20 introduced new remuneration criteria, concerning the first 25 (HMRT-1) and second 25 (HMRT-2) hours of maximum thermal dispatch (“HMRT”) in the month, also establishing a distinction between the summer period, the winter period and the remaining periods.

All remuneration prices are set in Argentine pesos with a monthly adjustment parameter, considering IPIM and IPC indices, according with the following formula:

$$F.ACT_{transacción\ t} = F.ACT_{transacción\ t-1} * \left( 0,6 * \frac{IPC_{t-2}}{IPC_{t-3}} + 0,4 * \frac{IPIM_{t-2}}{IPIM_{t-3}} \right)$$

Where:

“IPIM”: WPI, published by INDEC

“IPC”: CPI, published by INDEC

However, the Secretariat of Energy instructed CAMMESA not to use the updated formula.

#### *Remuneration for Available Capacity*

The base price to remunerate capacity from thermal sources will be determined pursuant to the following values of capacity base price (PrecBasePot), price of guaranteed capacity (PrecPotDIGO) and Utilization Factor (FU):

| Technology / Scale                      | PrecBasePot<br>(Ps./MW-month) |
|-----------------------------------------|-------------------------------|
| Combined-cycle Large > 150 MW .....     | 100,650                       |
| Combined-cycle Small <= 150 MW .....    | 112,200                       |
| Steam Turbine Large > 100 MW .....      | 143,550                       |
| Steam Turbine Small <= 100 MW .....     | 171,600                       |
| Gas Turbine Large > 50 MW .....         | 117,150                       |
| Gas Turbine Small <= 50 MW .....        | 151,800                       |
| Internal Combustion Engines<=42MW ..... | 171,600                       |

| Technology/Scale                        | PrecPotDIGO (Ps./MW-month) |                      |
|-----------------------------------------|----------------------------|----------------------|
|                                         | Winter and<br>Summer       | Remaining<br>periods |
| Combined-cycle Large > 150 MW .....     | 360,000                    | 270,000              |
| Combined-cycle Small <= 150 MW .....    | 360,000                    | 270,000              |
| Steam Turbine Large > 100 MW .....      | 360,000                    | 270,000              |
| Steam Turbine Small <= 100 MW .....     | 360,000                    | 270,000              |
| Gas Turbine Large > 50 MW .....         | 360,000                    | 270,000              |
| Gas Turbine Small <= 50 MW .....        | 360,000                    | 270,000              |
| Internal Combustion Engines<=42MW ..... | 420,000                    | 330,000              |

#### *Utilization Factor (FU)*

In each “n” month of economic transactions a FU will be calculated for each generation unit (“g”), which is defined as:

$$FU_{gn} = \text{GenAñoMóvil} / (\text{DRPg.n.prom} \times \text{hs año móvil})$$

Being DRPg.n.prom: the average real available capacity of the generation unit “g” in the mobile year prior to the “n” month in which the declaration of economic transaction (DTE) is issued.

$$\text{DRPg.n.prom (MW)} = \frac{\sum_{mes\ n-12}^{mes\ n-1} (\text{DRPg.mes} \times \text{kFM})}{12}$$

Where:

mes = month.

kFM = hours of the month outside the agreed maintenance period, divided by the hours of the month.

Hs año móvil: the total hours of the mobile year prior to the “n” month in which the DTE is issued.

GenAñoMóvil: the total generation of the generation unit “g” in the mobile year prior to the “n2” month in which the DTE is issued.

In addition to the abovementioned, the remuneration for available capacity will also depend on the real available capacity (DRP), which is the average monthly availability corresponding to the “m” month of each generation unit (“g”) that is not under programmed and agreed maintenance and that will be calculated for thermal authorized generators considering the hourly values registered during the month. The application in the calculation for the “m” month will be made taking into consideration the values registered during the month.

Following the abovementioned, Resolution No. 31/20 sets forth that the monthly remunerating for available capacity shall be proportional to the monthly availability, the Utilization Factor of the generation unit and a price that will vary periodically.

In that sense, the resolution under comment differences remuneration of generators that do not declare DIGO from generators that do declare it.

In case of generators that do not declare DIGO, the remuneration is the DRP of the month valued at the capacity base price mentioned above. Availability is calculated detracting forced unavailable capacity and unavailable power due to agreed or programmed maintenance works.

$$\text{REM BASE (Ps./month)} = \text{PrecBasePot} * \text{DRP (MW)} * \text{kFM}$$

Where:

kFM: hours of the month outside agreed maintenance period/hours of the month

In case of generators that declare DIGO, their remuneration for offered guaranteed capacity is a remuneration of available capacity (with cap as physical magnitude to be computed in the DIGO) that is valued as PrecPotDIGO (Ps./MW-month) according to following:

If  $\text{DRP} \geq \text{DIGO}$

$$\text{REM DIGO (Ps./month)} = (\text{DRP} - \text{DIGO}) (\text{MW}) * \text{kFM} * \text{PrecMinPot} + \text{DIGO (MW)} * \text{kFM} *$$

PrecPotDIGO

If  $\text{DRP} < \text{DIGO}$

$$\text{REM DIGO (Ps./month)} = \text{MAX} \{ \text{REM BASE}; \text{DRP (MW)} * \text{kFM} * \text{PrecPotDIGO} * \text{DRP} / \text{DIGO} \}$$

Where:

kFM = hours of the month outside of agreed maintenance period/hours of the month

The total remuneration for available capacity of generators will depend on whether they declared DIGO or not.

*Total Remuneration for Available Capacity for Generators that do not declare DIGO:* Total remuneration for available capacity will be calculated, for generators that do not declare DIGO, exclusively pursuant to the concepts explained above and its application will be made considering the Utilization Factor (FU):

$$\text{If } \text{FU} < 30\% \text{ REM TOT (Ps./month)} = \text{REM BASE} * 0.6$$

If  $30\% \leq FU < 70\%$  REM TOT (Ps./month) = REM BASE \* (FU \* 0.3)

If  $FU \geq 70\%$  REM TOT (Ps./month) = REM BASE

*Total Remuneration for Available Capacity for Generators that declare DIGO:* The sum of the remunerations mentioned above and its application will be made considering the Utilization Factor (FU):

If  $FU < 30\%$  REM TOT (Ps./month) = REM DIGO \* 0.6

If  $30\% \leq FU < 70\%$  REM TOT (Ps./month) = REM DIGO \* (FU \* 0.3)

If  $FU \geq 70\%$  REM TOT (Ps./month) = REM DIGO

### Energy Remuneration

Energy remuneration is comprised of two items: (i) generated energy and (ii) operated energy. This remuneration is determined at the connection node of the generator.

### Remuneration for Generated Energy

For conventional thermal generation, a maximum value (depending on the kind of fuel used by the generation unit “g”) will be considered in concept of non-fuel variable costs (*CostoOYMxComb*), as indicated in the below chart, for the energy delivered in each hour:

| Technology/Scale                              | CostoOYMxComb            |                             |                      |                           |
|-----------------------------------------------|--------------------------|-----------------------------|----------------------|---------------------------|
|                                               | Natural Gas<br>(Ps./MWh) | FuelOil/GasOil<br>(Ps./MWh) | BioComb<br>(Ps./MWh) | Mineral Coal<br>(Ps./MWh) |
| Combined-cycle Large > 150 MW .....           | 240                      | 420                         | 600                  | 0                         |
| Combined-cycle Small $\leq$ 150 MW .....      | 240                      | 420                         | 600                  | 0                         |
| Steam Turbine Large > 100 MW .....            | 240                      | 420                         | 600                  | 720                       |
| Steam Turbine Small $\leq$ 100 MW .....       | 240                      | 420                         | 600                  | 720                       |
| Gas Turbine Large > 50 MW .....               | 240                      | 420                         | 600                  | 0                         |
| Gas Turbine Small $\leq$ 50 MW .....          | 240                      | 420                         | 600                  | 0                         |
| Internal Combustion Engines $\leq$ 42MW ..... | 240                      | 420                         | 600                  | 0                         |

### Remuneration for Operated Energy

Operated Energy remuneration is 84 Ps./MWh and applies to the addition of rotating capacity along the month. When a generating unit is operating under forced condition, requested by the generator, Operated Energy remuneration will be determined considering only 60% of its installed capacity.

### Maximum Thermal Dispatch Hours

Maximum Thermal Dispatch Hours (HMRT) applies to the average delivered capacity during the 25 hours of HMRT in the relevant month, earlier described as HMRT-1 and HMRT-2.

Remuneration price “PrecPHMRT” is 37.500 Ps./MW, and is affected by seasonal factor FRPHMRT, as indicated in the following chart:

| HMRT         | FRPHMRT |        |        |        |
|--------------|---------|--------|--------|--------|
|              | Summer  | Autumn | Winter | Spring |
| HMRT-1 ..... | 1.2     | 0.2    | 1.2    | 0.2    |
| HMRT-2 ..... | 0.6     | 0.0    | 0.6    | 0.0    |

Remuneration during HMRT (RemPHMRT) for thermal plants is determined as:

$$\text{RemPHMRT} = \text{Potgemhrt1} * \text{PrecPHRT} * \text{FRPHMRT1} + \text{Potgemhrt2} * \text{PrecPHRT} * \text{FRPHMRT2}$$

Where:

Potgemhrt1: average generated capacity during HMRT-1.

Potgemhrt2: average generated capacity during HMRT-2.

### ***Remuneration of Hydroelectrical Generators***

Remuneration of Authorized Hydroelectrical Generators is comprised of (i) a payment for monthly available capacity and (ii) a payment for energy (which is comprised of two items: (a) generated energy and (b) operated energy).

#### ***Remuneration for Available Capacity***

This remuneration will depend on the DRP and a capacity base price. The latter will be determined pursuant to the following values considering the technology of the generation unit and its size.

| <b>Technology/Scale</b>                                      | <b>Capacity Base Price (PrecBasePot) (Ps./MW-month)</b> |
|--------------------------------------------------------------|---------------------------------------------------------|
| Large HI Units with P > 300 MW .....                         | 99,000                                                  |
| Medium size HI Units with P > 120 and < 300 MW .....         | 132,000                                                 |
| Small HI Units with P > 50 and < 120 MW .....                | 181,500                                                 |
| Renewable HI Units with P < 50 MW .....                      | 297,000                                                 |
| Large HB pumping Units with P > 300 MW .....                 | 99,000                                                  |
| Medium size HB pumping Units with P > 120 and < 300 MW ..... | 132,000                                                 |

DRP is the average monthly available capacity corresponding to the “m” month of each generation unit (“g”) that is not under programed and agreed maintenance and that will be calculated for hydroelectrical authorized generators considering the monthly average real availability determined independently from the real level of the dam or the inputs and expenditures. The application in the calculations for month “m” is made taking into consideration the values registered in the month. In the case of hydroelectrical pumping units (HB), it must be considered, for the evaluation of its availability, both the corresponding to its operation as a turbine in all the hours of the period, as well as its availability as pump in all the hours of the period.

Following the abovementioned, remuneration of availability capacity (REM PBASE Ps./month) is calculated pursuant to the following formula:

$$\text{REM PBASE (Ps./month)} = \text{PrecBasePot} * \text{DRP (MW)} * \text{kFM}$$

Where:

kFM: hours of the month outside agreed maintenance period/hours of the month

#### ***Remuneration for Energy***

This remuneration, which is determined at the connection node of the generator, is comprised of two items (i) remuneration for generated energy and (ii) remuneration for operated energy.

With respect to the remuneration for generated energy, in each hour, the price of the energy generated will be Ps.210 /MWh.

Regarding remuneration for operated energy, generators will receive a monthly remuneration, represented by the integration of hourly powers in the period, equal to Ps.84 /MWh. The hourly volume of operated energy must correspond to the optimal dispatch for the fulfilment of energy and reservoirs assigned.

With relation to hydroelectrical pumping plants operating as a synchronic compensator, the price of the energy generated will be Ps.60 /MVAr and Ps.84/MWh for its operated energy.

### Maximum Thermal Dispatch Hours

This remuneration is applicable to the average operated available capacity of a hydroelectrical power plants during the 25 HMRT indicated as HMRT1 and HMRT2.

| HMRT Remuneration              |             |
|--------------------------------|-------------|
| Technology/Scale               | PrecPOHMRT  |
|                                | Ps./MW-HMRT |
| Hydro >300 MW .....            | 27,500      |
| Hydro >120 and <= 300 MW ..... | 32,500      |
| Hydro > 50 and <= 120 MW ..... | 32,500      |
| Renewable Hydro < 50 MW.....   | 35,000      |
| Pump > 300 MW .....            | 27,500      |
| Pump > 120 and <= 300 MW ..... | 32,500      |

Remuneration price “PrecPOHMRT”, is affected by seasonal factor FRPHMRT, as indicated in the following chart:

| HMRT         | FRPHMRT |        |        |        |
|--------------|---------|--------|--------|--------|
|              | Summer  | Autumn | Winter | Spring |
| HMRT-1 ..... | 1.2     | 0.2    | 1.2    | 0.2    |
| HMRT-2 ..... | 0.6     | 0.0    | 0.6    | 0.0    |

Remuneration during HMRT “RemPOHMRT” for hydroelectrical power plants is determined as follows:

$$\text{RemPHMRT} = \text{Potopmhrt1} * \text{PrecPOHRT} * \text{FRPHRT1} + \text{Potopmhrt2} * \text{PrecPOHRT} * \text{FRPHRT2}$$

Where:

Potopmhrt1: average operated capacity during HMRT-1.

Potopmhrt2: average operated capacity during HMRT-2.

### Other generating technologies in the spot market

Resolution 31/20 sets forth that energy generated from non-conventional resources (solar, eolic, biomass, biogas) will be priced at Ps.1.680/MWh for its generated energy.

Following this, the Non-Conventional Energy Remuneration will be calculated by the hourly integration in the month of the energy generated by generation unit “g” in each hour “h” (EGengh) by PENC in that hour:

$$\text{REM ENC (\$/month)} = \sum \text{h.month (PENC * EGengh)}$$

Generation coming from units that are in a stage prior to commercial authorization will be granted 50% of the corresponding remuneration until reaching such authorization.

### Resolution No. 281-E/17: The Renewable Energy Term Market in Argentina

On August 22, 2017, the former Ministry of Energy and Mining published Resolution No. 281-E/17 (“Resolution No. 281”) for the Renewable Energy Term Market (private PPAs between generators and large users, self-generation, co-generation, traders and distributors). Resolution No. 281 was later modified by means of Resolution No. 230/2019 issued by the former Governmental Secretariat of Energy, Resolutions No. 551/2021, 14/2022 and 370/2022 issued by the Secretariat of Energy.

Resolution No. 281 seeks to promote and encourage a dynamic participation in the term market and to foster the increase of private agreements between the WEM’s agents and participants. Its aim is to provide a feasible alternative for the purchase of energy to tenders by CAMMESA.



Resolution No. 281 makes it possible for large users to comply with their renewable energy consumption quotas through either (i) the joint purchase system (i.e., through CAMMESA), (ii) the execution of a private PPA or (iii) the development of a self-generation project or a co-generation project.

As a general principle, PPAs executed in the term market (outside the joint purchase system) may be freely negotiated between the parties with respect to term, priorities, prices and other contractual conditions.

Section 7 of Resolution No. 281 provides that, in the case of curtailment, the following power generation plants will have (i) equal dispatch priority between them and (ii) first dispatch priority over renewable generation projects operating in the term market without an assigned dispatch priority:

- run-of-the-river hydropower plants and renewable power plants having commenced commercial operation prior to January 1, 2017;
- power plants supplying energy pursuant to PPAs executed in connection with Resolutions No. 712/2009 or No. 108/2011 having commenced commercial operation prior to January 1, 2017;
- renewable power plants supplying energy pursuant to PPAs executed with CAMMESA through the RenovAr Program;
- renewable power plants supplying energy pursuant to Resolution MINEM No. 202/2016; and
- renewable power plants operating in the term market (e.g., private PPAs) which have obtained dispatch priority in accordance with the regime established pursuant to Resolution No. 281.

Only the expansion of the abovementioned projects need to file the request for dispatch priority with CAMMESA, who will then evaluate submissions on a quarterly basis and prepare a list of granted dispatch priorities in interconnection points or transmission corridors with restrictions to the transmission capacity.

On May 10, 2023, Resolution No. 360/2023 of the Secretariat of Energy was published in the Official Gazette, which amends certain aspects of the "MATER" regulatory framework, regulated by Resolution No. 281/2017, as amended. The relevant amendments introduced by Resolution No. 360/2023 are as follows:

1. GENREN Contracts: Generators with PPAs entered into under Decree 562/2009 (GENREN Program) are enabled to commercialize their energy production in the MATER as from the calendar month following the end date of the validity of their referred PPAs. The commercialization will be enabled from the moment the generator requests CAMMESA to enter the MATER, complying with the requirements set forth in Resolution 281, and starts to pay, for two (2) years, a quarterly charge for entering the MATER of 500 USD per MW of commercially enabled power, maintaining in all cases the dispatch priority.
2. New Dispatch Priority Assignment Alternatives:
  - i. The possibility of requesting "Dispatch Priority Associated to Joint Incremental Demand Projects with New Renewable Generation" is incorporated (new art. 6 bis, Annex I, Resolution 281).

The assignment of dispatch priority to new renewable generation projects that have an agreement with future large incremental power demands is allowed. It will be considered as "Incremental Demand Associated Projects with New Renewable Generation" those whose incremental power demand is greater than or equal to 10 MW.

The priority is intended for large future demands that seek to ensure their expected consumption of electric energy totally or partially by means of renewable generation and that, due to their expected influence on the transmission grid, produce an increase in the dispatch priority assignable capacities over the existing capacities at the time of the request.

CAMMESA will make the associated dispatch priority allocations only for the incremental transmission capacity associated with the entry of the aforementioned joint projects, provided that it does not compromise the transmission capacity allocated to other existing or planned entry projects and/or generation plants.

The figure of "Dispatch Priority for Expansions Associated to MATER Projects" is incorporated (new article 6 ter, Annex I, Resolution 281). The purpose is that the generators build and pay for transmission extensions to commercialize their energy under the MATER. Thus, the dispatch priority over the incremental transmission capacity may be reserved to renewable generation projects that carry out the expansion works at their own cost.

- ii. CAMMESA is instructed to implement, for the cases where there is no availability to assign dispatch priority in full and for all the hours of the year, a mechanism of "Assignment of Dispatch Priority type Referential A".

The mechanism will allow generators to obtain the Referential Dispatch Priority type A, in which they foresee for their evaluations circumstantial limitations that allow them to inject energy with an expected probability of 92% over their annual energy characteristic in the foreseen operation conditions of the different nodes of the SADI, until the transportation works that allow avoiding the limitations are executed.

The conditions for the assignment and maintenance of Dispatch Priority type Referential A will be governed following the same mechanisms used for the assignment and maintenance of Dispatch Priority in force.

Those generators that, prior to the first call for Dispatch Priority type Referential A, have commercially enabled power above their assigned Dispatch Priority, may adhere to this regime for their inclusion in the priority assignment for up to that difference (art. 9, Resolution 360).

3. Non-compliance with the requirements to maintain the priority: In case of non-compliance with the committed period of income or payments for the maintenance of the dispatch priority, the owners of projects that had requested the granting of extensions may not reiterate the request for the dispatch priority for the following four (4) quarters.

Furthermore, the projects that have not obtained Commercial Operation Date ("COD") for the total power assigned, once the committed term plus the eventual extensions have expired, will automatically lose the dispatch priority for the power resulting from the difference between (i) the power assigned with priority and (ii) the commercially authorized power, without any right to claim for the payments made (new art. 9 bis, Annex I, Resolution 281).

4. Extensions to obtain COD: The maximum term of twenty-four (24) months, or the declared commercial qualification term in case the dispatch priority has been assigned by tie-breaker with the mechanism prior to Resolution No. 14/2022 may be extended by CAMMESA under certain conditions (new article 11, Annex I, Resolution 281).
5. Destination of the proceeds: The proceeds collected by CAMMESA from payments made by generators corresponding to dispatch priority reserves, extensions, relocations and accessions to the MATER will be destined to a Deposit Account for the Expansion of the Transmission System associated to renewable energies, managed by CAMMESA through the Trust Fund for Transmission Works for Electricity Supply (FOTAE) (new article 13, Resolution No. 230/2019).
6. Partial qualification of projects with dispatch priority. Those who have obtained dispatch priority and make partial commercial qualification with respect to the total power assigned with priority, shall pay the charge for Dispatch Priority Reserve exclusively for the power that has not obtained commercial qualification at the beginning of the period corresponding to the payment obligation. For this purpose, the accumulated commercially enabled power shall be at least 50% of the power assigned with dispatch priority. (new art. 20, Disposition 1/2018 of the former Undersecretariat of Renewable Energies).
7. Additional instructions:
  - i. CAMMESA is instructed to publish annually a list with the status of generators of electric power produced from renewable sources regarding their dispatch priority.

- ii. CAMMESA is instructed to carry out all the necessary tasks to achieve the objectives set forth in Resolution 360.
- iii. The Undersecretariat of Electric Energy is empowered to issue the complementary or clarifying regulations required for the implementation of Resolution No. 360/2023.

## **Evolution of Supply and Demand in the Argentine Energy Sector Structure**

### ***Structural Characteristics of the Energy Sector***

The evolution of the demand and the energy consumption in Argentina is correlated with the evolution of the GDP, which implies that the higher the economic growth, the higher the energy demand. For example, the historical compounded annual growth rate of energy consumption was of 3.3% over the past 30 years, with an annual average of 2.6% since 2002, although between 2002 and 2022 the economic annual growth rose to an average of 5.5% (including exports and losses).

The growth of energy consumption during the last decade is similar to the historical average, since it was not driven by a large increase in consumption of the industrial sector, but predominantly by that of the residential and commercial sectors, as noted in the consumption parameters of gas, gasoline and especially electric power.

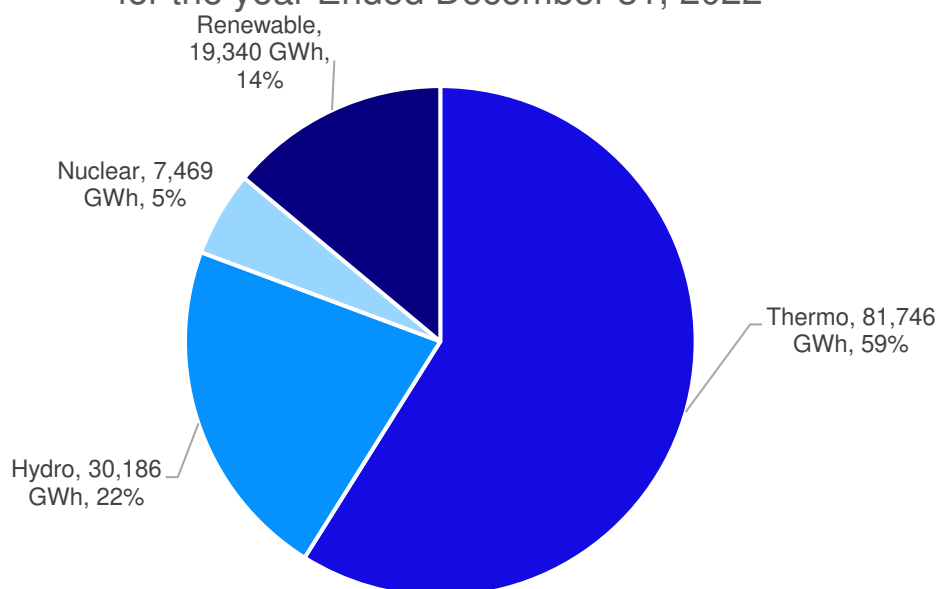
The elasticity of energy consumption in relation to the GDP during the last two decades is lower than in earlier decades, so restrictions on energy demand or the need for energy imports, if domestic supply is insufficient, could increase if the industrial sector expands in the future.

The restrictions on the supply of certain energy products such as natural gas in the last cycle of high economic growth and the relatively moderate growth in energy demand in broad terms, are based primarily on problems related to the supply of these energy products and also on a significant growth of the demand of the residential and commercial segments in a context of weak industrial activity with few new expansions of greater productive capacity for large energy consumers.

The structure of electric energy consumption in Argentina is strongly dependent on hydrocarbons, at 58.92% in 2022, compared to 64% in 2021, 63.52% in 2020, 61.06% in 2019 and 63.86% in 2018. Large amounts of natural gas liquefied natural gas and gas oil are imported in order to try to satisfy demand. During 2019 such imports decreased, mainly due to an increase in the domestic production of natural gas. However, demand for natural gas is usually unsatisfied during the winter in the industrial segment and in the thermoelectric generation segment. In certain circumstances, the Argentine government has imposed restrictions on consumption because of the lack of adequate supply of gas to supply other segments that do not have the capacity to replace natural gas with other fuels (among others, propane, butane and fuel).

Although current energy consumption in Argentina signals a dependence on hydrocarbons, we believe that Argentina is currently undergoing an important shift to a more modern and diversified energy mix arising from the inclusion of renewable energy into the mix, in accordance with the requirements set forth in Law No. 27,191 of 2015.

## Primary Energy Sources in Argentina for the year Ended December 31, 2022



Source: Secretariat of Energy

As a summary, the following characteristics are specific to energy demand and supply in Argentina:

- A typical structure, with a bias towards oil and gas, which is a characteristic of countries with large reserves of hydrocarbons such as Middle Eastern countries, Russia, African oil-producing countries, and Venezuela.
- 55% of the energy supplied in 2022 was dependent on natural gas, which is higher than in most countries that have a large *surplus* production of natural gas.
- Stagnation in the local energy supply since investments in recent years in the oil and gas sector have been insufficient to effectively increase domestic supply enough to satisfy the demand.
- Enhanced demand due to the abnormally low prices of gas and electric power in the residential and commercial sectors during the 2012-2016 period, which caused the growth rate of residential energy consumption to be higher than the usual trend, which was partially reverted during the 2017-2019 period.

### Structure of the Electric Power Supply in Argentina

The nominal installed capacity in Argentina was reported by CAMMESA to be 42,927 MW as of December 31, 2022 and 43,278 MW as of March 31, 2023. However, the operational electric power generation capacity effectively available at any given time could be estimated at around 32,138 MW as an average of 2022. Availability estimated by CAMMESA for thermal units is approximately 75% due to the lack of proper fuel supply, difficulties in achieving nominal efficiency and unavailability of several generating units under maintenance. Moreover, the generation supply depends heavily on liquid fuel use that diminishes capacity availability and there are certain transmission restrictions.

Over recent decades, the Argentine government (spanning administrations with different ideological orientation) has favored the deployment of thermoelectric generating units. One reason for this is that these units require smaller capital investments and take less time to deploy compared to other types of generating units. The increased dependency on hydrocarbons for these new power plants was not considered a disadvantage since the

required fuels have always been produced in Argentina and the production has always been predictable and growing. However, the constant deployment of thermoelectric generation has increased the demand for fossil fuels, particularly those based on natural gas, and has led to shortages and the imposition of certain restrictions on the provision to thermal generators of locally produced fuels.

During the 1990s, private sector investors also concentrated their investments in thermoelectric generation, almost without exception. The economic crisis of 2002 accelerated even more the tendency to invest in thermoelectric plants, given their lower cost of startup. After the crisis of 2002, investments in the electrical sector continued mainly with state intervention, expanding the installed capacity based on thermoelectric generation but without meeting the increasing demand. The financial constraints of the Argentine government in the last decades, the high amount of capital needed and the long periods necessary to develop the projects have negatively impacted on the decision of the Argentine government to invest and deploy hydroelectric and nuclear power plants. In addition, the recurrent fiscal crises of the recent past have forced the Argentine government to delay or cancel major projects that would have increased and diversified Argentina's generation capacity.

### ***Nominal Power Generation Capacity***

Nominal power generation capacity is dominated by thermoelectric generation. A considerable number of thermoelectric power units experience high levels of unavailability, especially during the winter, due to fuel provision restrictions.

In the summer of 2023, the maximum power consumed reached 29,105 MW on March 13, 2023.

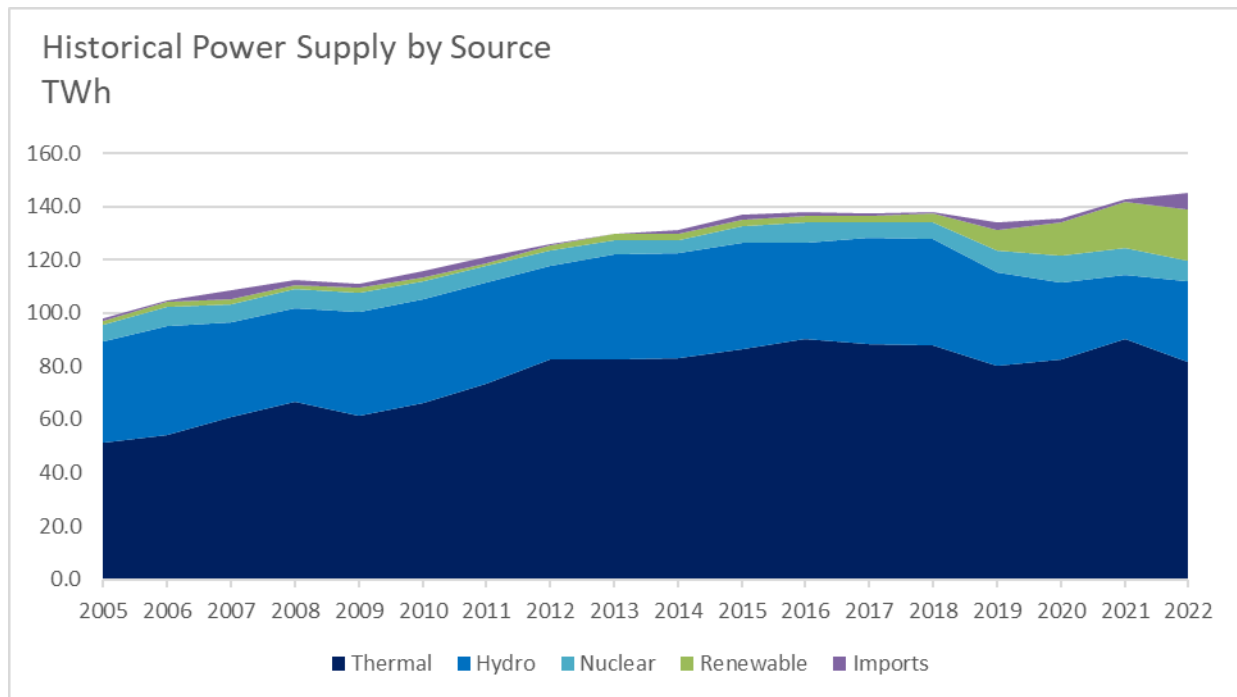
There are three main centers of electric power supply in Argentina:

- Buenos Aires-Greater Buenos Aires-Coastline
- Comahue
- Northeast Argentina

Electric power supply and demand were linked in the past by a radial system to Buenos Aires. This system presented risks of instability in various regions whose demand had grown but had insufficient local generation (e.g., Cuyo, Northwest Argentina in Salta, Central and Greater Buenos Aires). For this reason, the Argentine government changed the system and now is using a peripheral system. The Argentine government has made very large investments in a substantial expansion of electric transmission, totaling 500 kV. Such investments include laying peripheral high voltage lines totaling 550 kV (that may not have an immediate economic impact but will have positive effects on the system in the long-term) in the following locations:

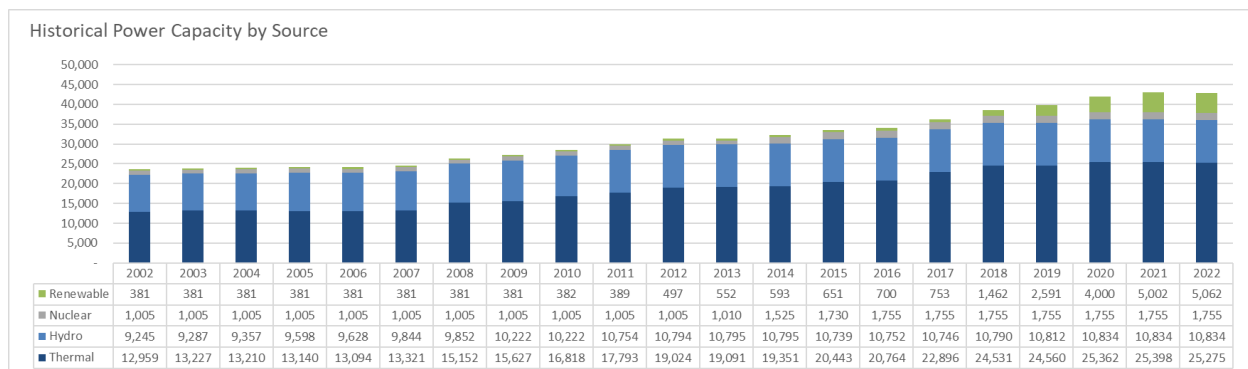
- Northeast and northwest Argentina
- Comahue-Cuyo
- Southern Patagonia

The following chart shows the development of electric power generation by type of source:



Source: CAMMESA

The following chart shows the development of electric power generation capacity by type of source:

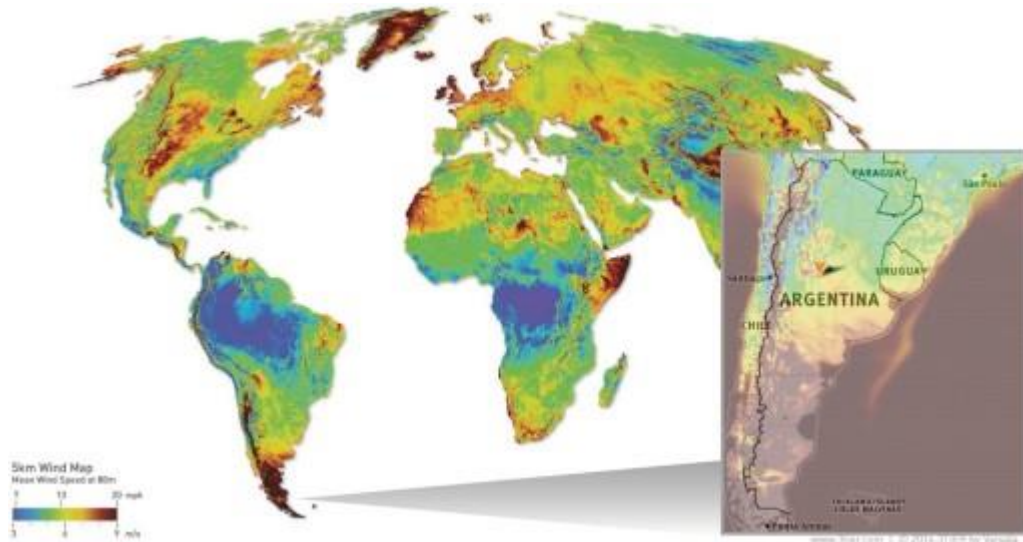


Source: CAMMESA

### Renewable Energy Generation in Argentina

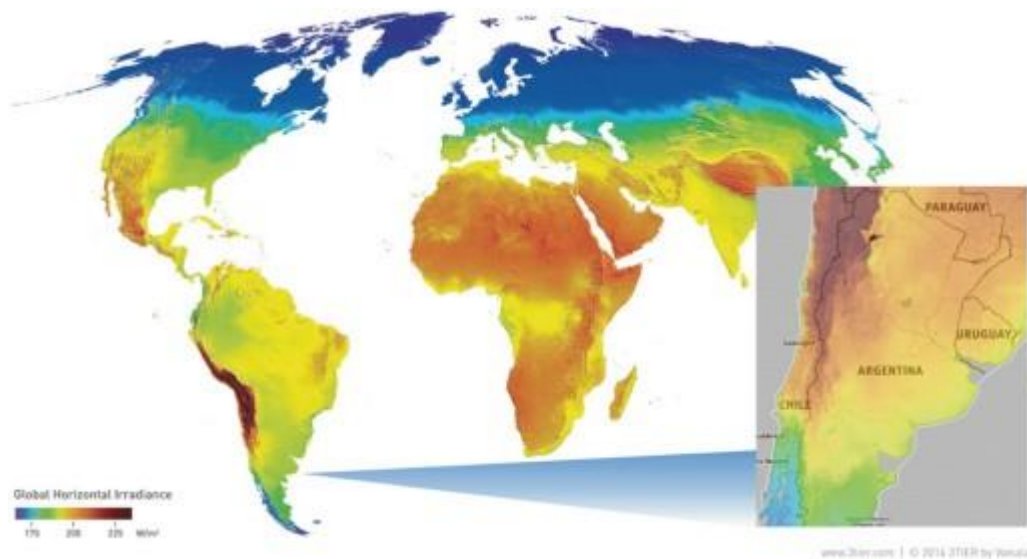
Certain regions of Argentina benefit from levels of wind or sunlight that provide a strong potential for renewable energy generation. The maps below show the mean wind speed at 80 meters of elevation and the average global horizontal irradiance in Argentina, respectively.

## Average Wind Speeds



Source: Vaisala - 3Tier

## Average Global Horizontal Solar Irradiance (GHI)



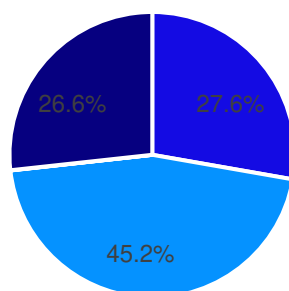
Source: Vaisala - 3Tier

## The Structure of Electric Power Demand in Argentina

Electric power demand depends to a significant extent on economic and political conditions prevailing from time to time in Argentina, as well as seasonal factors. In general, the demand for electric power varies depending on the performance of the Argentine economy, as businesses and individuals generally consume more energy and are better able to pay their bills during periods of economic stability or growth. As a result, electric power demand is affected by Argentine governmental actions concerning the economy, including with respect to inflation, interest rates, price controls, foreign exchange controls, taxes and energy tariffs.

The following chart shows the demand for electric power in 2022 by customer type:

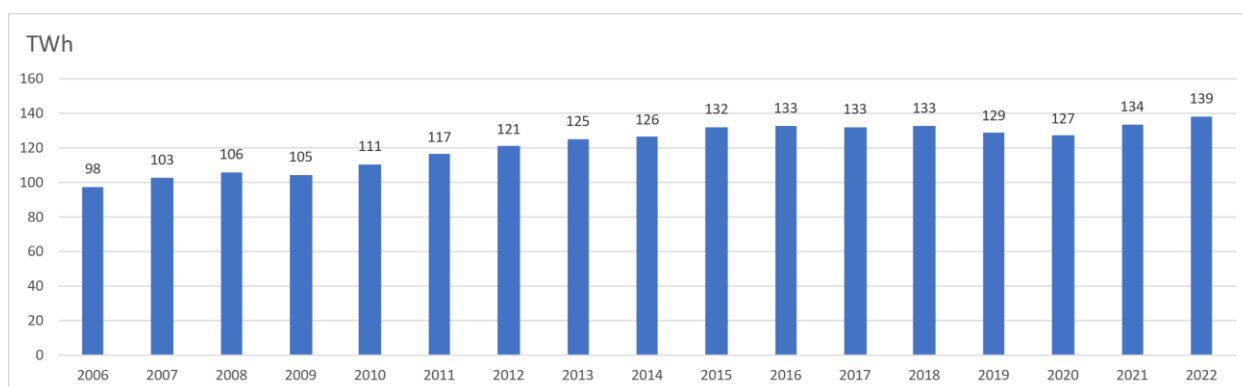
### Total demand of electricity, net of losses 2022 GWh



■ Small Commercial ■ Residential ■ Large Comercial

Source: CAMMESA

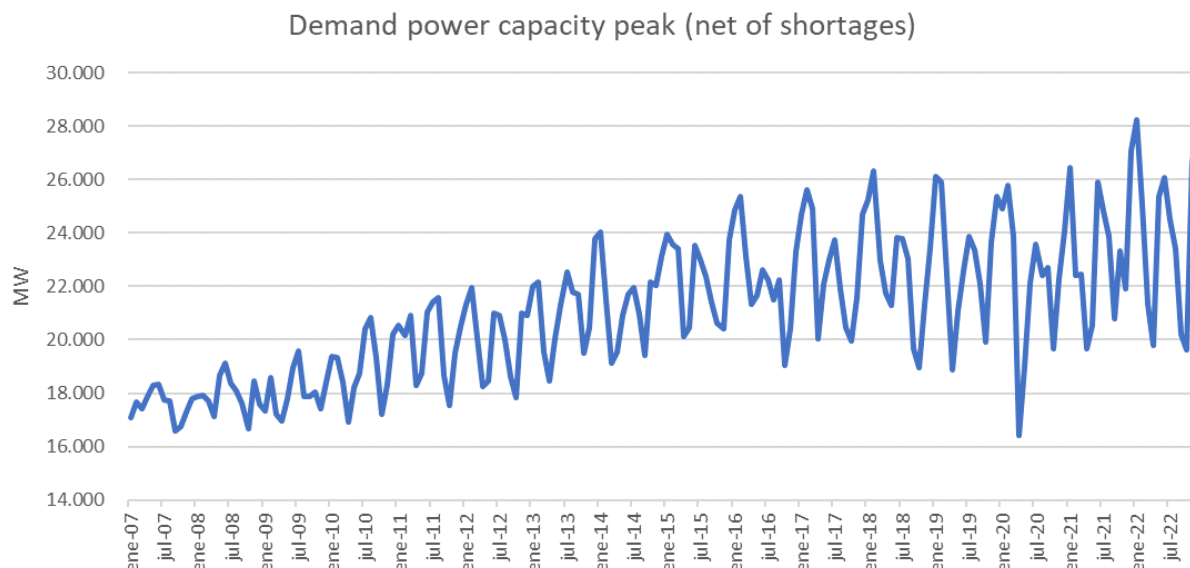
The following chart shows the evolution of the demand for electric power over the last several years:



Source: CAMMESA

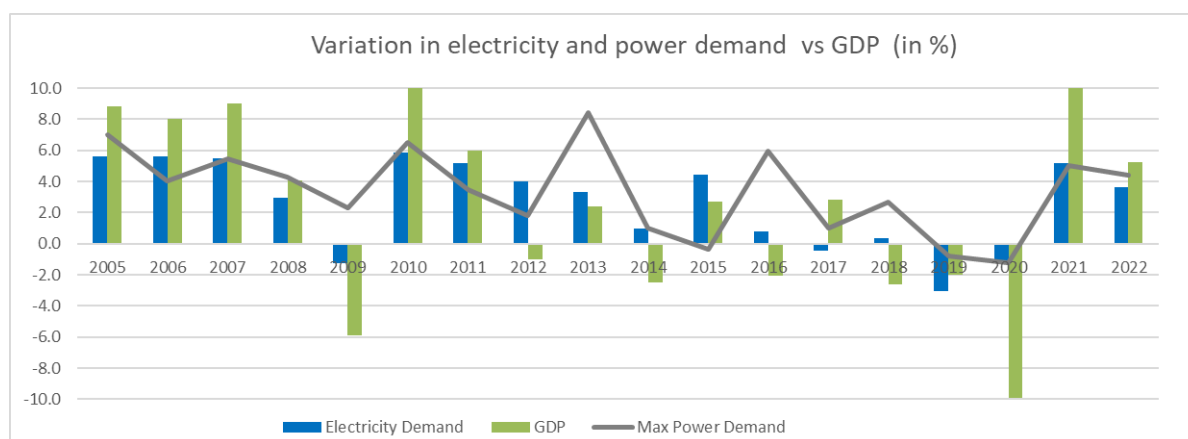


The following chart shows the power demand from January 2007 to December 2022:



Source: CAMMESA

The correlation between the evolution of GDP and electric power demand is strong, although when there is a strong reduction of the GDP, electric power demand falls relatively little. It should also be noted that, in an environment of low economic growth, electric power demand grows at rates higher than the GDP, as shown below:

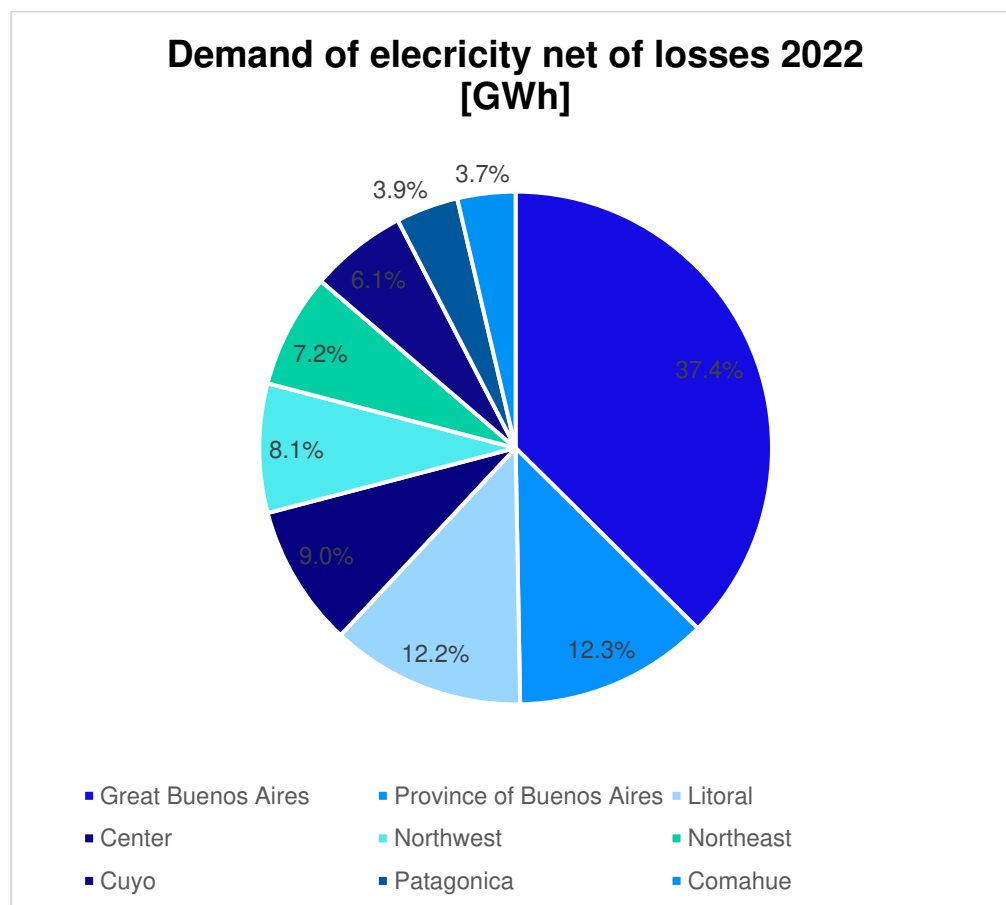


Source: CAMMESA, INDEC

CAMMESA divides Argentina into regions that have similar characteristics in terms of demand, socio-economic characteristics and electric subsystems. Such regions are: (i) the City of Buenos Aires and its suburbs, (ii) the Province of Buenos Aires, (iii) Santa Fe and Northwest Buenos Aires, (iv) the Center, (v) the Northwest, (vi) Cuyo, (vii) the Northeast, (viii) Comahue and (ix) Patagonia.

Demand is significantly concentrated in the areas of the City of Buenos Aires, the Province of Buenos Aires, Santa Fe and Northwest Buenos Aires, which comprises approximately 50% of the demand. Changes to the concentration of the demand structure are not substantial over the period of measurement.

The chart below shows electricity demand by region for 2022:



Source: CAMMESA

Seasonality also has a significant impact on the demand for electric power, with electric power consumption peaks in summer and winter. The impact of seasonal changes in demand is registered primarily among residential and small commercial customers. The seasonal changes in demand are attributable to the impact of various climatological factors, including weather and the amount of daylight time, on the usage of lights, heating systems and air conditioners.

The impact of seasonality on industrial demand for electric power is less pronounced than on the residential and commercial sectors for several reasons. First, different types of industrial activity by their nature have different seasonal peaks, such that the effect of climate factors on them is more varied. Second, industrial activity levels tend to be more significantly affected by the economy, and with different intensity levels depending on the industrial sector.

Energy demand throughout the hours of each month grew in 2006, reflecting a sharp increase in industrial activity and mass consumption in the economy. Such demand declined due to restrictions on industrial power consumption in the winter of 2007, and the international crisis at the end of 2008 and early 2009. However, such decline in consumption reversed between mid-2011 and 2016 due to a growth in demand. Between 2016 and 2018, electricity demand remained stable, and decreased in 2019 due to a general decrease of the economic activity in Argentina. For 2020, electricity demand continued to decrease due to a decline in economic activity and the impact of COVID-19. In 2021, electricity demand recovered from the previous year, mainly due to an increase in industrial demand.

A direct annual analysis—as opposed to a twelve-month moving average, which is useful to show inertial trend changes (i.e., the underlying trend that includes only a few months and therefore better shows gradual changes to

stability)—shows growth rates in energy demand during 2010 and early 2011, with an abrupt slowdown (including negative values) in 2012 and, after the winter of 2012, an increase in energy demand during 2013. In December 2013 and January 2014, there was exponential growth in demand by residential and commercial consumers due to the heat wave that hit the central region of Argentina during those periods. In December 2014, the demand growth trend was reversed with a sharp drop in demand with the return of normal temperatures. The demand for electric power in the residential sector resumed a high growth trend in 2015. In 2016, residential consumers demand increased 4.5%, despite moderate increases in rates to a small portion of consumers. During 2017, 2018, 2019 and 2020, residential demand decreased 1.9%, increased 2%, decreased 2.6%, and increased 8%, respectively, as compared to the same period the previous year, in the case of the decrease during 2019, due to a GRP drop of 2.20% in 2019. In 2020, due to the COVID-19 pandemic, the Quarantine and other restrictive measures taken by the Argentine government, citizens had to work remotely and thus staying at their houses for longer periods of time. Schools and universities were closed for most part of 2020. On the other hand, during 2020 there was no residential electricity tariff increase and services cuts due to non-payment was suspended, which may have contributed to residential users consuming more electricity. During 2021, as a consequence of the removal of restrictive measures associated with the COVID-19 pandemic, demand of electricity recovered from the previous year (+5.2%), mainly due to a 13.2% increase in industrial demand and a 4.4% increase in commercial demand. Residential demand in 2021 increased 1.3% compared to 2020, mainly explained by the fact that there was not any increase in residential electricity tariffs, in a context of increasing energy generation costs for the entire system.

In addition to the growth of energy demand during the 2011-2016, which placed pressure on the supply of fuels to thermal plants, demand also affects the availability of generation plants to meet peak demand for power at nighttime during the winter or during the afternoon in the summer.

To minimize the risks of sudden interruptions to the residential and commercial segment in 2013, there were scheduled supply interruptions in December 2013 and January 2014, which was similar to what occurred in the winter of 2010 and 2011 but did not reach the extraordinary levels of the winter of 2007. No interruptions were necessary in 2012. During the summer and winter of 2015, it was not necessary to apply restrictions to industrial consumers to supply residential electric power demand, although there were some forced interruptions due to certain problems with electrical distribution. However, during February 2016, certain restrictions to consumption of an approximate amount of 1,000 MW were applied by CAMMESA and the Ministry of Energy and Mining due to the above average temperatures recorded in February 2016.

During January and February 2016 there were successive high peaks of consumption of electric power for a business day, after two years of not surpassing the previous record reached in January 23, 2014. A peak of consumption of 25,380 MW was reached on February 12, 2016, but restrictions were implemented to the demand of the distributors of Buenos Aires, Greater Buenos Aires and La Plata. A new peak of consumption of 26,320 MW was reached on February 8, 2018, without major demand restrictions.

In addition, on January 29, 2019, a new electric energy consumption record was reached with a total of 544.4 GWh consumed, but no restrictions on demand, as the ones mentioned above, were implemented.

| Power and Energy Consumption Records |                                      |             |              |             |               |                 |
|--------------------------------------|--------------------------------------|-------------|--------------|-------------|---------------|-----------------|
|                                      | Previous Records                     |             | New Records  |             | Variation (%) | Variation (MW)  |
|                                      | Peak of electric power capacity (MW) |             |              |             |               |                 |
|                                      | Working day .....                    | Feb 8, 2018 | 26.320       | Dec 29,2021 | 27.088        | 2.9%            |
| Saturday.....                        | Dec 30, 2017                         | 22.543      | Dec 31, 2021 | 23.577      | 4.6%          | 1034            |
| Sunday .....                         | Feb 28, 2017                         | 22.346      | Jun 27, 2021 | 23.301      | 4.3%          | 955             |
|                                      | Energy (GWh)                         |             |              |             | Variation (%) | Variation (GWh) |
| Working day .....                    | Feb 8, 2018                          | 543.0       | Jan 29, 2019 | 544.4       | 0.3%          | 1.4             |
| Saturday.....                        | Jan 18, 2014                         | 477.9       | Dec 30, 2017 | 478.4       | 0.1%          | 0.5             |
| Sunday .....                         | Feb 26, 2017                         | 437.6       | Jan 24, 2021 | 457.8       | 4.6%          | 20.2            |

Source: CAMMESA

The peak demand of power of December 29, 2021, was covered with a thermal supply of 16,038 MW, a hydroelectric supply of 5,929 MW, nuclear supply of 1,339 MW, and renewable energy supply of 2,791 MW.

As with the case of natural gas, the strong seasonality of electric power demand in Argentina—both in terms of energy and power—influences the needs for investment since investments are made to meet the maximum peak winter demand, which generates significant surpluses at other times of the year that cause lower costs and competition in those periods. The maximum demand for electric power is during the afternoon or evening hours in summer. In the case of winter, the maximum demand is generally during the evening, due to the high use of electric heaters that are preferred by consumers because of the differential cost and simplicity in comparison with natural gas heaters.

Not all the generation capacity is available at times of peak demand. Both in summer and especially in winter, there is an effective generation capacity to meet the demand. The effective capacity available (which means the capacity available) is significantly lower than the nominal installed capacity.

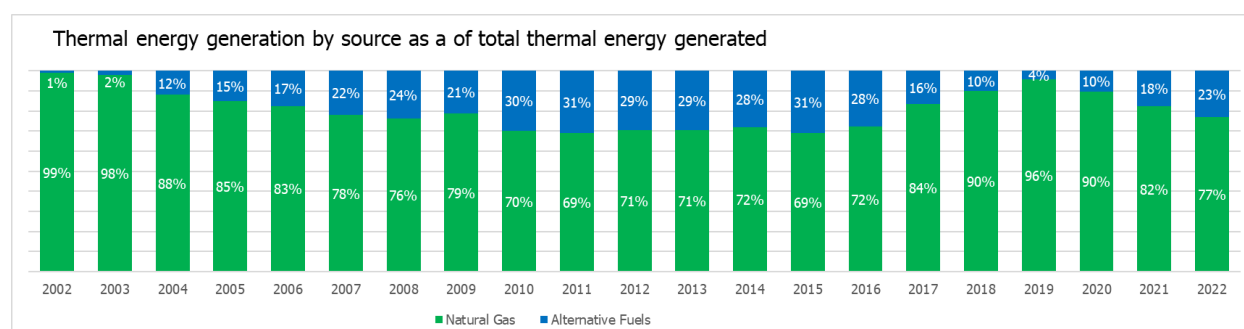
Despite all efforts, it is unlikely for there to be complete nominal capacity available at any given time. Instead, the power generation capacity industry generally anticipates and considers a percentage of unavailability that can range between approximately 20% and 25%.

This critical variable is central to the efforts made by CAMMESA and the generators to invest in the proper maintenance of the units. Although the unavailability factor over the long-term in the thermal plants in Argentina has historically been approximately 30%, it fell below 20% for a period in the early 2000s. In general, the unavailability factor of the hydroelectric plants in Argentina is not significant. The Yacretá hydroplant capacity considers the available power for Argentina, 2,745 MW. The total capacity of Yacretá is 3,100 MW, achievable at maximum level and with the units at full capacity. In the nuclear sector, historical unavailability has been important because of the periodic maintenance that units have to go through. In particular, the Embalse nuclear plant commenced, starting in January 1, 2016, a two-year period in which it was not in operation. Additionally, the Atucha II nuclear plant, which was generating energy on a trial basis since 2015, received its commercial authorization during the first half of 2016, adding a nominal capacity of 745 MW to the SADI.

Energy generation may be influenced by the physical and economic capacity to provide fuel to thermoelectric generators. In recent years and until 2014 fuel prices increased the generating cost, although the fall in oil and fuel prices significantly reduced such cost in 2015 and 2016. The lack of local production of natural gas led to an increased use of fuel oil and gas oil in those generating plants with TS and TG units, in addition to imports of gas and LNG. Most of the TS units are shipped with fuel oil, and only the Central Térmica San Nicolas can burn coal, in addition to fuel oil or natural gas. TS or TG groups that operate in combined-cycle are included in this area in previous tables.

Fuel availability is a factor that contributes to technical unavailability. The costs and logistics for importing and supplying fuel oil, gas oil, and coal instead of natural gas are key to the future availability of thermal units and will continue to be important if the current international conditions are maintained. Since 2007 the limited supply of natural gas in winter caused a large increase in consumption of fuel oil and gas oil, with record prices in the first half of 2008. Prices of liquid fuels decreased in 2009 due to the international crisis and then increased between 2010 and mid-2014 from the third quarter of 2014 until the first quarter of 2016, liquid fuel prices decreased sharply, with moderate increases after that (while remaining lower than the first half of 2014). Prices generally recovered through the years up to the first half of 2018, and since then have decreased. In the first quarter of 2020, there was a sudden drop in the prices due to COVID-19. Prices have been recovering since then but have remained lower than the peak of 2018.

## Fuel Consumption for Commercial Electric Power Generation



---

Source: CAMMESA, Company analysis

After the winter of 2014, there was a sharp drop in international oil prices that led to reduced thermoelectric generation costs. Due to the shortage of gas, there was an increase in the amount of alternative fuels used to generate electric power, which since 2016, has been almost completely reverted, as shown in the chart above, mainly due to higher natural gas production from non-conventional oil fields. Thermoelectric generation is expected to continue to make up a larger portion of the energy mix in the coming six years as a result of the 2.9 GW of new electric generation capacity.

The price for generation of CAMMESA constitutes an effective price only to certain segments of the electric power market, especially industrial consumers, with the exception of those that are commercially supplied by electric power distributors.

### **Anti-Money Laundering Regulations**

The concept of money laundering is generally used to denote transactions intended to introduce criminal proceeds into the institutional system and thus to transform profits from illegal activities into assets of a seemingly legitimate origin.

On April 13, 2000, the Argentine Congress passed Law No. 25,246 (as amended, including by Laws No. 26,087; 26,119; 26,268, 26,683 and 26,734 (the “Anti-Money Laundering Law”)), which defines money laundering as a type of crime. In addition, the law, which supersedes several sections of the *Código Penal de la Nación Argentina* (Argentine Criminal Code), established severe penalties for anyone participating in any such criminal activity and created the *Unidad de Información Financiera (UIF)* (Financial Information Unit), establishing an administrative criminal system.

Below is a summary of certain provisions of the anti-money laundering regime set forth by the Anti-Money Laundering Law, as amended and supplemented by other rules and regulations, including regulations issued by the UIF, the BCRA, the CNV and other regulatory entities. Investors are advised to consult their own legal counsel and to read the Anti-Money Laundering Law and its statutory regulations. The UIF is the agency responsible for the analysis, treatment and transmission of information, with the aim of preventing money laundering resulting from different crimes and the financing of terrorism. The Argentine Criminal Code defines money laundering as a crime committed by any person who exchanges, transfers, manages, sells, levies, disguises or in any other way commercializes goods obtained through a crime, with the possible consequence that the original assets or the substitute thereof appear to come from a lawful source, *provided* that their value exceeds Ps.300,000, whether such amount results from one or more related transactions. The penalties established are the following:

- (i) imprisonment for three (3) to ten (10) years and fines of two (2) to ten (10) times the amount of the transaction;
- (ii) the penalty provided in section (i) shall be increased by one third of the maximum and a half of the minimum, when (a) the person carries out the act on a regular basis or as a member of an association or gang organized with the aim of continuously committing acts of a similar nature, and (b) the person is a governmental officer who carries out the act in the course of his duties; and
- (iii) if the value of the assets does not exceed Ps.300,000, the penalty shall be imprisonment for six (6) months to three (3) years.

The Argentine Criminal Code also punishes any person who receives money or other assets from a criminal source with the purpose of applying them to a transaction, thereby making them appear to be from a lawful source.

In line with internationally accepted practices, the Anti-Money Laundering Law does not merely assign responsibility for controlling these criminal transactions to government agencies, but also assigns certain duties to various private sector entities such as banks, stockbrokers, brokerage houses and insurance companies, which become legally bound reporting parties. These duties basically consist of information-gathering functions.

According to the Anti-Money Laundering Law, the following persons, among others, must report to the UIF: (i) financial institutions and insurance companies; (ii) exchange agencies and individuals or legal entities authorized by the BCRA to operate in the purchase and sale of foreign currency in the form of cash or checks drawn in foreign

currency or by means of credit or debit cards or in the transfer of funds within Argentina or abroad; (iii) broker-dealers, companies managing investment funds, over-the-counter market agents, and intermediaries engaged in the purchase, lease, or borrowing of securities; (iv) armored transportation services companies and companies or concessionaires rendering postal services that carry out foreign currency transfers or remittance of different types of currency or notes; (v) governmental organizations, such as the BCRA, the AFIP, the National Superintendence of Insurance (*Superintendencia de Seguros de la Nación*), the CNV and the IGJ; (vi) professionals in economics sciences and notaries public; and (vii) individuals and legal entities acting as trustees of any kind and individuals or legal entities related directly or indirectly to trust accounts, trustees and trustors under trust agreements.

Individuals and entities subject to the Anti-Money Laundering Law must comply with certain duties that include: (i) obtaining documentation from their customers that irrefutably evidences their identity, legal status, domicile, and other data stipulated in each case (*know your customer* policy); (ii) reporting any suspicious event or transaction (which according to the customary practices of the field involved, as well as to the experience and competence of the parties who have the duty to inform, are those transactions attempted or consummated that have been previously identified as unusual transactions by the legally bound reporting party, or have no economic or legal justification or are unusually or unjustifiably complex, whether performed on a single occasion or repeatedly (regardless of amount)); and (iii) abstaining from disclosing to customers or third parties any act performed in compliance with the Anti-Money Laundering Law. Within the framework of analysis of a suspicious transaction report, the aforementioned individuals and entities cannot refrain from disclosing to the UIF any information required from it by claiming that such information is subject to bank, stock market or professional secrecy, or legal or contractual confidentiality agreements. The Argentine Tax Authority shall only disclose to UIF the information in its possession when the suspicious transaction report has been made by such entity and refers to the individuals or entities involved directly with the reported transaction. In all other cases, the UIF shall request that the federal judge holding authority in a criminal matter order the AFIP to disclose the information in its possession.

In accordance with Resolution 229/2014 of the UIF, both the BCRA and the CNV are considered “Specific Control Organs”. In such capacity, they must cooperate with the UIF in the evaluation of the compliance with the anti-money laundering proceedings by the legally bound reporting parties subject to their control. In that respect, they are entitled to supervise, monitor and inspect such entities, and if necessary, to implement certain corrective measures and actions. Resolution 121/2011 issued by the UIF, as amended (“Resolution 121”), is applicable to financial entities subject to the FIL, to entities subject to the Law No. 18,924, as amended, and to individuals and legal entities authorized by the BCRA to intervene in the purchase and sale of foreign currency through cash or checks issued in foreign currency or through the use of credit or payment cards, or in the transfer of funds within or outside the national territory. Resolution 229/2011 of the UIF, as amended or supplemented by Resolutions 52/2012 and 140/2012 (“Resolution 229”), is applicable to brokers and brokerage firms, companies managing common investment funds, agents of the over-the-counter market, intermediaries in the purchase or leasing of securities affiliated with stock exchange entities with or without associated markets, and intermediary agents registered on forwards or option markets. Resolution 121 and Resolution 229 regulate, among other things, the obligation to collect documentation from clients and the terms, obligations and restrictions for compliance with the reporting duty regarding suspicious money laundering and terrorism financing transactions.

Resolution 121 and Resolution 229 set forth general guidelines in connection with the client’s identification (including the distinction between occasional and regular clients), the information to be requested, the documentation to be filed and the procedures to detect and report suspicious transactions.

The BCRA and the CNV must also comply with anti-money laundering regulations set forth by the UIF, including reporting suspicious transactions.

The CNV rules (as amended in September 2013) include a specific chapter regarding “Prevention of Money Laundering and the Financing of Terrorism” and state that the persons set forth therein (Negotiation Agents, Clearing and Settlement Agents (which are stockbrokers), Distribution and Placement Agents, Manager and Custody Agents of Collective Investment Funds, Brokerage Agents, Collective Depositary Agents, issuers with respect to capital contributions, irrevocable capital contributions for future capital increases or significant loans that have been made in its benefit, specifically with respect to the identity of contributors and/or creditors and the origin and legality of the funds so contributed or loaned) are to be considered legally bound to report under the Anti-Money Laundering Law, and therefore must comply with all the laws and regulations in force in connection with anti-money laundering and terrorism financing, including resolutions issued by the UIF, presidential decrees referring to resolutions issued by the United Nations Security Council in connection with the fight against terrorism and the

resolutions (and the related annexes) issued by the Ministry of Foreign Affairs. In addition, the CNV rules impose certain restrictions in connection with payment arrangements (limiting, among other things, the cash amount that the entities set forth therein could receive or pay per day and per client, to Ps.1,000) and impose certain reporting obligations.

In addition, the CNV rules establish that the above-mentioned entities shall only be able to carry out any transactions contemplated under the public offering system, when such transactions are carried out or ordered by persons organized, domiciled or resident in dominions, jurisdictions, territories or associated States included in the cooperating countries list contained in Executive Decree No. 589/2013, section 2(b). When such persons are not included in such list and in their home jurisdiction qualify as registered intermediaries in an entity under control and supervision of a body that carries out similar functions to those carried out by the CNV, they will only be allowed to carry out such transactions if they provide evidence indicating that the relevant securities and exchange commission in their home jurisdiction has signed a memorandum of understanding for cooperation and exchange of information with the CNV.

On February, 2016, the “National Coordination Program for the Prevention of Asset Laundering and the Financing of Terrorism” was created by Executive Decree No. 360/2016 as an instrument of the Ministry of Justice and Human Rights. This Program was assigned the duty to reorganize, coordinate and strengthen the national system for the prevention of money laundering and the financing of terrorism, taking in consideration the specific risks that might have an impact on Argentine territory and the global demand for a more effective compliance with international obligations and recommendations established under United Nations Conventions and the standards of the FATF. These duties will be performed and implemented through a national coordinator appointed for this purpose. Also, applicable statutory rules were modified, and it was established that the Ministry of Justice and Human Rights will be the Argentine government’s central authority in charge of the inter-institutional coordination among all public and private agencies and entities with competent jurisdiction on this matter, while the UIF will retain the ability to perform operating coordination activities at the national, provincial and municipal levels in relation to matters strictly inherent in its jurisdiction as a financial intelligence agency.

Recently, in the context of the voluntary disclosure program under the Argentine tax amnesty, Law No. 27,260 and its regulatory decree No. 895/2016 clarified that the UIF has the power to communicate information to other public intelligence and investigations entities, based on a prior resolution from the president of the UIF and provided there is reliable and consistent evidence of the commission of certain crimes under the Anti-Money Laundering Law. In addition, pursuant to the UIF Resolution 92/2016, reporting agents have to implement a special risk management system. Furthermore, it implemented a special reporting system for operations carried out under the above-mentioned tax amnesty disclosure prior March 31, 2017.

For an extensive analysis of the money laundering regime in effect as of the date of this prospectus, investors should consult legal counsel and read Title XIII, Book 2 of the Argentine Criminal Code and any regulations issued by the UIF, the CNV and the BCRA in their entirety. For such purposes, interested parties may visit the websites of the Argentine Ministry of Treasury and Public Finance, at [www.infoleg.gov.ar](http://www.infoleg.gov.ar), the UIF, at [www.uif.gov.ar](http://www.uif.gov.ar), the CNV, at [www.cnv.gob.ar](http://www.cnv.gob.ar), or the BCRA, at [www.bcra.gov.ar](http://www.bcra.gov.ar). The information found on such websites is not a part of this prospectus.

## BOARD OF DIRECTORS AND MANAGEMENT

### Board of Directors

As prescribed by the Argentine Corporate Law we are managed by our board of directors. Our board of directors makes management decisions, and has the responsibilities expressly set forth in the Argentine Corporate Law, our bylaws and other applicable regulations. Our board of directors is responsible for carrying out shareholders' resolutions and fulfilling particular tasks expressly delegated by the shareholders.

According to Section 18 of our bylaws, our board of directors is composed of five directors, and our shareholders must also appoint an equal number of alternate directors. As of the date of this Exchange Offer Memorandum, our board of directors is composed of five directors and five alternate directors. The majority of our directors reside in Argentina.

Directors and their alternates are appointed for a term of one year by our shareholders. Directors may be reelected. Shareholders are entitled to elect up to one third of the vacant seats by cumulative voting pursuant to Section 263 of the Argentine Corporate Law. Class A and Class B shareholders are entitled to elect two directors, each. Class C shareholders are entitled to elect one director, if Class C shareholders represent less than 2% of the common shares of AES, they shall vote jointly with Class B shareholders. Pursuant to Section 257 of the Argentine Corporate Law, the directors maintain their positions until the following annual ordinary shareholders' meeting where directors are appointed.

The latest election of members to our board of directors took place at the ordinary and extraordinary shareholders' meeting (*Asamblea General Ordinaria y Extraordinaria y Especial de Clases*) held on April 28, 2023, which registration with the corporate authority (*Dirección Provincial de Personas Jurídicas*) ("DPPJ") of the Province of Buenos Aires is still pending.

During the first board meeting after directors have been appointed, they must appoint a chairman and vice-chairman of the board. The vice-chairman automatically and temporarily replaces the chairman in the event that the chairman is absent, resigns, dies, is incapacitated or disabled, removed or faces any other impediment to serve as chairman. A new chairman must be elected within ten days from the seat becoming vacant.

According to Section 27 of our bylaws, our board of directors has the broadest powers and authorities in connection with our direction, organization and administration, with no limitations other than those set forth by the applicable laws and regulations, and particularly, the decree that constituted the company, the concession contract entered into with the Argentine government and our by-laws. The chairman is our legal representative.



The following table sets forth the current composition of our board of directors:

| Name                            | Title              | Class   | Date of first appointment to the Board | Date of expiration of current term(*) | Date of Birth |
|---------------------------------|--------------------|---------|----------------------------------------|---------------------------------------|---------------|
| Martín José Genesio .....       | President          | A       | 08/19/2015                             | 12/31/2023                            | 01/18/1977    |
| Vicente Javier Giorgio .....    | Vice president     | A       | 08/19/2015                             | 12/31/2023                            | 10/07/1969    |
| Fabián Carlos Giammaría .....   | Director           | B and C | 04/28/2017                             | 12/31/2023                            | 11/03/1967    |
| Iván Diego Durontó .....        | Director           | B       | 01/03/2013                             | 12/31/2023                            | 09/25/1973    |
| Luis Bernabé Casas .....        | Director           | B       | 04/26/2018                             | 12/31/2023                            | 01/10/1978    |
| Guillermo Daniel Paponi .....   | Alternate Director | A       | 06/25/2013                             | 12/31/2023                            | 12/08/1964    |
| Rubén Nestor Zaia .....         | Alternate Director | A       | 04/26/2018                             | 12/31/2023                            | 09/26/1964    |
| Diego Gabriel Baldassarre ..... | Alternate Director | B       | 04/30/2020                             | 12/31/2023                            | 03/19/1977    |
| Adriana Beatriz Brambilla ..... | Alternate Director | B       | 04/26/2018                             | 12/31/2023                            | 07/02/1975    |
| Diego Andrés Parodi .....       | Alternate Director | B and C | 01/29/2016                             | 12/31/2023                            | 08/02/1971    |

\* Initial expiration term is December 31, 2023, but pursuant to Section 257 of the Argentine Corporate Law, directors maintain their positions until the following annual ordinary shareholders' meeting where directors are appointed.

The following are the academic and professional backgrounds of the members of our board of directors. The business address of each of the members of our board of directors is Román Subiza 1960, City of San Nicolás de los Arroyos, Province of Buenos Aires.

**Martín José Genesio.** Mr. Genesio (Argentine Identification Number: 25,715,530) was born in San Nicolás de los Arroyos, Province of Buenos Aires, Argentina on January 18, 1977. He graduated from the Universidad Tecnológica Nacional of Argentina with a degree in Electronics Engineering. He obtained a master's degree in Electricity and Natural Gas Markets from the Instituto Tecnológico de Buenos Aires (ITBA) and an Executive MBA (Magna Cum Laude) from the IAE Business School of the Universidad Austral. He joined Termoandes S.A., an AES subsidiary, as Commercial Manager in 2006. Later on, he was appointed as General Manager of Termoandes and General Manager and COO for AES Argentina Generación S.A. in Argentina. Currently, he holds the position of President of AES Argentina. Prior to joining Termoandes, he worked as International Sales Manager at EDF Global Solutions, a company part of Electricité de France. He has more than 13 years of experience in both the Argentine and regional power market.

**Vicente Javier Giorgio.** Mr. Giorgio (Argentine Identification Number: 21,022,116) was born in San Nicolás de los Arroyos, Province of Buenos Aires, on July 10, 1969. He is an Electrical Engineer with a degree from the Universidad Tecnológica Nacional, Argentina and an MBA from the Universidad del CEMA, Argentina. He has worked for AES Corp. for more than 20 years, beginning in 1997 as Commercial Director of Eden, Edes and Edelap, distribution companies in Buenos Aires, Argentina. Between 2001 and 2003, he served as General Director of TermoAndes and InterAndes and then as General Manager of AES Argentina Generación from 2003 to 2006. In 2006, he became General Manager of Electricidad de Caracas, the largest electricity company in Venezuela, and in 2009, he became CEO and Country Manager of AES Panama. From 2012 to 2016, he was COO of the Andes Strategic Business Unit of AES Corp. From June 2016 to February 2018, he served as General Manager and President of the Andes Strategic Business Unit of AES Corp. From 2018 to 2021 he served as COO of AES South America. As of January 2022, he holds the position of VP, EHS&S and Energy Transition Solutions at AES Corporation.

**Fabián Carlos Giammaría.** Mr. Giammaría (Argentine Identification Number: 18,211,356) was born in the City of Ramos Mejía, Province of Buenos Aires, Argentina on November 3, 1967. He is a lawyer with a degree from University of Buenos Aires, a master's degree in Business Law from Austral University and completed his postgraduate studies in Human Resources Management from Universidad de Belgrano. He is currently alternate director of AES Argentina, AES Alicurá Holdings S.C.A., Inversora de San Nicolás S.A., Shazia S.R.L., AES Paraná Gas S.A., AES Paraná Operations S.R.L. and Termoeléctrica Guillermo Brown S.A. Mr. Giammaría joined AES in 2004 and at AES Argentina. Prior to joining AES Argentina, he worked as Senior Legal Advisor at Diego& Asociados (2001-2004).

**Iván Diego Durontó.** Mr. Durontó (Argentine Identification Number: 23,471,261) was born in the City of Buenos Aires, Argentina on September 25, 1973. He is a lawyer with a degree from the University of Buenos Aires and holds a master's degree in Business Law from Austral University. He is Director of AES Argentina, Inversora de San Nicolás S.A., AES Alicurá Holdings S.C.A., Shazia S.R.L., AES Paraná Gas S.A., AES Paraná Operations S.A. and de Termoeléctrica Guillermo Brown S.A. and syndic in Termoeléctrica Manuel Belgrano S.A. He has

worked in AES Argentina since 2006. Prior to joining AES Argentina, he worked as Head of the Legal Department in Empresa Distribuidora La Plata S.A. (2002-2006) and as an associate at Klein & Franco Abogados.

**Luis Bernabé Casas.** Mr. Casas (Argentine Identification Number: 26,405,503) was born in the City of Buenos Aires, on January 10, 1978. He is a certified public accountant from the University of Buenos Aires. He joined AES Argentina Generación S.A. in 2003 as Accounting Analyst. He then served as Development Manager at AES Servicios América S.R.L. and as Administration Manager at AES Argentina Generación S.A. He also worked at AES Andes S.A., a Chilean company of the AES group, where he held the position of Financial Controller for Argentina, Chile and Colombia. He has more than 15 years of experience in the Argentine and regional electricity markets.

**Guillermo Daniel Paponi.** Mr. Paponi (Argentine Identification Number: 17,241,855) was born in San Nicolás, Province of Buenos Aires, Argentina on December 8, 1964. He is a Mechanical Engineer specializing in Engineering Management with a degree from the Universidad Tecnológica Nacional, San Nicolás Regional School. He is alternate director of AES Argentina, Inversora de San Nicolás S.A., Shazia S.R.L., AES Paraná Gas S.A., AES Paraná Operations S.R.L., Termoandes S.A., Gener Argentina S.A., Interandes S.A., Energen S.A., y AES Alicurá Holdings S.C.A. He has worked at AES Argentina since 1993 where he served as Operations and Maintenance Leader in CTSN, San Nicolás Plant Manager (CTSN – AES Paraná), Thermal Generation Director and Operations Director in AES Argentina S.A. Before joining AES Argentina S.A., he worked in Agua y Energía Sociedad del Estado as Operative Control and Maintenance Planning Manager (1984-1993).

**Rubén Nestor Zaia.** Mr. Zaia (Argentine Identification Number: 17,233,857) was born in the City of Buenos Aires on September 26, 1964. Universidad Tecnológica Nacional. His career was developed in companies such as Electricité de France (EDF), Alstom T&D and ABB. He joined AES Argentina Generación in December 2016 as Director of Business Development and in recent years participated in the development and execution of the wind projects Vientos Bonaerenses 1 (in the district of Tornquist, province of Buenos Aires, Argentina) and Vientos Neuquinos 1 (in the district of Bajada Colorada, province of Neuquén, Argentina).

**Diego Gabriel Baldassarre.** Mr. Baldassarre (Argentine Identification Number: 25,747,897) was born in Avellaneda, Province of Buenos Aires, Argentina on March 19, 1977. He holds a degree in Electric Engineering from the Universidad Tecnológica Nacional and MBA studies at the Universidad Católica Argentina. Mr. Baldassarre is a Managing Director and Deputy President of the board of Termoeléctrica Guillermo Brown S.A., Director of Termoeléctrica Manuel Belgrano S.A. and an Alternate Director of AES Argentina, Inversora de San Nicolás S.A., Energética Argentina S.A. and Vientos Neuquinos I. Additionally, he is a Deputy Managing Director at AES Alicurá Holdings S.C.A. and AES Paraná Operations S.R.L. He is the current President of the Asociación de Generadores de la República Argentina (AGEERA) and Alternate Director of the Comité Argentino de la Comisión de Integración Energética Regional (CACIER). He has worked at AES Argentina since 2019. Before joining AES Argentina, he worked as Commercial Manager at Central Dock Sud S.A. from 2005 to 2012, as Chief of Staff to the General Manager at Endesa Latin America and Enel Argentina from 2012 through 2016, and as the Head of Innovation and Regulation of New Businesses for the Enel group companies in Argentina until 2019.

**Adriana Beatriz Brambilla.** Ms. Brambilla (Argentine Identification Number: 24,838,940) was born in Quilmes, Province of Buenos Aires, Argentina on July 2, 1975. She is a Public Accountant. Ms. Brambilla graduated from the University of Buenos Aires and has a postgraduate degree in International Taxation from the Universidad Argentina de la Empresa (UADE). She previously worked for PricewaterhouseCoopers. Ms. Brambilla joined AES Argentina Generación in June 2003 as Head of Compliance Tax for the companies of the Hidroeléctrica Alicurá group, based in San Carlos de Bariloche, province of Río Negro, Argentina. She currently holds the position of Tax Manager of the AES group companies in Argentina.

**Diego Andrés Parodi.** Mr. Parodi (Argentine Identification Number: 22,265,429) was born in the City of Buenos Aires, Argentina on August 2, 1971. He is an Accountant graduated from Universidad Argentina de la Empresa and holds an MBA from UCEMA. He is alternate director of AES Argentina, Inversora de San Nicolás S.A. and Termoeléctrica Guillermo Brown S.A. He has been working at AES Servicios América as General Manager since 2013. Prior to joining AES Servicios América, he worked as Managing Director at AES Argentina Generación S.A., and as CFO at Empresa Distribuidora La Plata S.A.

The appointment of the members of the board of directors is still subject to registration with the DPPJ.

### ***Duties and Liabilities of Directors***

Directors have the obligation to perform their duties with the loyalty and the diligence of a prudent business person. Under Section 274 of the Argentine Corporate Law, directors are jointly and severally liable to the company, the shareholders and third parties for the improper performance of their duties, for violating any law or the bylaws or regulations, if any, and for any damage to these parties caused by fraud, abuse of authority or gross negligence. The following are considered integral to a director's duty of loyalty: (i) the prohibition of using corporate assets and confidential information for private purposes; (ii) the prohibition of taking advantage, or allowing another to take advantage, by action or omission, of the business opportunities of the corporation; (iii) the obligation to exercise board powers only for the purposes for which the law, the corporation's bylaws or the shareholders' or the board of directors' resolutions were intended; and (iv) the obligation to take strict care so that acts of the board do not go, directly or indirectly, against the corporation's interests. A director must inform the board of directors and the supervisory committee of any conflicting interest he may have in a proposed transaction and must abstain from voting thereon.

In general, a director will not be held liable for a decision of the board of directors, even if that director participated in the decision or had knowledge of the decision, if (i) there is written evidence of the director's opposition to the decision and (ii) the director notifies the supervisory committee of that opposition; both conditions must be satisfied prior to the liability of the director is being put forward before the board of directors, the supervisory committee or the shareholders or relevant authority or the commercial courts.

Section 271 of the Argentine Corporate Law allows directors to enter into agreements with the company that relate to such director's activity and under arms' length conditions. Agreements that do not satisfy any of the foregoing conditions must have prior approval of the board of directors (or the supervisory committee in the absence of board quorum), and must be notified to the shareholders at a shareholders' meeting. If the shareholders reject the agreement, the directors or the members of the supervisory committee, as the case may be, shall be jointly and severally liable for any damages to the company that may result from such agreement. Agreements that do not satisfy the conditions described above and are rejected by the shareholders are null and void, without prejudice to the liability of the directors or members of the supervisory committee for any damages to the company.

We may initiate claims against directors if so decided at a meeting of the shareholders. If a claim has not been initiated within three months of a shareholders' resolution approving its initiation, any shareholder may start the action on behalf and on the company's account. A cause of action against the directors may be also initiated by shareholders who object to the approval of the performance of such directors if such shareholders represent, individually or in the aggregate, at least 5.00% of the company's capital stock.

Except in the event of our mandatory liquidation or bankruptcy, shareholder approval of a director's performance, or express waiver or settlement approved by the shareholders' meeting, terminates any liability of a director vis à vis the company, provided that shareholders representing at least 5.00% of the company's capital stock do not object and provided further that such liability does not result from a violation of law or the company's bylaws.

### ***Meetings, Quorum, Majorities***

Pursuant to Section 24 of our bylaws, our board of directors' meetings require a quorum of an absolute majority of its members. Our board of directors functions and acts upon the majority vote of its members present at its meetings.

The chairman, or the individual acting in lieu of the chairman pursuant to applicable law, may call meetings when deemed convenient, or when so required by any director or the supervisory committee. The meeting must be called within five days from the request; otherwise, the meeting may be called by any of the directors. Our board of directors' meetings must be called in writing and notice thereof must be given to the address reported by each director. The notice must indicate the date, time and place of the meeting and the meeting agenda.

### ***Compensation***

Our shareholders fix our directors' compensation, including their salaries and any additional wages arising from the directors' permanent performance of any administrative or technical activity. Compensation of our directors is regulated by the Argentine Corporate Law. Any compensation paid to our directors must have been previously

approved at an ordinary shareholders' meeting. Article 261 of the Argentine Corporate Law provides that the compensation paid to all directors and syndics in a year may not exceed 5.00% of net income for such year, if the company is not paying dividends in respect of such net income. The Argentine Corporate Law increases the annual limitation on director compensation to up to 25.00% of net income based on the amount of dividends, if any, that are paid. In the case of directors that perform duties at special commissions or perform administrative or technical tasks, the aforesaid limits may be exceeded if a shareholders' meeting so approves and such issue is included in the agenda. In any case, the compensation of all directors and members of the supervisory committee requires shareholders' ratification at an ordinary shareholders' meeting.

We have assigned executive and technical administrative functions to some of our directors.

As per a previous waiver from the syndics, during the annual ordinary and extraordinary shareholders' meeting (*Asamblea General Ordinaria y Extraordinaria y Especial de Clases*) held on April 28, 2023 the shareholders voted not to pay the syndics fees for services rendered during 2021.

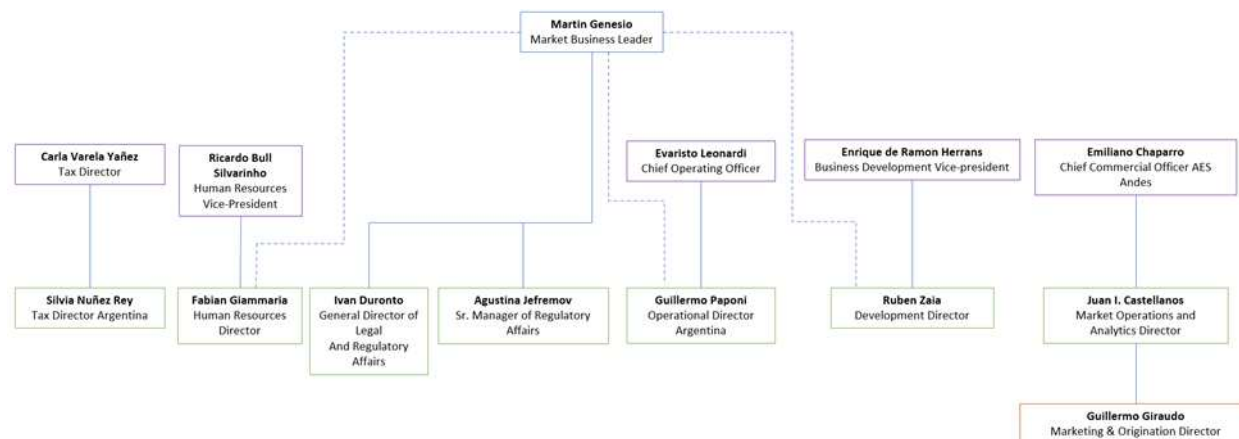
As of the date of this Exchange Offer Memorandum, neither we, nor any of our affiliates, have entered into any agreement that provides for any benefit or compensation to any director after expiration of his or her term.

## Senior Officers

The following table sets forth the current composition of our management team:

| Name                               | Title                                       | Date of first appointment to position | Date of Birth |
|------------------------------------|---------------------------------------------|---------------------------------------|---------------|
| Martín José Genesio .....          | President                                   | 08/19/2015                            | 01/18/1977    |
| Juan Ignacio Castellanos Mon ..... | Director of Market Operations and Analytics | 09/01/2019                            | 01/25/1983    |
| Guillermo Daniel Giraudo .....     | Director Marketing and Origination          | 09/01/2019                            | 09/10/1981    |
| Agustina Jefremov .....            | Regulatory Affairs Manager                  | 11/01/2022                            | 11/11/1990    |
| Guillermo Daniel Paponi .....      | Director of Central Complex and Operations  | 10/01/2013                            | 12/08/1964    |
| Fabián Carlos Giammaría .....      | Director of Human Resources                 | 08/05/2009                            | 11/03/1967    |
| Ivan Diego Durontó .....           | Director of Legal Affairs and Regulations   | 01/01/2013                            | 09/25/1973    |

The business address of each of the members of our senior management team is Román Subiza 1960, City of San Nicolás de los Arroyos, Province of Buenos Aires. The following chart sets forth our management structure:



Certain senior management positions are centralized within the regional structure of AES, based in Santiago, Chile. Please refer to "Management and Corporate Governance—Board of Directors" for the academic and professional background of our Senior Officers.

### ***Supervisory Committee***

We have a monitoring body called the supervisory committee (“Supervisory Committee”). Our Supervisory Committee consists of three syndics and three alternate syndics appointed by shareholders at our annual ordinary shareholders’ meeting. The syndics and their alternates are elected for a period of one year, and are vested with the powers set forth by the Argentine Corporate Law and other applicable legal provisions. Any compensation paid to our syndics must have been previously approved at an ordinary shareholders’ meeting.

Members of our Supervisory Committee are also authorized to attend board of directors’ and shareholders’ meetings, call extraordinary shareholders’ meetings and investigate claims brought in writing by shareholders who own more than 2.00% of our outstanding shares. Pursuant to the Argentine Corporate Law, only lawyers and accountants admitted to practice in Argentina and domiciled in Argentina or civil partnerships composed of such persons may serve as syndics in an Argentine *sociedad anónima*, or limited liability corporation. Pursuant to Section 294 of the Argentine Corporate Law, our Supervisory Committee must review our books and records, when deemed convenient and at a minimum on a quarterly basis.

Our Supervisory Committee must hold meetings at least once every three months. Meetings may also be called at the request of any of its members within five days from the date the request is submitted to the chairman of our Supervisory Committee or our board of directors, as the case may be. Notice of all meetings must be given in writing to the address indicated by each syndic at the time of taking office.

Our Supervisory Committee must be presided over by one of its members, elected by a majority of votes, at the first meeting held every year. At that time, the member who will act in lieu of the chairman in his or her absence shall also be elected. The chairman represents our Supervisory Committee before our board of directors.

The following chart shows the members of our Supervisory Committee according to the resolution passed at the annual ordinary and extraordinary shareholders’ meeting (*Asamblea General Ordinaria y Extraordinaria y Especial de Clases*) held on April 28, 2023.

| Name                            | Office           | Class   | Date of first appointment to position | Profession | Date of Birth |
|---------------------------------|------------------|---------|---------------------------------------|------------|---------------|
| Andrés Leonardo Vittone .....   | Syndic           | A       | 06/15/2015                            | Lawyer     | 09/14/1972    |
| Patricio Jorge Richards .....   | Syndic           | B       | 06/15/2015                            | Lawyer     | 03/28/1981    |
| Manuel Goyenechea y Zarza ..... | Syndic           | B and C | 06/15/2015                            | Lawyer     | 07/17/1974    |
| Pablo Javier Viboud.....        | Alternate Syndic | A       | 06/15/2015                            | Lawyer     | 06/22/1962    |
| Juan Manuel Carassale .....     | Alternate Syndic | A       | 04/29/2022                            | Lawyer     | 02/22/1970    |
| Facundo Gladstein .....         | Alternate Syndic | B and C | 04/04/2022                            | Lawyer     | 07/30/1991    |

The following are the academic and professional backgrounds of our Supervisory Committee members:

**Andrés Leonardo Vittone.** Mr. Vittone (Argentine Identification Number: 22,860,852): was born in the Province of Buenos Aires, Argentina on September 14, 1972. He is a lawyer with a degree from the University of Buenos Aires and a master’s degree in business law from Universidad Austral. Mr. Vittone is a partner with Díaz Bobillo, Vittone y Asociados (DBV) advising Argentine and foreign companies. He has served as a director and syndic for several companies. He is also a professor at the University of Palermo. Before joining DBV, he worked in the Argentine judiciary.

**Patricio J. Richards.** Mr. Richards (Argentine Identification Number: 29,803,617) was born in the City of Buenos Aires on March 28, 1981. He holds a law degree from the Pontificia Universidad Católica Argentina. He is a partner at Díaz Bobillo, Vittone y Asociados (DBV) advising Argentine and foreign companies. Prior to joining DBV, Mr. Richards was an associate at Bruchou & Funes de Ríoja.

**Manuel Goyenechea y Zarza.** Mr. Goyenechea (Argentine Identification Number: 92,432,906) was born in Bilbao, Spain on July 17, 1974. He graduated as a lawyer from the Universidad de Buenos Aires and holds a postgraduate degree in Electricity and Natural Gas Market Management from the Instituto Tecnológico de Buenos Aires (ITBA). Mr. Goyenechea is a partner at Díaz Bobillo, Vittone y Asociados (DBV) advising Argentine and foreign companies. He has served, and continues to serve, as a director and syndic for several companies. From December 2006 to March 2007, Mr. Goyenechea was appointed (from DBV) as an internal advisor to

Termoeléctrica José de San Martín S.A. (TJSM) one of the projects created within the framework of FONINVEMEM. Prior to joining DBV, he worked in the Argentine judiciary.

**Pablo Javier Viboud.** Mr. Viboud (Argentine Identification Number: 14,850,474) was born in the province of Buenos Aires, Argentina on June 22, 1962. He graduated as a lawyer from the Universidad de Buenos Aires and obtained a master's degree in Business Law from the Universidad Austral. Mr. Viboud is a partner at Díaz Bobillo, Vittone y Asociados (DBV) and represents Argentine and foreign companies, with an emphasis on trials and arbitrations. Prior to joining DBV in 2003, he worked as a sole practitioner.

**Juan Manuel Carassale.** Mr. Carassale (Argentine Identification Number: 21,463,415) was born in La Plata, Province of Buenos Aires on February 22, 1970. He is a lawyer. Mr. Carassale graduated from the Universidad Nacional de La Plata and holds postgraduate degrees from in Economic Regulation from the Universidad Austral and Energy Market Administration from the Instituto Tecnológico de Buenos Aires (ITBA). He is a partner at the DBV law firm. Previously, he provided legal services for companies and public organizations in energy matters. He is a postgraduate professor at the Instituto Tecnológico de Buenos Aires (ITBA).

**Facundo Nicolás Gladstein.** Mr. Gladstein (Argentine Identification Number: 36,477,621) was born in City of Buenos Aires, Argentina on July 30, 1991. He is a lawyer with a degree from the University of Buenos Aires and has a postgraduate degree in Economics and Finance for Lawyers from the UPF Barcelona School of Management (UPF-BSM). He is a senior lawyer at Díaz Bobillo, Vittone y Asociados law firm advising Argentine and foreign companies. Mr. Gladstein is also a professor at the University of Buenos Aires.

### ***Compensation***

As per a previous waiver from the syndics that comprise our supervisory committee, during the annual ordinary and extraordinary shareholders' meeting (*Asamblea General Ordinaria y Extraordinaria y Especial de Clases*) held on April 28, 2023 the shareholders voted not to pay the syndics fees for services rendered during 2022.

## MAJOR SHAREHOLDERS AND RELATED PARTIES

### Major Shareholders

Our parent company is The AES Corporation, a corporation organized under the laws of the state of Delaware.

The AES Corporation beneficially holds 99.78% of our capital stock, with the remainder being held by minority shareholders.

The chart below reflects the principal shareholders of the Company as of March 31, 2023:

| Name                                               | Shares                | Class | Participation |
|----------------------------------------------------|-----------------------|-------|---------------|
| AES Alicurá Holdings S.C.A. <sup>(1)</sup> .....   | 2,849,508,941         | A     | 48.2204%      |
|                                                    | 2,621,793,409         | B     |               |
|                                                    | 86,230,932            | C     |               |
| Inversora de San Nicolás S.A. <sup>(1)</sup> ..... | 1,201,774,106         | A     | 20.1743%      |
|                                                    | 1,123,367,813         | B     |               |
| Programas de Propiedad Participada .....           | 5,627,418             | C     | 0.0898%       |
|                                                    | 4,727,865             | C     |               |
| AES Globales B.V. <sup>(1)</sup> .....             | 1,808,337,460         | A     | 31.0763%      |
|                                                    | 1,773,287,071         | B     |               |
| Shazia S.R.L. <sup>(1)</sup> .....                 | 18,266,035            | A     | 0.3139%       |
|                                                    | 17,911,992            | B     |               |
| Normando Abdon Guzmán.....                         | 3,735,973             | B     | 0.0324%       |
| Gustavo Raúl Rodríguez.....                        | 3,776,828             | B     | 0.0328%       |
| Carlos Fernando Salazar.....                       | 3,751,794             | B     | 0.0326%       |
| Hugo Alberto Castillo.....                         | 3,170,103             | B     | 0.0275%       |
| Total Shareholders.....                            | <u>11,525,267,740</u> |       | <u>100.0%</u> |

(1) The ultimate beneficiary is The AES Corporation, which shares are listed on the New York Stock Exchange.

No significant changes have been observed in the percentage of The AES Corporation's holding of our capital during the last three years.

The AES Corporation's shareholders do not have, to our knowledge, individually, control over The AES Corporation. In addition, to our knowledge, there are no shareholder agreements or other agreements related to The AES Corporation's governance entered into by one or more shareholders of The AES Corporation.

Our capital stock is composed of non-endorsable ordinary registered shares, Class A, Class B and Class C with a par value of Ps.0.1 each and the right to one vote per share. We have not issued any preferred shares.

### Related Party Transactions

In the past, we have entered into certain transactions and agreements with our related parties. These transactions and agreements have been related to transactions for the sale and purchase of goods and services, equity interests, loans, and the provision of guarantees for debt and other kinds of non-material minor transactions. We believe that these transactions were performed on an arm's length basis and in the ordinary course of our business.

The details of the balances and transactions with related parties are disclosed in Note 11 to our Annual Consolidated Financial Statements included in this Exchange Offer Memorandum.

## **DESCRIPTION OF OUR CAPITAL STOCK**

### **Capital Stock**

As of March 31, 2023, our capital stock amounted to Ps.1,152,527 thousand and was represented by: (i) 587,789 thousand non-endorsable registered ordinary Class A shares, with a par value of Ps.0.10 per share and the right to one vote per share; (ii) 555,079 thousand non-endorsable registered ordinary Class B shares, with a par value of Ps.0.10 per share and the right to one vote per share; and (iii) 9,659 thousand non-endorsable registered ordinary Class C shares, with a par value of Ps.0.10 per share and the right to one vote per share. Our capital stock is fully subscribed and paid in. In addition, there is no agreement to increase it, nor are there convertible bonds in circulation. There are no options on our capital stock or that of any other company in our group. See “Major Shareholders and Related Parties—Major Shareholders.”



## **RATINGS**

We have elected not to rate the Program, and will decide whether or not to rate any Series of Notes to be issued under the Program on a series-by-series basis, as set forth in the applicable pricing supplement (if applicable) and in accordance with applicable law.

If issuers should elect to obtain any rating, CNV rules provide that for short and/or medium-term note programs ratings must be obtained (i) prior to the issuance of any note with respect to the nominal amount of the program or (ii) prior to the issuance of each series with respect to the nominal amount of such series. Prior to the issuance of each series, issuers shall determine whether the notes will be rated with respect to the nominal amount of such series. Issuers electing to have their notes rated will select one or two rating agencies, as shall be set forth in the pricing supplement for each series and/or tranche issued under the program.

Issuers electing not to have their securities rated by at least two rating agencies are required to include, in any and all references to securities in offering circulars, securities, certificates, notices, advertising materials and any other form of communication, the following legend: (a) “THESE SECURITIES HAVE NOT BEEN RATED” or (b) “THESE SECURITIES HAVE ONLY ONE RATING”, as applicable.

Specific guidelines for the standards on which ratings will be based are submitted by authorized Argentine rating agencies to the CNV for approval.

Rating agencies award ratings according to five basic debt rating categories, ranging from “A” to “E.” In addition, any sub-categories may be established. “A” through “D” ratings apply to debt securities meeting the disclosure requirements established by Argentine applicable laws and regulations. An “E” rating will be awarded to debt securities failing to meet such requirements and the requirements of the applicable rating agencies. Specific standards for each category and sub-category are included in the documentation submitted by each rating agency for the CNV’s consideration.

## TRANSFER RESTRICTIONS

The Exchange Offer and the issuance of New Notes have not been registered under the Securities Act or any other applicable securities laws and, unless so registered, the New Notes may not be offered, sold, pledged or otherwise transferred within the U.S. or to or for the account of any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The Exchange Offer is being made, and the New Notes are being offered and issued, only to the following:

- (a) holders of the Old Notes that are “qualified institutional buyers” as defined in Rule 144A under the Securities Act, in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof (such New Notes, the “144A Notes”); or
- (b) outside the United States, to holders of the Old Notes other than “U.S. persons” (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are also “non-U.S. qualified offerees” (as defined below) (such New Notes, the “Regulation S Notes”).

Each participating Eligible Holder of Old Notes, by submitting or sending an Agent’s Message to the Information and Exchange Agent in connection with the tender of Old Notes, will have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

- (1) You are an Eligible Holder of Old Notes.
- (2) You (a) (i) are a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act) and (ii) are acquiring New Notes for your own account or for the account of one or more qualified institutional buyers (each, a “144A Acquirer”); or (b) (i) are outside the United States, are not a U.S. person (as defined in Regulation S under the Securities Act), are not acquiring New Notes for the account or benefit of a U.S. person and are acquiring New Notes in an offshore transaction pursuant to Regulation S under the Securities Act and (ii) are a non-U.S. qualified offeree (each, a “Regulation S Acquirer”). You understand that the New Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act.
- (3) You understand and acknowledge that (a) the New Notes have not been registered under the Securities Act or any other applicable securities law, (b) the New Notes are being offered in transactions not requiring registration under the Securities Act or any other securities laws, including transactions in reliance on Section 4(a)(2) under the Securities Act, and (c) none of the New Notes may be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in a transaction not subject thereto and, in each case, in compliance with the applicable conditions for transfer set forth in paragraph (5) below.
- (4) You are acquiring New Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent and, in the case of a 144A Acquirer, are acquiring New Notes for investment and, in the case of any Eligible Holder, are acquiring New Notes not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell the New Notes pursuant to any exemption from registration available under the Securities Act.
- (5) You also agree that:
  - (a) if you are a 144A Acquirer, you agree, on your own behalf and on behalf of any investor account for which you are acquiring New Notes, and each subsequent holder of such New Notes by its acceptance thereof will agree, to offer, sell, pledge or otherwise transfer such New Notes only (i) for so long as such New Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A and which takes delivery of New Notes in the form of the Rule 144A Global Note, (ii) pursuant to an offer and sale to a non-U.S. person that occurs outside

the United States within the meaning of Regulation S under the Securities Act, (iii) to us or any of our affiliates, (iv) pursuant to a registration statement which has been declared effective under the Securities Act, or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to (1) all applicable requirements under the New Notes Indenture and (2) any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws. In addition, you further acknowledge that the Company and the New Notes Trustee reserve the right prior to any offer, sale or other transfer of 144A Notes pursuant to clause (a)(ii) or (a)(v) above prior to the Resale Restriction Termination Date of the New Notes to require the delivery of certifications and/or other information, and an opinion of counsel, in each case satisfactory to the Company and the New Notes Trustee; or

- (b) if you are a Regulation S Acquirer, you agree on your own behalf and on behalf of any investor account for which you are acquiring New Notes, and each subsequent holder of the Regulation S Notes by its acceptance thereof will agree, to offer, sell, pledge or otherwise transfer such New Notes prior to the expiration of the applicable “distribution compliance period” (as defined below) only (i) for so long as such New Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A and which takes delivery of New Notes in the form of the Rule 144A Global Note and which has furnished to the New Notes Trustee or its agent a certificate representing that the transferee is purchasing the New Notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A and is aware that the sale to it is being made in reliance on Rule 144A and acknowledging that it has received such information regarding the Company as such transferee has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A of the Securities Act, (ii) pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act, (iii) to us or any of our affiliates, (iv) pursuant to a registration statement which has been declared effective under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to (1) all applicable requirements under the New Notes Indenture and (2) any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the expiration of the applicable “distribution compliance period.” The “distribution compliance period” means the 40-day period following the later of the date on which the New Notes are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and the Settlement Date for the New Notes.
- (6) You acknowledge that none of the Company, the Dealer Managers, the Information and Exchange Agent or any person representing the Company or the Dealer Managers has made any representation to you with respect to the Company, the Exchange Offer or the New Notes, other than by the Issuer with respect to the information contained in this Exchange Offer Memorandum, which Exchange Offer Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the New Notes. You acknowledge that the Dealer Managers make no representation or warranty as to the accuracy or completeness of this Exchange Offer Memorandum. You have had access to such financial and other information concerning the Company as you deemed necessary in connection with your decision to acquire the New Notes, including an opportunity to ask questions of, and request information from, the Company and the Dealer Managers.
- (7) You are not:
  - (a) a person that is, or is owned or controlled by a person that is, identified as a “specially designated national” or “blocked person” in the most current U.S. Treasury Department list of “Specially Designated National and Blocked Persons” or included in the U.S. Treasury Department’s Sectoral Sanctions Identifications List (which can be found at: <https://sanctionssearch.ofac.treas.gov/>), or in the

European Union and UK Consolidated Lists of financial sanctions, or in the EU/UK list of persons subject to restrictive measures in view of Russia's actions destabilising the situation in Ukraine; or

- (b) a person that is organized, resident or located in a country or territory subject to comprehensive/country-wide economic sanctions;
  - (c) a person that is otherwise the subject of, or in violation of, any sanctions under (x) the laws and regulations that have been officially published and are administered or enforced by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department or the U.S. Department of State), or any enabling legislation or executive order relating thereto; or (y) any equivalent sanctions or measures officially published and imposed by the European Union, any member state of the European Union, His Majesty's Treasury, the United Nations or any other relevant sanctions authority, including sanctions imposed against certain states, organizations and individuals under the European Union's Common Foreign & Security Policy; or
  - (d) acting for or on behalf of any of the foregoing parties (a "Sanctions Restricted Person").
- (8) You also acknowledge that:
- (a) The Company and the New Notes Trustee reserve the right to require in connection with any offer, sale or other transfer of New Notes under paragraph (5)(a)(ii) and paragraph (5)(a)(v) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to the Company and the New Notes Trustee;
  - (b) the following is the form of restrictive legend that will appear on the face of the Rule 144A global security and be used to notify transferees of the foregoing restrictions on transfer. This legend will only be removed with our consent. If we so consent, it will be deemed to be removed:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. NEITHER THIS GLOBAL NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS GLOBAL NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS GLOBAL NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 903 OR 904 OF REGULATION S, (2) AGREES THAT IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER THIS GLOBAL NOTE PRIOR TO THE RESALE RESTRICTION TERMINATION DATE (AS DEFINED IN THE NEXT PARAGRAPH), EXCEPT (A) (I) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION COMPLYING WITH RULE 144A, (II) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS GLOBAL NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

THE RESALE RESTRICTION TERMINATION DATE WILL BE THE DATE:

- (1) THAT IS AT LEAST ONE YEAR AFTER THE LAST ORIGINAL ISSUE DATE HEREOF; AND (2) ON WHICH AES ARGENTINA GENERACIÓN S.A. INSTRUCTS THE TRUSTEE THAT THIS

LEGEND (OTHER THAN THE FIRST PARAGRAPH HEREOF) SHALL BE DEEMED REMOVED FROM THIS NOTE, IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THE INDENTURE RELATING TO THIS NOTE.”; and

- (c) The following is the form of restrictive legend that will appear on the face of the Regulation S global security and be used to notify transferees of the foregoing restrictions on transfer:

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF AES ARGENTINA GENERACIÓN S.A. THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE AFTER 40 CONSECUTIVE DAYS BEGINNING ON AND INCLUDING THE LATER OF (A) THE DAY ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND (B) THE ORIGINAL ISSUE DATE OF THIS NOTE.”

- (9) If you are a Regulation S Acquirer, you are an acquirer in an exchange that occurs outside the United States within the meaning of Regulation S under the Securities Act, you acknowledge that until the expiration of such “distribution compliance period” any offer, sale, pledge or other transfer of the New Notes shall not be made by you to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902(k) of the Securities Act.
- (10) If you are a Regulation S Acquirer, you acknowledge that until the expiration of the “distribution compliance period” described above, you may not, directly or indirectly, offer, sell, pledge or otherwise transfer a New Note or any interest therein except to a person who certifies in writing to the applicable transfer agent that such transfer satisfies, as applicable, the requirements of the legends described above and that the New Notes will not be accepted for registration of any transfer prior to the end of the applicable “distribution compliance period” unless the transferee has first complied with the certification requirements described in this paragraph and all related requirements under the New Notes Indenture.

By submitting the Agent’s Message, you also acknowledge that the foregoing restrictions apply to holders of beneficial interests in such New Notes. In addition:

- (1) You acknowledge that the registrar will not be required to accept for registration of transfer any New Notes acquired by you, except upon presentation of evidence satisfactory to the Issuer and the registrar that the restrictions set forth herein have been complied with.
- (2) You acknowledge that:
- (a) The Company, the Dealer Managers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify the Company and the Dealer Managers promptly in writing; and
- (b) if you are acquiring any New Notes as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:
- (1) you have sole investment discretion; and
- (2) you have full power to make, and make, the acknowledgments, representations and agreements contained herein.
- (3) You agree that you will give to each person to whom you transfer such New Notes notice of any restrictions on the transfer of such New Notes.

- (4) The acquirer understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Dealer Managers that would permit a public offering of the New Notes or the possession, circulation or distribution of this Exchange Offer Memorandum or any other material relating to the Company or the New Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the New Notes will be subject to the selling restrictions set forth herein.

For purposes of the Exchange Offer, “non-U.S. qualified offeree” means:

- (1) in relation to each member state of the European Economic Area:
  - (a) any legal entity which is a qualified investor as defined in the Prospectus Regulation; or
  - (b) any other entity in any other circumstances falling within Article 3(2) of the Prospectus Regulation, *provided* that no such offer of the New Notes shall require the Issuer or the Dealer Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or
- (2) in relation to each member state of the European Economic Area, a person that is not a retail investor. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of “MiFID II”; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, or
- (3) in relation to an investor in the United Kingdom, a “relevant person” (as defined below under “Notice to Certain Non-U.S. Holders”), that is (i) a qualified investor (as defined in the Prospectus Regulation, as it forms part of domestic law by virtue of the EUWA); or (ii) not a retail investor (as defined below under “Notice to Certain Non-U.S. Holders” in relation to the United Kingdom), or
- (4) any entity outside the U.S. and the European Economic Area to whom the offers related to the New Notes may be made in compliance with all other applicable laws and regulations of any applicable jurisdiction.

## **TAXATION**

The following discussion summarizes certain U.S. federal income and Argentine tax consequences of the Exchange Offer that may be relevant to a beneficial owner of Old Notes and the New Notes. This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules, and is subject to any change in U.S. or Argentine law that may come into effect after the date of this Exchange Offer Memorandum. No assurance can be given that the courts or tax authorities responsible for the administration of the laws and regulations described in this Exchange Offer will agree with this interpretation. You should consult your tax advisors about the tax consequences of holding Old Notes or the New Notes, including the relevance to your particular situation of the considerations discussed below, as well as of any other tax laws.

### **Certain U.S. Federal Income Tax Considerations**

The following is a description of certain U.S. federal income tax consequences to the U.S. Holders described below of the Exchange Offer and the ownership and disposition of New Notes acquired pursuant to the Exchange Offer, but it does not describe all of the tax considerations that may be relevant to a decision to participate in the Exchange Offer or hold such New Notes. This discussion applies only to U.S. Holders that hold Old Notes and, if applicable, New Notes as capital assets (generally, property held for investment). This discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including the possible effect of the special tax accounting rules under Section 451 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), alternative minimum tax and Medicare contribution tax consequences, or differing tax consequences that may apply to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- regulated investment companies;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding Old Notes, or that will hold New Notes, as part of a hedge, straddle, conversion or other integrated transaction;
- persons whose functional currency is not the U.S. dollar;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs"; or
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes or investors in such entities.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Old Notes or New Notes, the U.S. federal income tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Partnerships holding Old Notes or New Notes and their partners should consult their tax advisers as to the particular U.S. federal income tax consequences to them of the Exchange Offer and the ownership and disposition of New Notes.

This summary is based on the Code, administrative pronouncements, judicial decisions and Treasury regulations as of the date hereof, all of which are subject to change, possibly with retroactive effect. This summary does not address any state, local or non-U.S. tax consequences, or any U.S. federal tax consequences (including estate or gift taxes) other than U.S. federal income tax consequences. U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of the Exchange Offer and of owning and disposing of New Notes in their particular circumstances.

As used herein, the term "U.S. Holder" means a beneficial owner of Old Notes, or of New Notes received in exchange for Old Notes in the Exchange Offer, that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

### ***Tax Consequences of the Exchange***

#### ***Tax Considerations for U.S. Holders Exchanging Old Notes Solely for Cash***

Pursuant to the terms of the Exchange Offer, it is possible that some U.S. Holders will receive solely cash for their Old Notes. Such U.S. Holders will recognize gain or loss in an amount equal to the difference between the cash received (other than any Accrued Interest Payments with respect to the Old Notes) and their adjusted tax basis in the Old Notes exchanged. Any Accrued Interest Payments (including any amount of Argentine taxes withheld with respect thereto, if any) will be taxable as ordinary interest income to the extent not previously included in gross income and will be foreign-source income for purposes of computing a U.S. Holder's foreign tax credit limitation. A U.S. Holder's adjusted tax basis in the Old Notes generally will be the original cost to the U.S. Holder of the Old Notes, increased by any market discount (described below) included in the U.S. Holder's gross income and decreased (but not below zero) by any amortizable bond premium which the U.S. Holder had previously amortized. Amortizable bond premium generally is the excess of a U.S. Holder's tax basis in the Old Notes immediately after its acquisition over the principal amount of the Old Notes, although the amounts amortizable in any accrual period may be subject to limitations while the Issuer has a right to redeem the Old Notes.

Subject to the market discount rules described below, a U.S. Holder's gain or loss generally will constitute capital gain or loss, which will be long-term capital gain or loss if the U.S. Holder's holding period for the tendered Old Note is more than one year. Long-term capital gains of certain non-corporate taxpayers (including individuals) are eligible for preferential tax rates. The deductibility of capital losses is subject to limitations. Any capital gain or loss recognized on the sale of a Note pursuant to the Exchange Offer will generally be U.S.-source gain or loss for purposes of computing a U.S. Holder's foreign tax credit limitation.

The rules governing foreign tax credits are complex and subject to restrictions and limitations. U.S. Holders should consult their own tax advisers regarding the foreign tax credit implications if any Argentine taxes are imposed on Accrued Interest Payments or gain.

***Market Discount.*** If a U.S. Holder acquired an Old Note at a "market discount" (unless the amount of such market discount was less than a specified *de minimis* amount), any gain recognized on the exchange of the Old Note will be treated as ordinary income to the extent of the market discount that accrued during the period the U.S. Holder held the Old Note, unless the U.S. Holder had elected to include such market discount in income as it accrued. The amount of a U.S. Holder's market discount on an Old Note generally equals the excess of the principal amount of the Old Note over the U.S. Holder's initial tax basis in the Old Note. Any amount treated as ordinary income pursuant to the market discount rules should be treated as foreign-source income for purposes of computing a U.S. Holder's foreign tax credit limitation.

#### ***Tax Considerations for U.S. Holders Exchanging Old Notes for New Notes or a Combination of New Notes and Cash***

The tax consequences of the exchange of Old Notes for New Notes (or a combination of New Notes and cash) pursuant to the Exchange Offer will depend on whether the exchange is treated as resulting in a "significant modification" of the Old Notes, and thus a taxable exchange of the Old Notes for New Notes, for U.S. federal income tax purposes and, if so, whether the taxable exchange qualifies as a recapitalization for U.S. federal income tax purposes.

***Significant Modification.*** As a general rule, under Treasury regulations the exchange of Old Notes for New Notes pursuant to the Exchange Offer will constitute a significant modification of the Old Notes if, based on all of the relevant facts and circumstances and taking into account all modifications of the Old Notes collectively, the legal rights or obligations of exchanging holders are altered in an "economically significant" manner as determined under



the Treasury regulations. The Treasury regulations specifically provide that a change in the yield of a debt instrument is a significant modification if the yield of the modified instrument (determined by taking into account any payments made to the holder as consideration for the modification) varies from the yield of the unmodified instrument (determined as of the date of the modification) by more than the greater of (i) 0.25% (*i.e.* 25 basis points) and (ii) 5% of the annual yield of the unmodified instrument. The Treasury regulations also specifically provide that a modification of a debt instrument is a significant modification if it results in the “material deferral of scheduled payments.” The materiality of the deferral depends on all the facts and circumstances, including the length of the deferral, the original term of the instrument, the amounts of the payment that are deferred, and the time between the modification and the actual deferral of payments. Based on the relevant facts we expect, and the remainder of this discussion assumes, that the exchange of Old Notes for New Notes pursuant to the Exchange Offer will constitute a significant modification of the Old Notes.

*Recapitalization.* Generally, a U.S. Holder will recognize gain or loss on the exchange of Old Notes for New Notes pursuant to the Exchange Offer unless the exchange is treated as a recapitalization for U.S. federal income tax purposes. The exchange will be treated as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code if both the Old Notes and the New Notes exchange therefor constitute “securities” within the meaning of the provisions of the Code governing reorganizations. The determination of whether debt instruments are securities for these purposes depends upon the terms and conditions of, and facts and circumstances relating to, the debt instruments. The term of an instrument is usually regarded as one of the most significant factors for the determination of whether it is a security for these purposes. Instruments with a term of less than five years generally were not treated by courts as securities, whereas instruments with a term of ten years or more generally qualified as securities. The New Notes will have a term of less than five years. However, the U.S. Internal Revenue Service (the “IRS”) has held in a revenue ruling (issued in the context of a merger transaction) that new debt instruments with a remaining term to maturity of less than five years may nevertheless qualify as securities when issued in exchange for outstanding debt instruments that qualified as securities. It is not clear if this IRS ruling is applicable only to exchanges with facts and circumstances similar to those described in the ruling, or more broadly to debt exchanges in general.

If the exchange of Old Notes for New Notes is treated as a recapitalization, an exchanging U.S. Holder will not recognize loss on the exchange, but will recognize gain, if any, equal to the lesser of (i) the amount of “boot” received in the exchange and (ii) the gain realized, which is equal to the excess of the amount realized over the U.S. Holder’s adjusted tax basis in the Old Notes surrendered. The amount realized is (i) in the case of an exchange of Old Notes solely for New Notes, the “issue price” of the New Notes received (as described below under “Tax Consequences of the Ownership and Disposition of the New Notes—Issue Price of the New Notes”) and (ii) in the case of an exchange of Old Notes for a combination of New Notes and cash, the sum of the issue price of the New Notes received and the cash (other than Accrued Interest Payments). The amount of boot is equal to the sum of any cash received (other than Accrued Interest Payments) and the fair market value (on the date of the exchange) of any excess of the principal amount of the New Notes received over the principal amount of the Old Notes surrendered. A U.S. Holder’s adjusted tax basis in the Old Notes generally will be the purchase price of the Old Notes, increased by any market discount on the Old Notes previously included in gross income by the U.S. Holder and reduced by any amortizable bond premium on the Old Notes previously amortized by the U.S. Holder. Amortizable bond premium generally is the excess of a U.S. Holder’s tax basis in the Old Notes immediately after its acquisition over the principal amount of the Old Notes, but the amounts amortizable in any accrual period may be subject to limitations while the Issuer has a right to redeem the Old Notes. Subject to the market discount rules, any gain recognized upon the exchange generally will be capital gain, and will be long-term capital gain if the U.S. Holder’s holding period for the Old Notes exceeds one year. Long-term capital gains of non-corporate U.S. Holders (including individuals) are eligible for reduced rates of taxation. Any capital gain recognized on the exchange generally will constitute U.S.-source income for purposes of computing a U.S. Holder’s foreign tax credit limitation. See “Tax Considerations for U.S. Holders Exchanging Old Notes Solely for Cash—Market Discount” above and “Tax Consequences of the Ownership and Disposition of the New Notes—Market Discount” below for a discussion of the applicable market discount rules. New Notes that are not treated as boot will have an initial tax basis to a U.S. Holder equal to the adjusted tax basis of the Old Notes surrendered in exchange therefor, increased by the amount of any gain recognized by the U.S. Holder on the exchange, and decreased by the amount of boot received by the U.S. Holder. A U.S. Holder’s holding period for such New Notes will include the period during which the holder held the exchanged Old Notes. New Notes treated as boot will have an initial tax basis to a U.S. Holder equal to the fair market value of such New Notes on the date of the exchange and will have a holding period that begins on the day after the exchange.

If the exchange is not treated as a recapitalization, an exchanging U.S. Holder generally will recognize gain or loss with respect to the exchange in an amount equal to the difference between (i) the sum of the cash received, if any (other than Accrued Interest Payments) and the issue price of the U.S. Holder's New Notes (determined as described below) and (ii) the U.S. Holder's adjusted tax basis in its Old Notes on the date of the exchange. Subject to the market discount rules, any gain recognized upon the exchange generally will be capital gain, and will be long-term capital gain if the U.S. Holder's holding period for the Old Notes exceeds one year. Long-term capital gains of non-corporate U.S. Holders (including individuals) are eligible for reduced rates of taxation. Any capital gain recognized on the exchange generally will constitute U.S.-source income for purposes of computing a U.S. Holder's foreign tax credit limitation. See "Tax Considerations for U.S. Holders Exchanging Old Notes Solely for Cash—Market Discount" above for a discussion of the applicable market discount rules. A U.S. Holder's holding period for its New Notes generally will begin on the day after the exchange.

Any Accrued Interest Payments (including the amount of any Argentine withholding taxes, if any) will be taxable as ordinary interest income to the extent not previously included in gross income and will be foreign-source income for purposes of computing a U.S. Holder's foreign tax credit limitation.

The rules governing foreign tax credits are complex and subject to restrictions and limitations. U.S. Holders should consult their own tax advisers regarding the foreign tax credit implications of any Argentine taxes on Accrued Interest Payments or gain.

#### *Tax Considerations for Non-Exchanging U.S. Holders*

The Exchange Offer will not result in a taxable event for non-exchanging U.S. Holders. Upon consummation of the Exchange Offer, a non-exchanging U.S. Holder will have the same adjusted tax basis in, and holding period for, its Old Notes as the U.S. Holder had immediately prior to the Exchange Offer.

#### ***Tax Consequences of the Ownership and Disposition of the New Notes***

##### *Certain Additional Payments*

There are circumstances in which we might be required to make payments on a New Note that would increase the yield of the note, for instance, as described under "Description of the New Notes—Change of Control." We intend to take the position that the possibility of such payments does not result in the treatment of the Notes as "contingent payment debt instruments" for U.S. federal income tax purposes. Our position is binding on a U.S. Holder unless the U.S. Holder discloses its contrary position in a manner prescribed by applicable Treasury regulations. However, our position is not binding on the IRS and, if the New Notes are determined to be contingent payment debt instruments, a U.S. Holder would generally be required to treat any gain recognized on the sale or other disposition of the New Notes as ordinary income rather than as capital gain. Furthermore, a U.S. Holder would be required to accrue interest income on a constant yield basis at an assumed yield determined at the time of the issuance of the New Notes, with certain adjustments. U.S. Holders are urged to consult their tax advisers regarding the possible application of the contingent payment debt instrument rules to the New Notes. The remainder of this discussion assumes that the New Notes will not be treated as contingent payment debt instruments.

##### *Issue Price of the New Notes*

It is expected that the New Notes will be "publicly traded" for U.S. federal income tax purposes. In that case, the issue price of the New Notes will be equal to their fair market value at the time of the exchange. If the New Notes are not considered publicly traded, but the Old Notes exchanged therefor are considered publicly traded, the issue price of the New Notes will be equal to the fair market value of the Old Notes with respect to which the New Notes were issued, determined at the time of the exchange. If neither the New Notes nor the Old Notes exchanged therefor are publicly traded, the issue price of the New Notes will be equal to the New Notes' stated principal amount. The issue price of the New Notes cannot be determined until after the Settlement Date. Within 90 days of the issuance of the New Notes we will make available on our website our determination of the issue price of the New Notes. Our determination regarding the issue price will be binding on a U.S. Holder unless the U.S. Holder explicitly discloses, in the manner described in applicable Treasury regulations, that its determination is different from our determination.

### *Payments of Stated Interest*

Subject to the discussion under “—Amortizable Bond Premium” below, stated interest on a New Note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes. Interest income on a New Note generally will be foreign-source income for purposes of computing a U.S. Holder’s foreign tax credit limitations. The rules governing foreign tax credits are complex and subject to restrictions and limitations. U.S. Holders should consult their own tax advisers regarding the foreign tax credit implications of Argentine taxes on interest, if any.

### *Original Issue Discount*

The New Notes may be issued with original issue discount (“OID”) for U.S. federal income tax purposes. The New Notes will be issued with OID for U.S. federal income tax purposes to the extent their stated principal amount exceeds their issue price by more than a statutorily defined *de minimis* amount. A New Note will be considered to have *de minimis* OID if the difference between the New Note’s stated principal amount and its issue price is less than one quarter of 1% of the stated principal amount multiplied by the weighted average maturity. The weighted average maturity generally will be the sum of the following amounts determined for each payment of principal under the New Notes: (i) the number of complete years from the issue date of the New Note until the payment is made, multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the New Note’s stated principal amount. Subject to the discussions below under “—Amortizable Bond Premium” and “—Acquisition Premium,” a U.S. Holder will generally be required to include in income the daily portion of any such OID that accrues on a New Note for each day during the taxable year on which such U.S. Holder holds the New Note, on a constant yield to maturity basis, regardless of the U.S. Holder’s regular method of accounting for U.S. federal income tax purposes. Thus, the U.S. Holder will generally be required to include OID in income in advance of the receipt of the cash to which the OID is attributable.

### *Market Discount*

If a U.S. Holder’s initial tax basis in a New Note is less than its issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount. In addition, in the case of an exchange treated as a recapitalization (as discussed above under “Tax Consequences of the Exchange—Tax Considerations for U.S. Holders Exchanging Old Notes for New Notes or a Combination of New Notes and Cash—Recapitalization”) any accrued market discount in respect of an Old Note not recognized in the exchange should carry over to the New Note (to the extent exceeding OID, if any, on the New Note). A U.S. Holder will be required to treat any payment on a New Note (other than payments of stated interest), or any gain on the sale, exchange, redemption or other disposition of a New Note, as ordinary income to the extent of the market discount accrued on the New Note at the time of the payment or disposition, unless this market discount has been previously included in income by the holder pursuant to an election by the holder to include market discount in income as it accrues, or pursuant to a constant yield election by the U.S. Holder as described below under “—Constant Yield Election.” A U.S. Holder that holds a New Note with market discount and does not make such an election may be required to defer the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained by the U.S. Holder to purchase or carry such New Note.

### *Amortizable Bond Premium*

If a U.S. Holder’s initial tax basis in a New Note is greater than the New Note’s principal amount, the U.S. Holder will be considered to have acquired the New Note with amortizable bond premium. In general, the amount of amortizable bond premium with respect to a New Note will be equal to the excess of the U.S. Holder’s tax basis in the New Note over the New Note’s principal amount. If a New Note is issued with amortizable bond premium, the U.S. Holder will not be required to include any OID in income with respect to the New Note. In addition, the U.S. Holder may elect to amortize the premium, using a constant yield method, over the remaining term of the New Note. However, because the Issuer has the right to redeem the New Notes at a price in excess of their principal amount, the amount amortizable during certain accrual periods may be subject to limitations. A U.S. Holder may generally use the amortizable bond premium allocable to an accrual period to offset stated interest required to be included in the U.S. Holder’s income with respect to the New Note in that accrual period, with any excess being allowed as a deduction in that accrual period to the extent of the U.S. Holder’s prior interest inclusions on the New Note and finally as a carryforward allowable against the U.S. Holder’s future interest inclusions on the New Note. A U.S.

Holder that elects to amortize bond premium must reduce its tax basis in the New Note by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS. If a U.S. Holder makes a constant yield election (as described below) for a New Note with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the U.S. Holder's current and subsequently acquired taxable debt instruments with amortizable bond premium and may be revoked only with the permission of the IRS with respect to debt instruments acquired after revocation.

#### *Acquisition Premium*

If a U.S. Holder's tax basis in a New Note issued with OID is less than or equal to the New Note's principal amount and greater than the New Note's issue price, the New Note will be treated as acquired with "acquisition premium." In that case, each daily portion of OID that would otherwise be includible in the U.S. Holder's income with respect to such New Note would generally be reduced by an amount equal to the product of (i) the amount that would otherwise be the daily portion and (ii) a fraction, the numerator of which is the excess of the U.S. Holder's tax basis in the New Note (at the time of the exchange of an Old Note for the New Note) over the New Note's issue price (determined as described above) and the denominator of which is the excess of the sum of all amounts payable on the New Note after the exchange (other than stated interest) over its issue price.

#### *Constant Yield Election*

A U.S. Holder may make an election to include in gross income all interest that accrues on the New Notes (including stated interest, *de minimis* OID, market discount, and *de minimis* market discount, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest.

#### *Sale, Exchange, Redemption or Other Taxable Disposition of the New Notes*

Upon the sale, exchange, redemption or other taxable disposition of a New Note, a U.S. Holder will recognize taxable gain or loss in an amount equal to the difference between the amount realized on the sale, exchange, redemption or disposition and the U.S. Holder's adjusted tax basis in the New Note. For these purposes, the amount realized does not include any amount attributable to accrued interest not previously taken into income, which is treated as interest as described under "— Payments of Stated Interest" above.

A U.S. Holder's adjusted tax basis in its New Notes will generally be equal to its initial tax basis in the New Note (as described above), increased by any OID and market discount included in the U.S. Holder's income prior to the disposition of the New Note, and decreased by any payments received on the New Note (other than payments of stated interest) and any bond premium previously amortized. Except as described in this paragraph, gain or loss recognized on the sale, exchange, redemption or other taxable disposition of a New Note generally will be capital gain or loss, and will be long-term capital gain or loss if at the time of sale, exchange, redemption or disposition the New Note has been held for more than one year. Long-term capital gain recognized by a non-corporate U.S. Holder is currently subject to reduced rates of taxation. Exceptions to this general rule apply to the extent of any accrued market discount not previously included in the U.S. Holder's taxable income. See "—Market Discount" above.

Any gain or loss generally will constitute U.S.-source income or loss for purposes of computing a U.S. Holder's foreign tax credit limitation. The rules governing foreign tax credits are complex and subject to restrictions and limitations. U.S. Holders should consult their own tax advisers regarding the foreign tax credit implications of Argentine taxes on gain, if any.

#### ***Backup Withholding and Information Reporting***

Information returns may be filed with the IRS in connection with an exchange pursuant to the Exchange Offer, and with respect to payments on the New Notes (including any OID accruals) and the proceeds from a sale or other disposition of the New Notes. A U.S. Holder may be subject to backup withholding on these amounts if the U.S. Holder fails to provide its taxpayer identification number to the applicable withholding agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. Backup withholding

is not an additional tax. Amounts withheld under the backup withholding rules will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

### **Certain Argentine Tax Considerations**

The following summary is based upon tax laws and regulations of Argentina in effect on the date of this Exchange Offer Memorandum and is subject to any change in Argentine law that may come into effect after such date. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant in respect of the New Notes and Old Notes. No assurance can be given that the courts or tax authorities responsible for the administration of the laws and regulations described in this Exchange Offer Memorandum will agree with this interpretation. You are advised to consult your own tax advisers as to the consequences under the tax laws of the country of which you are resident of your participation in this Exchange Offer.

#### ***Income Tax***

##### *Exchange of Old Notes for New Notes and payment of accrued and unpaid interests of Old Notes*

For the purpose of this section it was considered that the Old Notes were issued in accordance with the Negotiable Obligations Law and qualify for tax-exempt treatment under Article 36 bis thereof (the "Article 36 bis Exemption") and the New Notes (i) will be placed in a public offering authorized by the CNV and (ii) as well as according with all the conditions under Article 36 of the Negotiable Obligations Law (the "Exemption Requirements and Conditions", as defined below).

The CNV rules and regulations impose certain conditions and requirements concerning the placement of notes which have been complied with in the case of the Old Notes, and we intend ensure compliance with them in respect to the New Notes. The remainder of this discussion assumes that the Old Notes qualify for the tax exemption referred to in the preceding paragraph and that the New Notes will qualify for such exemption. We have not sought any ruling from the AFIP with respect to the statements made and the conclusions reached in this paragraph, and there can be no assurance that the AFIP will agree with all of such statements and conclusions.

Any capital gains and interests originated in payments made from the exchange of Old Notes for New Notes should be subject to the following tax treatment:

##### *Interest and capital gains earned by resident individuals and undivided estates*

Article 34 of Law No. 27,541 has incorporated, effective as from the tax period 2020, a last paragraph to subsection u) of Article 26 of the Income Tax Law (O.T 2019) ("ITL") which exempts resident individuals and undivided successions located in the country (provided that they were not included in subsections d) and e) and in the last paragraph of Article 53 of the LIG) from the results arising from the purchase and sale, exchange, swap or disposition of securities covered by Article 98 of the ITL (O.T 2019) that are not included in the first paragraph of subsection u) of Article 26 of the tax law (so that the benefit would include negotiable obligations), to the extent that they are listed on stock exchanges or stock markets authorized by the CNV. In such cases, individuals and undivided successions benefiting from the exemption will not be subject to the exclusion of benefits provided for in Article 109 of the ITL (t.o. 2019).

In the event that the Exemption Requirements and Conditions are not met, interests will be taxed pursuant to the progressive scale of Article 94 of the ITL, with a maximum rate of 35%.

The Exemption Requirements and Conditions are:

- Securities must be placed through a public offering authorized by the CNV in compliance with the Argentine Securities Law, the CNV Rules and other applicable CNV rules and regulations;
- The proceeds arising from the placement of the notes must be applied by the issuer to (i) funding working capital in Argentina or refinancing debt, (ii) investments in tangible assets and capital goods located in Argentina, (iii) acquisition of going concerns located in Argentina, (iv) capital contributions in companies controlled by or affiliated with the note issuer, (v) acquisition of equity interests and/or financing of its commercial activities, provided such proceeds are used exclusively for the purposes set forth above,

and/or (vi) granting loans (when the issuer is a financial entity ruled by the Argentine Financial Entities Law No. 21,526), which funds must be used by the borrowers for the purposes set forth above, according to the rules enacted for such purpose by the BCRA (in this case the financial entity will be the one responsible of evidencing the use of proceeds in the manner determined by the CNV).

- Issuer must furnish the CNV in the terms and manner determined by the applicable rules and regulations with proof that the proceeds from the placement of the securities were used for any of the purposes described in the preceding paragraph.

For its part, Article 34 of the Solidarity Law, applicable as from fiscal year 2020, provides that in the case of financial assets reached by the provisions of Article 98 of the ITL, not included in the first paragraph of subsection u) of the Article 26 of the ITL (e.g., the Notes), Argentine resident individuals and undivided estates (provided that they were not included in subsections d) and e) and in the last paragraph of Article 53 of the ITL) are exempt for the results derived from their sale, exchange or disposal, to the extent that they are listed on stock exchanges or securities markets authorized by the CNV. In such cases, individuals and undivided estates benefiting from the exemption will not be subject to the exclusion of benefits provided for in Article 109 of the ITL.

Finally, Article 33 of the Solidarity Law substituted subsection h) of Article 26 of the ITL (O.T. 2019) so that, according to the current text, the exemption contained in the first paragraph of such provision reaches the interests originated by deposits made in savings accounts, special savings accounts, fixed-term deposits in local currency and deposits of third parties or other forms of fund raising from the public as determined by the BCRA, provided that such deposits are made in institutions subject to the legal regime of financial entities regulated by Law No. 21,526, whereas for the purposes of the exemption in question, the validity -among other rules- of point 4 of Article 36 bis exempts from the interest, updates and capital adjustments of negotiable obligations that meet the requirements set forth in Article 36 of the referred law (“Exemption Requirements and Conditions”).

Additionally, according to the amendments introduced by Article 1 of Law No. 27,638, the exemption set forth in paragraph h) of the ITL includes interest or the denomination of the yield from the placement of capital in instruments issued in local currency intended to promote productive investment, as established by the National Executive Power, provided that it is so provided by the rule that regulates them, and to the extent that they are not included in the first paragraph of said paragraph h) of Article 26 of the ITL. Decree No. 621/2021 provides a definition of those instruments in local currency included in the second paragraph of subsection h) of Article 26 of the ITL, incorporating an article after Article 80 of the regulatory decree of such law.

If the issuance does not satisfy the Exemption Requirements and Conditions, Article 38 of the Negotiable Obligations Law sets forth that the benefits stemming from the tax treatment afforded by that law are forfeited and therefore, the issuer shall be liable for payment of the taxes payable by the holders. When this is the case, the issuer must pay the highest income tax rate applicable to resident individuals, as stated in ITL Article 94 on the total income accrued in favor of investors. Pursuant to General Resolution No. 1516/2003 amended by General Resolution No. 1578/2003, AFIP regulated the mechanism for the issuer to pay income tax when a failure to comply with any of the Exemption Requirements and Conditions takes place.

As a result of the enactment of the Solidarity Law, certain clarifications and definitions are still pending (for example, the validity and scope of the exemptions re-established by the aforementioned law) that are expected to be issued to brevity. Investors should consult their tax advisor to further assess the potential tax impact in their specific case.

#### *Interest and capital gains earned by Argentine non-residents*

Capital earnings derived from the sale, exchange, swap, or disposition of the Old Notes and the new Notes, which were obtained by Foreign Beneficiaries, are exempt from Income Tax by virtue of the provisions of the fourth paragraph of subsection u) of Article 26 of the Income Tax Law (O.T. 2019), to the extent that they are negotiable obligations that comply with the Conditions of Article 36 and provided that such beneficiaries do not reside in non-cooperating jurisdictions and the invested funds do not come from non-cooperating jurisdictions.

In addition, as referenced above, Article 33 of Law No. 27,541 of Solidarity Law, reinstated the Article 36 bis Exemption, exempting from income tax the results derived from the sale, exchange, conversion or other disposition of negotiable obligations (e.g., the Old Notes and the New Notes) if the Exemption Requirements and Conditions are complied with. In connection with such exemption, the CNV is authorized to regulate and supervise, within the

scope of its authority, the conditions established in ITL Article 26(u) in accordance with Law No. 26,831, as amended.

Article 28 of the ITL and Article 106 of Law No. 11,683 (as restated in 1998, as amended) limit the application of tax exemptions when such application could result in a transfer of revenue to foreign tax authorities. Nevertheless, Article 33 of the Solidarity Law clarifies that Non-residents would not be subject to the provisions of Article 28 of the ITL or Article 106 of Law No. 11,683 (as restated in 1998, as amended) which restrict the application of exemptions when this could result in a transfer of income to foreign tax authorities.

Payment of accrued and unpaid interest on the Old Notes accepted for exchange in the Exchange Offer would not be subject to income tax withholding if the Article 36 bis Exemption and the exemption under 4th paragraph subsection u) of Article 26 of the ITL were to apply.

If foreign beneficiaries reside in a non-cooperating jurisdiction or the invested funds were originated in a non-cooperating jurisdiction, interest paid and any capital gains resulting from any form of disposal of the notes (whether they comply or not with the Exemption Requirements and Conditions) will be subject to income tax withholding.

Article 19 of the ITL defines “non-cooperating jurisdictions” as those countries or jurisdictions that have not entered into a tax information exchange agreement with Argentina or into an agreement to avoid international double taxation including broad exchange of information provisions. Likewise, countries having entered into an agreement with Argentina with the above-mentioned scope, but do not effectively comply with the exchange of information are considered “non-cooperating jurisdictions.” In addition, the aforementioned agreements must comply with the international standards of transparency and exchange of information on fiscal matters to which Argentina has committed itself.

Article 24 of Decree No. 862/19 lists the “non-cooperating jurisdictions” for Argentine tax purposes as of the date of this Exchange Offer Memorandum, which can be found at the AFIP website (<https://www.afip.gob.ar/jurisdiccionesCooperantes/>) and at [www.infoleg.gov.ar](http://www.infoleg.gov.ar). The information contained on these websites is not part and shall not be deemed incorporated into this Exchange Offer Memorandum. Argentine tax authorities are required to report updates to the Ministry of Finance to modify such list.

As a result of the enactment of the Solidarity Law, certain clarifications and definitions are still pending (for example, the validity and scope of the Article 36 bis Exemption re-established by the Solidarity Law). Investors should consult their tax advisor to further assess the potential tax impact in their specific case.

*Interest and capital gains earned by Argentine resident corporations and other corporate taxpayers (“Argentine Entities”)*

The Article 36 bis Exemption and the exemption under subsection u) of the Article 26 of the ITL are not applicable to Argentine Entities (as defined below) that are subject to the tax inflation adjustment rules in Argentina in accordance with Title VI of the ITL (in general, such taxpayers are legal entities organized under Argentine laws, local branches of foreign legal entities based in Argentina, sole proprietorships or natural persons engaged in certain commercial activities in Argentina). Hence, such taxpayers would be subject to capital gains tax on the exchange of the Old Notes for the New Notes and for accrued and unpaid interests of the Old Notes.

For fiscal years starting from January 1, 2018 and up to December 31, 2020, the corporate income tax rate was at 30%. As for fiscal years starting from January 1, 2021, Law No. 27,630 establishes a progressive corporate tax according to the accumulated net taxable income in pesos. The current progressive rates apply as indicated below:

| Accumulated Net Taxable Income |                | Shall Pay ARS | Plus % | On the Amount Exceeding |
|--------------------------------|----------------|---------------|--------|-------------------------|
| More than ARS                  | To ARS         |               |        |                         |
| —                              | 14,301,209.21  | —             | 25%    | —                       |
| 14,301,209.21                  | 143,012,092.08 | 3,575,302.30  | 30%    | 14,301,209.21           |
| 143,012,092.08                 | Onwards        | 42,188,567.16 | 35%    | 143,012,092.08          |

The amounts stated in the chart above are annually updated based on an inflation index. Those amounts are in force for the fiscal year starting on January 1, 2023.

Interest payments to Argentine Entities are also subject to withholdings pursuant to the regime established by the General Resolution (AFIP) No. 830/2000. Such withholdings should be computed as payment on account of the income tax to be paid by such Argentine Entities. Any exclusion from such withholding regime must be duly evidenced to the withholding agent by the person claiming it.

Additionally, it should be noted that the Argentine Entities listed in Article 73 of the ITL are subject to the general advance payment system contemplated by General Resolution (AFIP) 5,211/2022, and must determine and pay the advance payments on account of the tax established for each case. Moreover, it should be noted that General Resolution (AFIP) No. 5,248 establishes a one-time extraordinary advance payment for tax periods 2021 or 2022 (depending on the closing date of the fiscal year) on account of income tax to be paid by Argentine entities that comply with any of the parameters contemplated by the regulations.

On the other hand, the ITL considers that losses deriving from certain financial transactions have a specific nature. Investors should consider the potential impact this may have on their specific case.

“Argentine Entities” include Argentine corporations, including sole-member corporations, stock limited partnerships, in the portion that corresponds to limited partners, simplified stock corporations governed by Title III of Law No. 27,349 incorporated in Argentina, and limited liability companies; associations, foundations, cooperatives, entities governed by civil law and other nonprofit organizations organized in Argentina in so far as the ITL does not provide for another tax treatment; State-owned companies, for the portion of earnings that are not exempt from income tax; entities and organizations referred to in Article 1 of Law No. 22,016; trusts set up in conformity with the provisions of the Argentine Civil and Commercial Code except for those where settlors are beneficiaries (unless settlor-beneficiaries are Non-resident or the trust is a financial trust); financial trusts set up pursuant to Decree 471/18 only to the extent that participation certificates and/or debt securities had not been placed through a public offering authorized by the CNV; closed-end mutual funds organized in Argentina when their participations had not been placed through a public offering authorized by the CNV; tax-transparent companies and trusts (included in ITL Articles 53(b) and 53(c)) that opt to be treated as Argentine Entities for income tax purposes and Argentine permanent establishments of foreign persons.

### ***New Notes***

#### ***Interest and Capital Gains Earned by Argentine Resident Individuals and Undivided Estates***

Pursuant to ITL, amended by the Solidarity Law, interest paid and yields accruing on negotiable obligations (e.g. New Notes) that meet the Exemption Requirements and Conditions are exempt from income tax if obtained by individuals and undivided estates resident in Argentina for fiscal years starting January 1, 2020. In the event that the Exemption Requirements and Conditions are not met, interests will be taxed pursuant to the progressive scale of Article 94 of the ITL, with a maximum rate of 35%.

For its part, in accordance with Article 26, subsection u) of the ITL, as amended by the Solidarity Law, through its last paragraph, exempts resident individuals and undivided successions located in the country (provided that they were not included in subsections d) and e) and in the last paragraph of Article 53 of the ITL) from the results from transactions of sale, exchange, swap or disposition of securities covered by Article 98 of the ITL (O.T. 2019) that are not included in the first paragraph of subsection u) of Article 26 of the tax law (so that the benefit would include negotiable obligations), to the extent that they are listed on stock exchanges or stock markets authorized by the CNV. In such cases, individuals and undivided successions benefiting from the exemption will not be subject to the exclusion of benefits provided for in Section 109 of the ITL (O.T. 2019).

In view of the tax reform introduced by Article 34 of the Solidarity Law, applicable as from fiscal year 2020, provides that in the case of financial assets reached by the provisions of Article 98 of the ITL, not included in the first paragraph of subsection u) of the Article 26 of the ITL (e.g., the Old Notes), Argentine resident individuals and undivided estates (provided that they were not included in subsections d) and e) and in the last paragraph of article 53 of the ITL) are exempt for the results derived from their sale, exchange or disposal, to the extent that they are listed on stock exchanges or securities markets authorized by the CNV. In such cases, individuals and undivided estates benefiting from the exemption will not be subject to the exclusion of benefits provided for in Article 109 of the ITL.

Finally, Article 33 of the Solidarity Law restored the validity of the Article 36 bis Exemption that on the other hand, exempts from income tax the results derived from the sale, exchange, conversion or other disposition of the



notes received and the interest received by individuals and undivided estates that are considered residents in Argentina for tax purposes if the Exemption Requirements and Conditions are complied with, without being applicable the exclusion of benefits provided for in Article 109 of the ITL.

As a result of the enactment of the Solidarity Law, certain clarifications and definitions are still pending that are expected to be issued to brevity. Investors should consult their tax advisor to further assess the potential tax impact in their specific case.

#### *Interest and Capital Gains Earned by Non-residents*

Under the provisions of subsection u) of Article 26 of the ITL, capital gains derived from the sale, exchange, conversion or other disposition of negotiable obligations (e.g., the New Notes) that are placed through a public offering authorized by the CNV obtained by Non-residents are exempt from income tax to the extent that such Non-residents do not reside in non-cooperative jurisdictions and the funds invested do not come from non-cooperative jurisdictions (in accordance with Section 90 of the regulatory decree of the Income Tax Law).

In addition, as explained above, Article 33 of Law No. 27,541 of Solidarity Law, reinstated the Article 36 bis Exemption, exempting from income tax the results derived from the sale, exchange, conversion or other disposition of negotiable obligations (e.g., the New Notes) if the Exemption Requirements and Conditions are complied with. In connection with such exemption, the CNV is authorized to regulate and supervise, within the scope of its authority, the conditions established in ITL Article 26(u) in accordance with Law No. 26,831, as amended. Such Article also clarifies that Non-residents would not be subject to the provisions of Article 28 of the ITL or Article 106 of Law No. 11,683 (as restated in 1998, as amended) which restrict the application of exemptions when this could result in a transfer of income to foreign tax authorities.

Payment of interest on the New Notes would not be subject to income tax withholding if the Article 36 bis Exemption and the exemption under subsection u) of Article 26 of the ITL were to apply.

If Non-residents reside in a non-cooperating jurisdiction or the invested funds were originated in a non-cooperating jurisdiction, interest paid and any capital gains resulting from any form of disposal of the notes (whether they comply or not with the Exemption Requirements and Conditions) will be subject to income tax withholding.

In the case of interest paid on the New Notes that are not exempt, the effective withholding tax rate would be: (i) 15.05% (17.72% if grossing up is applicable) to the extent the issuer is a financial entity governed by Law No. 21,526; or the issuer is an Argentine corporate entity and the holder is a Nonresident banking or financial institution under the supervision of the respective central bank or equivalent agency, that (a) is domiciled in a jurisdiction which is not deemed a non-cooperative jurisdiction nor a no tax-or-low-tax jurisdiction under the ITL; or (b) is domiciled in a jurisdiction that has entered into an information exchange agreement with Argentina and that, in addition, pursuant to their internal rules, may not claim banking secrecy or stock exchange secrecy or otherwise, upon a request for information of the relevant tax agency; or (ii) 35% (53.84% if grossing up is applicable) otherwise. As regards capital gains derived from the disposition of the New Notes, the withholding tax rate would be 35% (53.84% if grossing up is applicable) according to Article 104 of ITL.

As a result of the enactment of the Solidarity Law, certain clarifications and definitions are still pending (for example, the validity and scope of the Article 36 bis Exemption re-established by the Solidarity Law). Investors should consult their tax advisor to further assess the potential tax impact in their specific case.

#### *Interest and Capital Gains Earned by Argentine Entities*

Corporate taxpayers are subject to income tax on the interest earned and capital gains realized, upon their accrual, at a progressive rate according to the accumulated net taxable income (currently from 25% up to 35% according to the accumulated net taxable income).

Interest payments to Argentine Entities are also subject to withholdings pursuant to the regime established by the General Resolution (AFIP) No. 830/00. Such withholdings should be computed as payment on account of the income tax to be paid by such Argentine Entities. Any exclusion from such withholding regime must be duly evidenced to the withholding agent by the person claiming it.

Additionally, it should be noted that the Argentine Entities listed in Article 73 of the ITL are subject to the general advance payment system contemplated by General Resolution (AFIP) 5,211 /2022, and must determine and pay the advance payments on account of the tax established for each case. On the other hand, it should be noted that General Resolution (AFIP) No. 5,248 establishes a one-time extraordinary advance payment for tax periods 2021 or 2022 (depending on the closing date of the fiscal year) on account of income tax to be paid by Argentine entities that comply with any of the parameters contemplated by the regulations.

Moreover, the ITL considers that losses deriving from certain financial transactions have a specific nature. Investors should consider the potential impact this may have on their specific case.

### ***Personal Assets Tax***

All individuals and undivided estates whose residence, in the terms of ITL Sections 116 and subsequent, is in Argentina are subject to a tax upon their assets ("PAT") located both in the country or abroad (such as the New Notes) held at December 31 of each year, unless an exemption applies. Argentine resident individuals and undivided estates not residing in Argentina are only liable for this tax upon their assets located in Argentina held at December 31 of each year. Shares, other equity participations and other securities, such as the New Notes, are only deemed to be located in Argentina when issued by an entity residing in Argentina. By virtue of Law No. 27,638, negotiable obligations issued in national currency that comply with the Exemption Requirements and Conditions are exempt from PAT. In case such exemption does not apply, the following PAT treatment should apply:

For those individuals and undivided estates with residence in Argentina, the PAT is imposed on taxable property existing as of December 31 of each year if the aggregate value thereof exceeds the amount of ARS 6,000,000 (applicable to fiscal years starting on January 1, 2021).

If the aggregate value of the assets existing as of December 31 exceeds the abovementioned amount, the PAT shall be exclusively applied to the amounts exceeding such aggregate amount, and shall be calculated as follows for assets located in Argentina:

#### **Aggregate value of the assets existing as of December 31 of each year exceeding the exempt amount**

| <b>More than Ps.</b> | <b>To Ps.</b>          | <b>Payment of a fixed amount of Ps.</b> | <b>Plus a %</b> | <b>Over the amount exceeding Ps.</b> |
|----------------------|------------------------|-----------------------------------------|-----------------|--------------------------------------|
| 0                    | 3,000,000 inclusive    | 0                                       | 0.50%           | 0                                    |
| 3,000,000            | 6,500,000, inclusive   | 15,000                                  | 0.75%           | 3,000,000                            |
| 6,500,000            | 18,000,000, inclusive  | 41,250                                  | 1.00%           | 6,500,000                            |
| 18,000,000           | 100,000,000, inclusive | 156,250                                 | 1.25%           | 18,000,000                           |
| 100,000,000          | 300,000,000, inclusive | 1,181,250                               | 1.50%           | 100,000,000                          |
| 300,000,000          | Onwards                | 4,181,250                               | 1.75%           | 300,000,000                          |

For its part, the PAT to be paid on assets located abroad by Argentine-resident individuals and undivided estates will be the amount that results from applying, over the total value of the assets located abroad that exceeds the minimum not taxable amount not computed against the assets located in the country, the following rates:

| <b>Total value of the assets located in Argentina and abroad</b> |                       | <b>The total value of the assets located abroad that exceed the non-minimum threshold not computed against the assets located in Argentina will be subject to the % rate</b> |
|------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>More than Ps.</b>                                             | <b>To Ps.</b>         |                                                                                                                                                                              |
| 0                                                                | 3,000,000, inclusive  | 0.70%                                                                                                                                                                        |
| 3,000,000                                                        | 6,500,000, inclusive  | 1.20%                                                                                                                                                                        |
| 6,500,000                                                        | 18,000,000, inclusive | 1.80%                                                                                                                                                                        |
| 18,000,000                                                       | Onwards               | 2.25%                                                                                                                                                                        |

Article 2 of Law No. 27,667 establishes that, as of fiscal year 2022, inclusive, the amount provided as minimum exempt from the tax and the previously transcribed scales will be annually adjusted by the coefficient that arises from the annual variation of the Consumer Price reported by the Institute of Statistics and Census, corresponding to the month of October of the year prior to the adjustment compared to the same month of the previous year. For such purposes, the provisions of Article 10 of Law 23,928 and its modifications will not be applicable.

In addition, the National Executive Branch may, during the validity of the tax, reduce the rates applicable to the goods located abroad, in the case of financial assets located abroad, in case of verifying the repatriation of the produced of its realization, case in which could set the magnitude of the return of up to the amount in a timely manner.

PAT is applied on the market value of the negotiable obligations as of December 31 of each tax year.

Individuals and undivided estates residing abroad will be subject to PAT on the value of assets held in Argentina at a rate of 0.50% for fiscal period 2019 and subsequent periods; provided, however, that no tax is required to be paid if the amount of such tax is equal to or less than Ps.255.57.

Although securities, such as the New Notes, directly held by individuals resident or undivided estates located outside Argentina are technically subject to the PAT, according to the provisions of Decree No. 127/96, no mechanism has been established for the payment of such tax in respect of such securities. The “Substitute Obligor” mechanism established in the first paragraph of Article 26 of the Personal Assets Tax Law No. 23,966, as amended, (the “PAT Law”) (individuals or legal entities resident in Argentina that have the possession, use, disposition, ownership, custody or safekeeping of the notes) is not applicable to New Notes (third paragraph of Article 26 of PAT Law).

The PAT Law establishes an irrefutable legal presumption that any securities issued by Argentine private issuers directly owned (*titularidad directa*) by a foreign legal entity that (a) is domiciled in a jurisdiction which does not require shares or private securities to be held in registered form, and (b) either (i) pursuant to its by-laws or the applicable regulatory regime of such foreign entity may only carry out investment activities outside the jurisdiction of its incorporation or (ii) cannot carry out certain transactions authorized by its by-laws or the applicable regulatory regime in its jurisdiction of incorporation; are deemed to be owned by individuals domiciled, or undivided estates located, in Argentina and, therefore, subject to the PAT. In such cases, the law imposes on individual persons or legal entities resident in Argentina that have the possession, use, disposition, deposit, ownership, custody, administration or safekeeping of the New Notes (the “Substitute Obligor”) the obligation to apply the tax at double the rate that should be paid by the Argentine issuer. The PAT Law also authorizes the Substitute Obligor to seek recovery of the amount so paid, without limitation, by way of withholding or by foreclosing on the assets that gave rise to such payment.

The above legal presumption shall not apply to the following foreign legal entities that directly own securities, such as the New Notes: (a) insurance companies, (b) open-end investment funds, (c) pension funds and (d) banks or financial entities whose head office is located in a country whose central bank or equivalent authority has adopted the international standards of banking supervision established by the Basel Committee.

Decree No. 988/2003 provides that the abovementioned legal presumption shall not apply to private securities or notes, if the public offering of such securities or notes has been authorized by the CNV and they are traded at security markets located in Argentina or abroad. In order to ensure that this legal presumption will not apply to New Notes and we will not be liable for PAT as Substitute Obligor with respect to the New Notes, as established in General Resolution No. 2,151/2006 of the AFIP, we must keep in our records a certified copy of CNV’s Resolution authorizing the public offering of the New Notes and evidence that such authorization was effective as of December 31 of the year for which the tax is calculated. If the AFIP considers that the issuer does not have the required documents to prove the CNV’s authorization or the trade authorization of local or foreign securities exchanges, we may be liable for the payment of the PAT.

In accordance with Law No. 26,452, the trustees of non-financial trusts are required to consider the value of the assets that make up the fund (including the New Notes) for the purposes of PAT determination.

The Law No. 27,638 and the provisions of Decree No. 621/2021 introduced amendments to the Income Tax and Personal Assets Tax, in order to encourage savings in Argentine pesos. The law establishes an exemption on PAT applicable as from fiscal year 2021 for negotiable obligations issued in Argentine pesos that comply with the Exemption Requirements and Conditions, and quotas of common investment funds and certificates of participation and securities representing fiduciary debt of financial trusts created under the terms of the National Civil and Commercial Code that have been placed by public offering with the authorization of CNV and whose main underlying asset is comprised, at least by 75% of the above mentioned negotiable obligations issued in national currency.

### ***Value Added Tax***

The tendering of the Old Notes, and payment of accrued interest on the Old Notes, and any financial transaction and operations related to the issuance, subscription, placement, purchase, transfer, amortization, cancellation of the New Notes, payment of principal and/or interest or redemption of the New Notes, and guarantees thereof made in connection with the New Notes, will be exempted from Value Added Tax according to Article 36 bis of the Negotiable Obligations Law; provided that the Exemption Requirements and Conditions have been satisfied.

If the issuance does not comply with said conditions, Article 38 of the Negotiable Obligations Law sets forth that the benefits resulting from the tax treatment afforded by that law are forfeited and therefore, the issuer shall be liable for payment of the taxes payable by the holders.

In accordance with Value Added Tax Law, the transfer of negotiable obligations is exempt from this tax even if the Exemption Requirements and Conditions are not fulfilled.

### ***Tax on Debits and Credits on Argentine Bank Accounts***

Pursuant to Law No. 25,413, as amended, a tax on bank debits and credits is levied on (i) debits and credits on accounts opened in financial institutions located in Argentina; (ii) debits and credits referred to in (i) carried out without bank accounts by Argentine financial institutions, regardless of the denomination, the mechanisms used to carry them out (including cash movements) and/or their legal instrumentation, and (iii) other transactions or transfers and deliveries of funds regardless of the person or entity that performs them and the mechanism used.

If any amount payable with respect to the New Notes is credited to holders who do not benefit from a special tax treatment, in an account opened with a local financial institution, the relevant credit will be subject to the tax at a rate of 0.6%.

In accordance with Decree 380/01 (as amended), the following transactions shall be considered taxable under Law No. 25,413: (i) certain transactions carried out by financial entities in which open accounts are not used; and (ii) any movement or delivery of funds, even when carried out in cash, that any person, including Argentine financial entities, carries out in its own name or on behalf of a third party, whatever the means used for its execution. General Resolution (AFIP) 2111/06 establishes that “movement or delivery of funds” are those made through organized systems of payment in substitution for bank accounts.

Decree No. 409/18 (published on the Official Gazette on May 7, 2018), provides that owners of bank accounts subject to the general rate of the tax of 0.6% on each debit and each credit may consider 33% of the tax paid as a tax credit. Taxpayers that are subject to the tax at the rate of 1.2% may consider 33% of the tax paid as a credit. In both cases, such amounts can be used as a payment on account of taxes and/or on account of the Special Tax for Cooperatives. With respect to registered small and medium companies, the percentage that may be used as credit for income tax may be higher. The remaining amount is deductible for income tax purposes.

Article 10 subsection (s) of Decree No. 380/01, as amended, sets forth that debits and credits from and into special current accounts (Communication “A” 3250 of the BCRA) are not subject to this tax if the holders of such accounts are foreign entities and the accounts are exclusively used in connection with financial investments in Argentina.

Article 10 subsection (a) of Decree No. 380/01, as amended, also states another exemption tax for certain operations, including debit and credit operations relating to accounts used exclusively and to transfers and withdrawals of related amounts, those markets authorized by the CNV and its agents, commercial exchanges that do not have organized stock exchanges, clearing agencies and other similar liquidation agencies authorized by the CNV.

However, as of the enactment of General Resolution (AFIP) No. 3900/2016, certain bank accounts have to be registered in the registry implemented by the administrative authority (AFIP-DGI) in order to benefit from the applicable exemptions and reductions.

Law No. 27,432 extended the effective term of this tax until December 31, 2022 and set forth that the Executive Branch may establish that the tax percentage which is currently not computable as an income tax credit, may be progressively reduced by up to a 20% per year, as of January 1st, 2018.

In accordance with the provisions of the Solidarity Law, debits originated from cash withdrawals in any form, such as encumbered operations, are subject to Tax on Debits and Credits on Argentine Bank Accounts, except for cash withdrawals from accounts whose owners are individuals or legal entities that are Micro and Small Businesses under the terms of Article 2 of Law No. 24,467.

It is noted that according to Decree No. 796/2021, the Tax on Debits and Credits on Argentine Bank Accounts exemptions foreseen in Decree No. 380/01 and other regulations of the same nature shall not be applicable in those cases where cash payments are related to the purchase, sale, exchange, intermediation and/or any other type of operation on crypto assets, cryptocurrencies, digital currencies or similar instruments, in the terms defined by the applicable rules.

***Tax for an Inclusive and Caring Argentina (Impuesto Para una Argentina Inclusiva y Solidaria “PAIS”) and Collection of the 35%.***

On an emergency basis and for the term of five fiscal periods as of the entry into force of the Solidarity Law, the Argentine government imposed a federal tax applicable to the purchase of foreign currency and other foreign exchange operations carried out by Argentine residents (individuals or Argentine entities). The applicable rate is, in general, 30%.

General Resolution (AFIP) No. 4815/2020 established a collection system applicable to transactions subject to PAIS tax and for the parties defined in Section 36 of Law No. 27,541 who are residents in the country, under the terms of Section 116 and subsequent sections of the ITL. The applicable levy, according to the last amendment established by General Resolution (AFIP) No. 5232/2022, varies according to the quality of the transactions entered into, resulting in the application of the rate of thirty-five percent (35.00%) for those detailed in subsection a) of Article 39, or forty-five percent (45%) for the cases listed in subsections b), c), d) and e) of Article 39, both of Law No. 27,541, applicable on the amounts in pesos of such transactions. Said collection will have the character of payment on account and will be computable in the annual income tax return or, where appropriate, the annual PAT return, corresponding to the fiscal period in which they were incurred.

Additionally, this general resolution establishes a refund regime for those subjects to whom the established collection has been applied and who are not taxpayers of income tax or, where appropriate, PAT.

The potential investors of the New Notes should consult their own tax advisers about the effects of the aforementioned tax according to their particular circumstances.

***Turnover Tax***

Any person regularly engaged, or presumed to be regularly engaged, in any business/habitual activity with a profit purpose in any Argentine local jurisdiction (including the twenty three Argentine Provinces and the City of Buenos Aires) where they receive revenues from interest or other gains arising from tendering of Old Notes, or interest and other gains arising from the disposal of the New Notes, could be subject to the turnover tax at rates that vary according to the specific laws of each Argentine province, unless an exemption applies.

In certain jurisdictions, such as the City of Buenos Aires and the Province of Buenos Aires, accrued interest, adjustments and the sale price in case of transfer of any notes issued under the Negotiable Obligations Law are exempt from turnover tax, provided that the New Notes and/or the Old Notes, as the case may be, are exempt from income tax.

Under the provisions of the “fiscal consensus” executed on November 16, 2017 by and among the Executive Branch, most of the Argentine provinces and the City of Buenos Aires (the “Fiscal Consensus”), which was approved by the National Congress on December 21, 2017, Argentine jurisdictions assumed different commitments regarding certain taxes collected.

As regards the impact of the Fiscal Consensus on the turnover tax, the Argentine provinces and the City of Buenos Aires undertook to set exemptions and apply maximum rates to certain activities and for certain periods. The Fiscal Consensus will only have effects in relation to those jurisdictions approving it through their legislative branches, and as of the date thereof. However, on December 17, 2019, and on December 4, 2020, certain Argentine provinces and the City of Buenos Aires signed an agreement suspending certain disposition of the Fiscal Consensus, which will also be effective once approved by each signing jurisdiction legislative branch. The National Executive

Branch and the provinces -except the City of Buenos Aires- signed a new consensus on December 27, 2021 (the “Fiscal Consensus 2021”) in which it was agreed to, among other points, (i) apply exemptions and new tax rates threshold for certain activities; (ii) not apply additional rates rather than those established for this turnover tax; (iii) take the necessary measures according to the procedures established in each jurisdiction with the aim to apply any Turnover Tax automatic refund or compensation mechanism for those taxpayers (either local or subject to the Multilateral Convention rules) that have outstanding balances in their favor generated by withholdings, collections and/or similar ones, to the extent certain specific requirements are met in each case; and (iv) suspend all the commitments made the parties by means of the previous fiscal consensus, maintaining only its enforcement those that have been complied with at the date of signing of the Fiscal Consensus 2021. These agreements shall be effective only in connection with the jurisdictions that have their legislative branches approve them and such effectiveness shall not commence if such approval has not been granted.

Holders considering participating in this Exchange Offer are advised to consider the possible impact of the turnover tax based on the provisions of any applicable laws that might be relevant in their specific circumstances.

Considering the autonomous authority vested in each provincial jurisdiction in connection with tax matters, any potential effects derived from these transactions must be analyzed, in addition to the tax treatment established by the other provincial jurisdictions.

Recently, certain local jurisdictions, as the Provinces of Córdoba and Tucumán, have established withholding regimes with respect to proceeds resulting from the placement of capital (including interest and/or yields from negotiable obligations) applicable to legal entities subject to turnover tax.

#### ***Provincial Collection Regimes on Credits in Bank Accounts***

Different provincial tax authorities (e.g., Corrientes, Córdoba, Tucumán, City of Buenos Aires, Province of Buenos Aires, Salta, etc.) have established advance payment regimes regarding the turnover tax that are, in general, applicable to credits generated in bank accounts opened at financial institutions irrespective of where they are located.

These regimes apply to local taxpayers that are included in a list distributed, usually on a monthly basis, by the provincial tax authorities to such financial institutions.

Tax rates applicable depend on the regulations issued by each provincial tax authority, in a range that, currently, could amount up to 5%. For taxpayers subject to these advance payment regimes, any payment applicable qualifies as an advance payment of the turnover tax.

In relation with these regimes, when entering into the Fiscal Consensus, the Argentine provinces and the City of Buenos Aires undertook to set an automatic refund mechanism to the taxpayer, of the positive balance generated by the withholdings and perceptions, accumulated during a reasonable period of time that may not exceed six months from the filing of the claim by the taxpayer, provided that the refund conditions and procedures established by the relevant jurisdiction have been complied with. Likewise, by means of the agreement dated December 4, 2020, entered into between the Executive Power and the representatives of certain Argentine jurisdictions, the Argentine jurisdictions have assumed commitments with a view to applying mechanisms of automatic refund, compensation or credit transfer of the positive balance generated by the withholdings and perceptions, provided that the taxpayers comply with the specific requirements of the case in question. By means of Fiscal Consensus 2021, the parties assumed the commitment to take the necessary measures according to the procedures established in each jurisdiction with the aim to apply any Turnover Tax automatic refund or compensation mechanism for those taxpayers (either local or subject to the Multilateral Convention rules) that have outstanding balances in their favor generated by withholdings, collections and/or similar ones, to the extent certain specific requirements are met in each case.

Holders of the New Notes should confirm the existence of said mechanisms depending on the jurisdiction that may be applicable to their specific case.

#### ***Stamp Tax***

Stamp tax is a local tax applicable on onerous acts, contracts and transactions formalized pursuant to a public and/or private instruments executed in Argentina or, if executed abroad, to the extent that those instruments are

deemed to have effects in one or more relevant jurisdictions within Argentina. In general, this tax is calculated on the economic value of the act.

Each Argentine province and the City of Buenos Aires set forth its own stamp tax regime in accordance with their local regulations. In the case of the City of Buenos Aires and the Province of Buenos Aires, both jurisdictions exempt from stamp tax the acts, contracts and transactions, including the delivery and receipt of cash, relating to the issuance, subscription, placement and transfer of debt securities, issued pursuant to the Negotiable Obligations Law. In addition, agreements documenting the sale or the exchange, capital increases made for the issuance of shares to be delivered as a result of a conversion of notes, the creation of any real or personal guarantees in favor of investors or third parties guaranteeing the issuance, either prior to, simultaneous with or subsequently to such issuance, are also exempted from stamp tax in either of these jurisdictions. This exemption applies if the authorization to place the security through public offering is filed within 90 calendar days from the execution of any such act, contracts and operations and if the placement of the securities is performed within 180 calendar days from the authorization to place such securities by public offering.

The Tax Codes of the City of Buenos Aires and the Province of Buenos Aires also exempt from tax the acts and/or instruments and/or transactions related to the trading of securities duly authorized for public offering by the CNV, as is the case with the New Notes.

According to the Fiscal Consensus, most of the Argentine provinces and the City of Buenos Aires undertook to set a maximum stamp tax rate of 0.75% as from January 1, 2019; 0.5% as from January 1, 2020; 0.25% as from January 1, 2021 and eliminate the Stamp Tax as from January 1, 2022. However, said schedule was postponed for a calendar year according to an agreement executed on September 13, 2018 by the Argentine government, the provinces and the City of Buenos Aires. The latter agreement remains subject to the enactment of the corresponding laws by each jurisdiction. Notwithstanding the foregoing, on December 17, 2019, and on December 4, 2020, the Argentine provinces and the City of Buenos Aires executed agreements suspending certain disposition of the Fiscal Consensus, which will be effective for those jurisdictions that approve it through their legislative branches and as of such date. As a result of the signing of the Fiscal Consensus 2021, it was agreed to, among other points, (i) establish a maximum general rate of 2% applicable to acts, contracts and operations subject to this tax (except for cases of transfer of real estate, motor vehicles and those related to lottery and gambling activities); and (ii) suspend all the commitments made the parties by means of the previous fiscal consensus (maintaining only its enforcement those that have been complied with at the date of signing the Fiscal Consensus 2021 and those that expressly established its text). These agreements shall be effective only in connection with the jurisdictions that have their legislative branches approve them and such effectiveness shall not commence if such approval has not been granted.

Considering the autonomous authority vested in each provincial jurisdiction and in the City of Buenos Aires in connection with tax matters, Eligible Holders should analyze any potential effects derived from such jurisdiction's Tax Codes. Holders considering participating in this Exchange Offer are advised to consider the possible impact of the stamp tax depending on the local jurisdiction involved.

#### ***Other Taxes***

There are no Argentine federal inheritance or succession taxes applicable to the gift, ownership, free transfer or disposition of the Old Notes and the New Notes, as the case may be.

Nevertheless, at a provincial level, the province of Buenos Aires enacted Law No. 14,044 (in effect since January 1, 2010), establishing a tax on the free transmission of assets, including inheritance, legacies, donations, advances on inheritance and any other conveyance entailing an increase in assets for no consideration, under Law No. 14,044, in effect since January 1, 2010. Taxpayers domiciled in the Province of Buenos Aires are subject to tax the free transmission of assets located in and out of the Province of Buenos Aires, and taxpayers domiciled outside of the Province of Buenos Aires are subject to the tax over the free enrichment of assets located in such jurisdiction. Therefore, the free transmission of notes could be subject to this tax, although certain transfers of assets may be exempted of tax to the extent that the aggregate value of the assets being transferred is equal or lower to a determined threshold provided by applicable local regulations.

As a result of the signing of the Fiscal Consensus 2021, Provinces legislate a tax on the increase in wealth obtained by inheritances, legacies, donations and inheritance advances, known as "inheritance tax." These

agreements shall be effective only in connection with the jurisdictions that have their legislative branches approve them and such effectiveness shall not commence if such approval has not been granted.

Holders of the New Notes and the Old Notes, as the case may be, are encouraged to consult a tax advisor as to the particular tax consequences arising in the involved jurisdictions.

### ***Court Tax***

In the event that it becomes necessary to institute enforcement proceedings in relation to the New Notes in Argentina, a court tax (currently at a rate of 3.0%) will be imposed on the amount of any claim brought before the Argentine courts sitting in the City of Buenos Aires.

### ***Treaties to Avoid Double Taxation***

Argentina has treaties to avoid double taxation (“DTTs”) in force with several countries, which may provide certain tax benefits to the foreign beneficiary obtaining Argentine-source income, with the following jurisdictions: Australia, Belgium, Bolivia, Brazil, Canada, Chile, Denmark, Finland, France (which amendment protocol is pending ratification), Germany, Italy, Mexico, Norway, Qatar, Russia, Spain, Sweden, Switzerland, the Netherlands, United Arab Emirates, United Kingdom, and Uruguay (through an information exchange treaty that contains clauses for avoidance of double taxation). Recently, the Executive Power of Argentina signed DTTs with Turkey, China, Luxembourg, Japan and Austria, but they are still pending of approval by the Argentine Congress. In turn, DTTs are being negotiated with Colombia and Israel, and amendments to the current DTT with France. On December 5, 2022, Argentina and the United States entered into an agreement to facilitate the automatic exchange of financial account information and optimize the implementation of the Foreign Account Tax Compliance Act (FATCA). The agreement, effective as of January 1, 2023, aims to improve international tax compliance through mutual assistance in tax matters based on an effective infrastructure for the automatic exchange of information.

### ***Inflow of Funds from Non-Cooperating, No Tax or Low-Tax Jurisdictions***

Pursuant to a legal presumption set forth in Article 18.2 of the Argentine Tax Procedure Law, inflow of funds receipt of funds from countries considered to be “no or low-tax jurisdictions” (as defined in Article 20 of the ITL), as well as non-cooperating jurisdictions (in accordance with the provisions of Article 19 ITL), regardless of their nature or type of transaction, are subject to income tax and, in this context, shall be deemed as unjustified net worth increases for the local recipient.

Unjustified net worth increases referred to in the preceding paragraph will be taxed as follows:

- income tax shall be assessed on 110% of the amount of the funds transferred.
- value added tax also shall be assessed upon us on 110% of the amount of the funds transferred.

The Argentine tax resident may rebut such legal presumption by duly evidencing before the AFIP that the funds arise from activities effectively performed by the Argentine taxpayer or a third party in such jurisdiction or that such funds were previously declared.

According to the Article 20 of the ITL “low or no tax jurisdictions” are defined as countries, domains, jurisdictions, territories, associated states or other special tax regimes in which the maximum corporate income tax rate is lower than 60% of the minimum corporate income tax rate established in the first paragraph of Article 73 of the ITL. In turn, Article 25 of Decree 862/2019, provides that, for purposes of determining the taxation level referred to in Article 20 of the ITL, the aggregate income tax rate applied in each of the levels of government must be considered.

Article 19 of the Income Tax Law (O.T. 2019) defines “non-cooperating jurisdictions” as those countries or jurisdictions that do not have an agreement in force with the Argentine Republic for the exchange of information on tax matters or an agreement to avoid double international taxation with a broad clause for the exchange of information. Likewise, it considers as non-cooperating those countries that, having an agreement with the aforementioned scope in force, do not effectively comply with the exchange of information. In addition, the article establishes that the National Executive Power will prepare a list of non-cooperating jurisdictions based on the criteria described above, which has been recently established in Article 24 of the Regulatory Decree of the Income



Tax Law (O.T. 2019), pursuant to the terms of Decree No. 862/2019 (B.O. 09/12/2019). In addition, such article establishes that the AFIP shall inform the Ministry of Finance (currently the Ministry of Economy) of any new development that justifies a modification in the preceding list, for the purpose of updating it.

## **NOTICE TO CERTAIN NON-U.S. HOLDERS**

### **General**

No action has been or will be taken in any jurisdiction that would permit a public offering of the New Notes or the possession, circulation or distribution of this Exchange Offer Memorandum or any material relating to us, the Old Notes or the New Notes in any jurisdiction where action for that purpose is required. Accordingly, the New Notes included in the Exchange Offer may not be offered, sold or exchanged, directly or indirectly, and neither this Exchange Offer Memorandum nor any other offering material or advertisements in connection with the Exchange Offer may be distributed or published, in or from any such country or jurisdiction, except in compliance with any applicable rules or regulations of any such country or jurisdiction.

The distribution of this Exchange Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Exchange Offer Memorandum comes are required by us, the Dealer Managers and the Information and Exchange Agent to inform themselves about, and to observe, any such restrictions.

### **Notice to Eligible Holders of Old Notes in the European Economic Area**

In any Member State, this Exchange Offer Memorandum is only addressed to and is only directed at qualified investors, as defined in the Prospectus Regulation.

This Exchange Offer Memorandum has been prepared on the basis that any offer of New Notes in any member state of the European Economic Area (“EEA”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of New Notes. Accordingly any person making or intending to make an offer in that Member State of New Notes which are the subject of the offering contemplated in this Exchange Offer Memorandum may only do so in circumstances in which no obligation arises for the Issuer or any of the Dealer Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer. Neither the Issuer nor the Dealer Managers have authorized, nor do they authorize, the making of any offer of New Notes in circumstances in which an obligation arises for the Issuer or any of the Dealer Managers to publish a prospectus for such offer. Neither the Issuer nor the Dealer Managers have authorized, nor do they authorize, the making of any offer of New Notes through any financial intermediary, other than offers made by the Dealer Managers, which constitute the final placement of the New Notes contemplated in this Exchange Offer Memorandum.

For the purpose of the above provisions, the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

The New Notes are not offered, sold or otherwise made available and will not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

- A. the expression “retail investor” means a person who is one (or more) of the following:
  - i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
  - ii. a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - iii. not a qualified investor as defined in the Prospectus Regulation; and
- B. the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to purchase or subscribe the New Notes.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Any distributor subject to MiFID II subsequently offering, selling or recommending the New Notes is responsible for undertaking its own target market assessment in respect of the New Notes and determining the appropriate distribution channels.

These selling restrictions are in addition to any other selling restrictions set out in this Exchange Offer Memorandum.

## **United Kingdom**

This document has not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Market Act 2000 (“FSMA”). This document is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom; (ii) professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”); (iii) persons falling within Articles 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order; or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any New Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such New Notes will be engaged in only with relevant persons.

Each Dealer Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any New Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any New Notes in, from or otherwise involving the United Kingdom.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (the “Prospectus Regulation”) as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## **France**

This Exchange Offer Memorandum has not been prepared in the context of a public offering of financial securities in the Republic of France (“France”) within the meaning of Article L.411-1 of the French *Code monétaire et financier* and therefore has not been and will not be filed with the *Autorité des marchés financiers* (the “AMF”) for prior approval or submitted for clearance to the AMF. The New Notes may not be, directly or indirectly, offered or sold to the public in France and offers and sales of the New Notes will only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*), and/or qualified investors (*investisseurs qualifiés*) investing for their own account, other than individuals, all as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. Neither this Exchange Offer Memorandum nor any other offering material may be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the New Notes to the public in France. The

subsequent direct or indirect retransfer of the New Notes to the public in France may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

## Italy

None of the Exchange Offer, this Exchange Offer Memorandum or any other documents or materials relating to the Exchange Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”), pursuant to applicable Italian laws and regulations.

The Exchange Offer is being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of Legislative Decree No. 58 of February 24, 1998, as amended (the “Financial Services Act”) and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “Issuers Regulation”) and, therefore, are intended for, and directed only at qualified investors (*investitori qualificati*) (the “Italian Qualified Investors”), as defined pursuant to Article 100, paragraph 1, letter (a) of the Financial Services Act and Article 34-ter, paragraph 1, letter (b) of the Issuers’ Regulation.

Accordingly, the Exchange Offer cannot be promoted, nor may copies of any document related thereto or to the Old Notes be distributed, mailed or otherwise forwarded, or sent, to the public in the Republic of Italy, whether by mail or by any means or other instrument (including, without limitation, telephonically or electronically) or any facility of a national securities exchange available in the Republic of Italy, other than to Italian Qualified Investors. Persons receiving this Exchange Offer Memorandum or any other document or material relating to the Exchange Offer must not forward, distribute or send it in or into or from the Republic of Italy.

Eligible Holders of Old Notes that are Italian Qualified Investors resident and/or located in the Republic of Italy can tender the Old Notes through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended from time to time) and in compliance with any other applicable laws and regulations and with any requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Old Notes, the New Notes or the Exchange Offer.

## Belgium

Neither the Exchange Offer nor any brochure, material or document related thereto have been, or will be, submitted or notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*). In Belgium, the Exchange Offer does not constitute public offerings within the meaning of Articles 3, §1, 1° and 6, §3 of the Belgian Law of April 1, 2007 on takeover bids (*loi relative aux offres publiques d’acquisition/wet op de openbare overnamebiedingen*, the “Takeover Law”), nor within the meaning of Article 3, §2 of the Belgian Law of June 16, 2006 on public offering of securities and placement of securities to trading on a regulated market (*loi relative aux offres publiques d’instruments de placement et aux admissions d’instruments de placement à la négociation sur des marchés réglementés/wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereguleerde markt*, the “Prospectus Law”), each as amended or replaced from time to time. Accordingly, the Exchange Offer may not be, and is not being advertised, and the Exchange as well as any brochure, or any other material or document relating thereto may not, have not and will not be distributed, directly or indirectly, to any person located and/or resident within Belgium, other than those who qualify as “Qualified Investors” (*investisseurs qualifiés/gekwalificeerde beleggers*), within the meaning of Article 10, §1 of the Prospectus Law, as amended from time to time, acting on their own account. Accordingly, the information contained in this Exchange Offer Memorandum or in any brochure or any other document or materials relating thereto may not be used for any other purpose, including for any offering in Belgium, except as may otherwise be permitted by law, and shall not be disclosed or distributed to any other person in Belgium.

## Switzerland

None of this Exchange Offer Memorandum or any offering or marketing material relating to the Exchange Offer is intended to constitute an offer or solicitation to purchase or invest in the New Notes. The New Notes may

not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the New Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Exchange Offer Memorandum nor any other offering or marketing material relating to the New Notes constitutes a prospectus pursuant to the FinSA, and neither this Exchange Offer Memorandum nor any other offering or marketing material relating to the New Notes may be publicly distributed or otherwise made publicly available in Switzerland.

## **Hong Kong**

The Exchange Offer is not being made, and the New Notes are not being offered or sold, in Hong Kong, by means of this Exchange Offer Memorandum or any other documents or materials relating to the Exchange Offer other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer or invitation to the public for the purposes of the Securities and Futures Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance. None of the Company, the Dealer Managers or the Information and Exchange Agent has issued or had in its possession for the purposes of issue, or will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## **Mexico**

The New Notes have not been and will not be registered with the National Securities Registry maintained by the CNBV, and the Exchange Offer has not been approved by the CNBV, and therefore the New Notes may not be offered or sold and the Exchange Offer may not be made publicly in Mexico. The New Notes may be offered and sold and the Exchange Offer may be made in Mexico to investors that qualify as qualified and institutional investors under Mexican law, pursuant to the private placement exemption set forth under Article 8 of the Securities Market Law. As required under the Securities Market Law, the Company will give notice to the CNBV of the offering of the New Notes under the terms set forth herein for informational purposes only. The delivery to, and receipt by, the CNBV of such notice does not certify the solvency of the Company, the investment quality of the New Notes, or that the information contained in this Exchange Offer Memorandum is accurate or complete.

## **Singapore**

This Exchange Offer Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer Manager has represented, warranted and agreed that it has not circulated or distributed nor will it circulate or distribute this Exchange Offer Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any New Notes nor has it offered or sold or caused such New Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such New Notes or cause such New Notes to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the New Notes are subscribed or purchased under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the New Notes under Section 275 of the SFA except: (a) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the

conditions, specified in Section 275 of the SFA; (b) where no consideration is given for the transfer; or (3) by operation of law.

## **Japan**

The New Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “FIEL”) and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Brazil**

The New Notes have not been and will not be issued nor placed, distributed, offered or negotiated in the Brazilian capital markets and, as a result, have not been and will not be registered with the Securities Commission of Brazil (Comissão de Valores Mobiliários, or “CVM”). Any public offering or distribution, as defined under Brazilian laws and regulations, of the New Notes in Brazil is not legal without prior registration under Law No. 6,385 of December 7, 1976, as amended, and Instruction No. 400, issued by the CVM on December 29, 2003, as amended. Documents relating to the offering of the New Notes, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the New Notes is not a public offering of securities in Brazil), or used in connection with any offer for subscription or sale of the New Notes to the public in Brazil. Persons wishing to offer or acquire the New Notes within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

## **Chile**

The New Notes will not be registered under the Chilean Securities Market Law (Ley de Mercado de Valores No. 18,045), as amended, of Chile with the Commission for Financial Markets (Comisión para el Mercado Financiero), and, accordingly, they may not be offered to persons in Chile except in circumstances that do not constitute a public offering under Chilean law.

## **Dubai International Financial Centre**

This Exchange Offer Memorandum relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This Exchange Offer Memorandum is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. They must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any document in connection with exempt offers. The DFSA has not approved this Exchange Offer Memorandum nor taken steps to verify the information set forth in any of them and has no responsibility for this Exchange Offer Memorandum. The New Notes to which this Exchange Offer Memorandum relate may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the New Notes offered should conduct their own due diligence on the New Notes. If you do not understand the contents of this Exchange Offer Memorandum you should consult an authorized financial advisor.

## **Germany**

The offer of the New Notes is not a public offering in the Federal Republic of Germany. The New Notes may only be offered, sold and acquired in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (*Wertpapierprospektgesetz – WpPG*), as amended (the “Securities Prospectus Act”), the Commission Delegated Regulation (EU) No. 2019/980 dated as of March 14, 2019, as amended, and any other applicable German law. No application has been made under German law to permit a public offer of securities in the Federal Republic of Germany. This Exchange Offer Memorandum has not been approved for purposes of a public offer of the New Notes and accordingly the New Notes may not be, and are not being, offered or advertised publicly or by public promotion in Germany. Therefore, this Exchange Offer Memorandum is strictly for private use and the offer is only being made to recipients to whom the document is personally addressed and does not constitute an offer or advertisement to the public. The New Notes will only be available to and this Exchange Offer Memorandum and any other offering material in relation to the New Notes is directed only at persons who are qualified investors

(*qualifizierte Anleger*) within the meaning of Section 2, No. 6 of the Securities Prospectus Act. Any resale of the New Notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

### **The Netherlands**

This document has not been and will not be approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) in accordance with Article 5:2 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*). The New Notes will only be offered in The Netherlands to qualified investors (*gekwalficeerde beleggers*) as defined in Article 1:1 of the Dutch Act on Financial Supervision.

### **Peru**

The New Notes and the information contained in this Exchange Offer Memorandum have not been, and will not be, registered with or approved by the Superintendency of the Securities Market (*Superintendencia del Mercado de Valores*) or the Lima Stock Exchange (*Bolsa de Valores de Lima*). Accordingly, the New Notes cannot be offered or sold in Peru, except if such offering is considered a private offering under the securities laws and regulations of Peru.

### **Colombia**

The New Notes have not been and will not be offered in Colombia through a public offering of securities pursuant to Colombian laws and regulations, nor will the New Notes be registered in the Colombian National Registry of Securities and Issuers or listed on a regulated securities trading system such as the Colombian Stock Exchange. The Exchange Offer do not constitute and may not be used for, or in connection with, a public offering as defined under Colombian law and shall be valid in Colombia only to the extent permitted by Colombian law. This Exchange Offer Memorandum is for the sole and exclusive use of the addressee as a designated individual/investor, and cannot be considered as being addressed to or intended for the use of any third party, including any of such party's shareholders, administrators or employees, or by any other third party resident in Colombia. The information contained in this Exchange Offer Memorandum is provided for assistance purposes only, and no representation or warranty is made as to the accuracy or completeness of the information contained herein.

### **Denmark**

The Exchange Offer does not constitute an offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued pursuant thereto and has not been filed with or approved by the Danish Financial Supervisory Authority.

### **Norway**

The Exchange Offer and this Exchange Offer Memorandum do not constitute a prospectus under Norwegian law and have not been filed with or approved by the Norwegian Financial Supervisory Authority, the Oslo Stock Exchange or the Norwegian Registry of Business Enterprises, as the Exchange Offer and this Exchange Offer Memorandum have not been prepared in the context of a public offering of securities in Norway within the meaning of the Norwegian Securities Trading Act or any Regulations issued pursuant thereto. The Exchange Offer will only be directed to qualified investors as defined in the Norwegian Securities Regulation section 7-1 or in accordance with other relevant exceptions from the prospectus requirements. Accordingly, the Exchange Offer and this Exchange Offer Memorandum may not be made available to the public in Norway nor may the Exchange Offer otherwise be marketed and offered to the public in Norway.

### **Spain**

Neither the Exchange Offer, nor this Exchange Offer Memorandum have been approved or registered in the administrative registries of the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

## Argentina

The New Notes are being placed in Argentina by means of an offering that will qualify as a public offering conducted in accordance with the Argentine Securities Law, the CNV Rules and other applicable Argentine laws.

The New Notes issued under the Program will be our direct, unsecured and unsubordinated obligations and will rank *pari passu* with our existing and future unsecured and unsubordinated indebtedness, other than obligations given preferential or senior ranking by statute or by operation of law. The New Notes will constitute non-convertible *obligaciones negociables* under the Argentine Negotiable Obligations Law, will be entitled to the benefits set forth therein and subject to the procedural requirements established therein and will be placed in Argentina in accordance with the Argentine Capital Markets Law and the rules issued by the CNV pursuant to General Resolution No. 622/2013 of the CNV, as amended from time to time. The creation of the Program has been authorized by Resolution No. RESFC-2022-21990-APN-DIR#CNV dated as of October 19, 2022. Offers of the New Notes to the public in Argentina will be made by means of the Argentine Offering Memorandum. The Old Notes were issued pursuant to our old program authorized by means of Resolution NO. 18,389 of the CNV, dated December 1, 2016.

The CNV authorization means only that the information contained in the Argentine Offering Memorandum relating to the public offering of the New Notes comply with the information requirements of the CNV. The CNV has not rendered and will not render any opinion with respect to the accuracy of the information contained in the Argentine Offering Memorandum. The CNV has not rendered and will not render any opinion with respect to information contained in this Exchange Offer Memorandum.

## General

This Exchange Offer Memorandum does not constitute an offer to buy or sell or a solicitation of an offer to sell or buy Old Notes or New Notes, as applicable, (i) in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws or otherwise and (ii) for those persons or entities domiciled, incorporated or residents of a country considered as a “no or low- tax jurisdiction,” or for those persons or entities that, for of the acquisition of the notes, use a localized or open account in a country considered as a “no or low-tax jurisdiction.” The distribution of this document in certain jurisdictions (including, but not limited to, the jurisdictions listed above) may be restricted by law. In those jurisdictions where the securities, blue sky or other laws require the Exchange Offer to be made by a licensed broker or dealer and the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, that Exchange Offer shall be deemed to be made by the Dealer Managers or such affiliate (as the case may be) on behalf of the Issuer in such jurisdiction.

Each Eligible Holder participating in the Exchange Offer will give certain representations in respect of the jurisdictions referred to above and generally as set out in herein. Any tender of Old Notes for exchange pursuant to the Exchange Offer from an Eligible Holder that is unable to make these representations will not be accepted. Each of the Issuer, the Dealer Managers and the Information and Exchange Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Old Notes for exchange pursuant to the Exchange Offer, whether any such representation given by an Eligible Holder is correct and, if such investigation is undertaken and as a result the Issuer determines (for any reason) that such representation is not correct, such tender shall not be accepted.

## LEGAL MATTERS

The validity of the New Notes and certain legal matters in connection with Argentine law will be passed upon for us by Bruchou & Funes de Rioja, our Argentine legal counsel, and Salaverri, Burgio & Wetzler Malbrán, Argentine counsel to the dealer managers. Certain matters in connection with United States law and New York law in connection with this Program will be passed upon by Davis Polk & Wardwell LLP, our United States legal counsel, and for the dealer managers by Linklaters LLP, New York, United States counsel to the dealer managers.

As to all matters of Argentine law, Davis Polk & Wardwell LLP may rely on the opinion of Bruchou & Funes de Rioja. As to all matters of United States law, Bruchou & Funes de Rioja may rely on the opinion of Davis Polk & Wardwell LLP.



### **INDEPENDENT AUDITORS**

The Annual Consolidated Financial Statements included in this Exchange Offer Memorandum have been audited by Pistrelli, Henry Martin y Asociados S.R.L., independent auditors, as stated in their report dated March 28, 2023 appearing herein.

With respect to the Unaudited Interim Condensed Consolidated Financial Statements included in this Exchange Offer Memorandum, Pistrelli, Henry Martin y Asociados S.R.L. has performed the procedures specified for a review of interim financial information as described in the International Standard for Review Engagements No. 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410) and issued a review report thereon dated June 29, 2023.

## GENERAL INFORMATION

Since March 31, 2023, the date of our most recent Consolidated Financial Statements which are included in this Exchange Offer Memorandum, no significant adverse change has occurred in our business, financial condition, results of operations or activities. We are party to certain civil, tax, commercial and labor claims that arise in the ordinary course of business. For further information related to such claims and certain reserves established by us in respect of claims, see the Annual Consolidated Financial Statements. We are not a party to any litigation, arbitration or administrative proceeding relating to claims for rights or amounts that are significant in the context of the issuance of the New Notes under the Program or which could have a significant or adverse effect on our capacity to meet our obligations under the New Notes and, to the best of our knowledge, there is no significant existing or impending litigation, arbitration or administrative proceeding.

The Company was created by means of Decree No. 287/93 of the National Executive Power, on February 22, 1993, in the context of the reorganization and privatization process of Hidronor S.A., Hidroeléctrica Norpatagónica S.A., registered initially with Registro Público de Comercio on July 6, 1993 under Registration No. 5,980 of book 113, page A of Corporations (Sociedades Anónimas). The Company is currently registered with the Dirección Provincial de Personas Jurídicas of the Buenos Aires Province under File No. 01/137419, Register No. 78.035. The Company has a duration of 99 years, from the date of its initial registration with the Registro Público de Comercio. The most recent amendment of the Bylaws was recorded in the Public Commercial Registry on November 15, 2019.

The creation of the Program was authorized by Resolution No. RESFC-2022-21990-APN-DIR#CNV of the CNV, dated October 19, 2022. Such authorization means only that we have complied with all the information of the CNV. Potential investors in the New Notes must contact any authorized agent to offer and sell the New Notes in Argentina.

Copies in English and Spanish of our most recent consolidated financial statements, our Bylaws, the New Notes Indenture and this Exchange Offer Memorandum, for the offerings made outside of Argentina, will be available at our offices, those of the Paying Agent in Buenos Aires and those of the Luxembourg Listing Agent during normal business hours, so long as any of the New Notes are outstanding. In the case of our consolidated financial statements, such statements will be available not later than 120 days after the close of each fiscal year. In the case of our quarterly financial statements, such statements will be available not later than 90 days after the end of each quarter.

The creation of the Program was approved and authorized by our shareholders at a meeting held on April 29, 2022, by our Board of Directors at meetings held on September 1, 2022 and February 6, 2023.

Application will be made so that the New Notes may be accepted for settlement through DTC, Euroclear and Clearstream.

We accept responsibility for the information contained in this Exchange Offer Memorandum. To the best of our knowledge, except as otherwise noted, the information contained in this Exchange Offer Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Exchange Offer Memorandum.

## INDEX TO FINANCIAL STATEMENTS

### AES ARGENTINA GENERACIÓN S.A.

#### Unaudited Interim Condensed Consolidated Financial Statements as of March 31, 2023 and 2022 and for the three-month periods then ended.

|                                                                        | <b>Page</b> |
|------------------------------------------------------------------------|-------------|
| Interim Condensed Consolidated Statement of Comprehensive Income.....  | F-6         |
| Interim Condensed Consolidated Statement of Financial Position.....    | F-8         |
| Interim Condensed Consolidated Statement of Changes in Equity .....    | F-10        |
| Interim Condensed Consolidated Statement of Cash Flows.....            | F-11        |
| Notes to the Interim Condensed Consolidated Financial Statements ..... | F-13        |
| Report on Review of Interim Financial Information .....                | F-64        |

#### Audited Annual Consolidated Financial Statements as of December 31, 2022, 2021 and 2020 and for the years then ended.

|                                                      | <b>Page</b> |
|------------------------------------------------------|-------------|
| Consolidated Statement of Comprehensive Income ..... | F-69        |
| Consolidated Statement of Financial Position .....   | F-71        |
| Consolidated Statement of Changes in Equity.....     | F-73        |
| Consolidated Statement of Cash Flows .....           | F-74        |
| Notes to the Consolidated Financial Statements.....  | F-76        |
| Independent Auditors' Report .....                   | F-167       |



**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**AES Argentina Generación S.A. and  
Subsidiaries**

**For the three month period ended March 31, 2023**

**AES ARGENTINA GENERACIÓN S.A.****MEMBERS OF THE BOARD OF DIRECTORS**

|                                 |                                                                                                                               |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>CHAIRMAN:</b>                | Martín Genesio                                                                                                                |
| <b>VICE-CHAIRMAN:</b>           | Vicente Javier Giorgio                                                                                                        |
| <b>REGULAR BOARD MEMBERS:</b>   | Iván Diego Durontó<br>Fabián Carlos Giammaría<br>Luis Bernabé Casas                                                           |
| <b>ALTERNATE BOARD MEMBERS:</b> | Guillermo Daniel Paponi<br>Diego Andrés Parodi<br>Rubén Néstor Zaia<br>Adriana Beatriz Brambilla<br>Diego Gabriel Baldassarre |

**SUPERVISORY COMMITTEE**

|                                      |                                                                           |
|--------------------------------------|---------------------------------------------------------------------------|
| <b>REGULAR STATUTORY AUDITORS:</b>   | Andrés Leonardo Vittone<br>Patricio Richards<br>Manuel Goyenechea y Zarza |
| <b>ALTERNATE STATUTORY AUDITORS:</b> | Pablo Javier Viboud<br>Juan Manuel Carassale<br>Facundo Gladstein         |

**Table of Contents of the Interim Condensed Consolidated Financial Statements**

|                                                                                          |    |
|------------------------------------------------------------------------------------------|----|
| Legal Information                                                                        | 1  |
| Interim Condensed Consolidated Statement of Comprehensive Income                         | 2  |
| Interim Condensed Consolidated Statement of Financial Position                           | 4  |
| Interim Condensed Consolidated Statement of Changes in Equity                            | 6  |
| Interim Condensed Consolidated Statement of Cash Flows                                   | 7  |
| Notes to the Interim Condensed Consolidated Financial Statements                         | 9  |
| NOTE 1 - Overview                                                                        | 9  |
| NOTE 2 - Basis of Preparation of the Interim Condensed Consolidated Financial Statements | 10 |
| NOTE 3 - Regulatory Aspects and Current Agreements                                       | 16 |
| NOTE 4 - Financial Risk Management                                                       | 20 |
| NOTE 5 - Operating Segments                                                              | 23 |
| NOTE 6 - Investments in Subsidiary and other Companies                                   | 24 |
| NOTE 7 - Property, Plant and Equipment                                                   | 26 |
| NOTE 8 - Intangible Assets                                                               | 29 |
| NOTE 9 - Inventory                                                                       | 31 |
| NOTE 10 - Taxes                                                                          | 31 |
| NOTE 11 - Balances and Transactions with Related Parties                                 | 35 |
| NOTE 12 - Other Financial Assets                                                         | 39 |
| NOTE 13 - Other Non-Financial Assets                                                     | 40 |
| NOTE 14 - Trade Receivables and Other Accounts Receivable                                | 40 |
| NOTE 15 - Cash and Cash Equivalents                                                      | 42 |
| NOTE 16 - Shareholders' Equity                                                           | 42 |
| NOTE 17 - Liabilities for Employee Compensations and Benefits                            | 45 |
| NOTE 18 - Provisions                                                                     | 46 |
| NOTE 19 - Financial Liabilities                                                          | 47 |
| NOTE 20 - Trade Payables and Other Accounts Payable                                      | 49 |
| NOTE 21 - Financial Instruments                                                          | 49 |
| NOTE 22 - Income from Ordinary Activities                                                | 51 |
| NOTE 23 - Composition of Relevant Results                                                | 51 |
| NOTE 24 - Financial Results                                                              | 54 |
| NOTE 25 - Other Income and Expenses                                                      | 55 |
| NOTE 26 - Earnings Per Share                                                             | 55 |
| NOTE 27 - Contingencies and Commitments                                                  | 55 |
| NOTE 28 - Guarantees                                                                     | 56 |
| NOTE 29 - Assets and Liabilities in Currency other than Pesos or with Adjustment Clause  | 57 |
| NOTE 30 - Credits and Debts Repayment Deadlines                                          | 58 |
| NOTE 31 - Accounting Books and other Supporting Documentation                            | 59 |

## AES ARGENTINA GENERACIÓN S.A.

Registered address: Román A. Subiza 1960 - San Nicolás de los Arroyos - Buenos Aires Province  
Taxpayer Identification (CUIT) No.: 30-66346111-3

**FISCAL YEAR No. 31 BEGINNING ON JANUARY 1, 2023**

### **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR** **THE PERIOD ENDED AS OF MARCH 31, 2023**

**Main business of the Group:**

Production and block commercialization of electricity.

**Date of Registration in the Provincial Board of Legal Persons:**

Bylaws: May 04, 2006

Last amendment: October 22, 2010

**Registration number in the Provincial Board of Legal Persons:**

File N°: 137,419

**Expiration Date of the Articles of Incorporation:**

July 05, 2092

**Parent Companies:**

Note 16

### **OWNERSHIP STRUCTURE**

(Figures stated in thousands of pesos - Note 2.2.2 and Note 16)

| Characteristics                                                       | Class of shares | Subscribed, Paid in and Registered (Note 16) |
|-----------------------------------------------------------------------|-----------------|----------------------------------------------|
| Book-entry shares each of nominal value 0.10 and entitled to one vote | A               | 587,789                                      |
|                                                                       | B               | 555,079                                      |
|                                                                       | C               | 9,659                                        |
| Total                                                                 |                 | 1,152,527                                    |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Comprehensive Income**

for the three-month period ended March 31, 2023 and 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                                                       | Note | For the three-month period ended<br>March 31 |                  |
|-------------------------------------------------------------------------------------------------------|------|----------------------------------------------|------------------|
|                                                                                                       |      | 2023                                         | 2022             |
| Income from ordinary activities                                                                       | 22   | 24,839,778                                   | 21,432,340       |
| Cost of sales                                                                                         | 23   | (17,693,972)                                 | (15,421,006)     |
| <b>Gross profit</b>                                                                                   |      | <b>7,145,806</b>                             | <b>6,011,334</b> |
| Administrative Expenses                                                                               | 23   | (1,158,740)                                  | (1,157,933)      |
| Selling expenses                                                                                      | 23   | (462,811)                                    | (352,955)        |
| Other income and expenses                                                                             | 25   | (29,249)                                     | (27,614)         |
| <b>Operating income</b>                                                                               |      | <b>5,495,006</b>                             | <b>4,472,832</b> |
| Financial income                                                                                      | 24   | 3,909,861                                    | 3,153,255        |
| Financial expenses                                                                                    | 24   | (2,771,417)                                  | (2,664,890)      |
| Exchange (loss)                                                                                       | 24   | (1,343,733)                                  | (150,121)        |
| Loss on net monetary position ("RECPAM" for its acronym in Spanish)                                   | 24   | (4,897,639)                                  | (4,970,575)      |
| Income from investments in other companies                                                            | 6    | 45,215                                       | 124,735          |
| <b>Income (Loss) before tax</b>                                                                       |      | <b>437,293</b>                               | <b>(34,764)</b>  |
| Income tax                                                                                            | 10.2 | 450,907                                      | 1,230,322        |
| <b>Net income for the period</b>                                                                      |      | <b>888,200</b>                               | <b>1,195,558</b> |
| <b>Income attributable to</b>                                                                         |      |                                              |                  |
| Owners of parent company                                                                              |      | 880,180                                      | 1,187,119        |
| Non-controlling interest                                                                              |      | 8,020                                        | 8,439            |
| <b>Net income for the period</b>                                                                      |      | <b>888,200</b>                               | <b>1,195,558</b> |
| <b>Net earnings per share for the period:</b>                                                         |      |                                              |                  |
| Basic and diluted, net earnings for the period attributable to holders of ordinary equity instruments | 26   | 0.076                                        | 0.103            |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President



**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Comprehensive Income (continued)**

for the three-month period ended March 31, 2023 and 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                                                  | Note         | For the three-month period ended<br>March 31 |                    |
|--------------------------------------------------------------------------------------------------|--------------|----------------------------------------------|--------------------|
|                                                                                                  |              | 2023                                         | 2022               |
| <b>Net income for the period</b>                                                                 |              | <b>888,200</b>                               | <b>1,195,558</b>   |
| <b>Other comprehensive income that shall be reclassified to<br/>income in subsequent periods</b> |              |                                              |                    |
| Exchange difference due to translation of investments in<br>subsidiaries                         | 2.2.2 / 16.5 | (882,644)                                    | (1,638,129)        |
| <b>Other comprehensive income for the period</b>                                                 |              | <b>—</b>                                     | <b>—</b>           |
| <b>Net comprehensive income for the period</b>                                                   |              | <b>888,200</b>                               | <b>1,195,558</b>   |
| <b>Other comprehensive income attributable to:</b>                                               |              |                                              |                    |
| Owners of parent company                                                                         |              | (867,886)                                    | (1,624,260)        |
| Non-controlling interest                                                                         |              | (14,758)                                     | (13,869)           |
| <b>Other comprehensive income for the period</b>                                                 |              | <b>(882,644)</b>                             | <b>(1,638,129)</b> |
| <b>Net comprehensive income attributable to:</b>                                                 |              |                                              |                    |
| Owners of parent company                                                                         |              | 12,294                                       | (437,141)          |
| Non-controlling interest                                                                         |              | (6,738)                                      | (5,430)            |
| <b>Net comprehensive income for the period</b>                                                   |              | <b>5,556</b>                                 | <b>(442,571)</b>   |

The accompanying notes are integral part of these interim condensed consolidated financial statements.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Financial Position**

As of March 31, 2023 and December 31, 2022.

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                 | <b>Note</b> | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------------------------|-------------|-----------------------|--------------------------|
| <b>NON-CURRENT ASSETS</b>                       |             |                       |                          |
| Investments in Subsidiaries                     | 6           | 306,618               | 365,946                  |
| Property, plant and equipment                   | 7           | 89,617,723            | 92,929,988               |
| Intangible assets                               | 8           | 5,135,530             | 5,515,496                |
| Inventories                                     | 9           | 2,395,253             | 2,395,253                |
| Accounts receivable from related parties        | 11          | 9,937                 | 10,361                   |
| Other financial assets                          | 12          | 142,731               | 173,699                  |
| Tax assets                                      | 10.1        | 3,888,334             | 3,476,725                |
| Other non-financial assets                      | 13          | 423,532               | 382,591                  |
| Trade receivables and other accounts receivable | 14          | 18,493,002            | 21,302,720               |
| Deferred tax assets                             | 10.2        | 6,598,593             | 6,085,866                |
| <b>Total non-current assets</b>                 |             | <b>127,011,253</b>    | <b>132,638,645</b>       |
| <b>CURRENT ASSETS</b>                           |             |                       |                          |
| Inventories                                     | 9           | 14,716,760            | 15,678,877               |
| Accounts receivable from related parties        | 11          | 142,535               | 95,431                   |
| Tax assets                                      | 10.1        | 1,976,588             | 3,923,752                |
| Other financial assets                          | 12          | 2,529,005             | 2,608,717                |
| Other non-financial assets                      | 13          | 303,334               | 278,397                  |
| Trade receivables and other accounts receivable | 14          | 39,973,919            | 24,887,612               |
| Cash and Cash Equivalents                       | 15          | 8,060,753             | 14,203,036               |
| <b>Total current assets</b>                     |             | <b>67,702,894</b>     | <b>61,675,822</b>        |
| <b>TOTAL ASSETS</b>                             |             | <b>194,714,147</b>    | <b>194,314,467</b>       |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Financial Position (continued)**

As of March 31, 2023 and December 31, 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                           | <b>Note</b> | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------------------------------------|-------------|-----------------------|--------------------------|
| <b>SHAREHOLDERS' EQUITY</b>                                               |             |                       |                          |
| Issued Capital                                                            | 16          | 1,152,527             | 1,152,527                |
| Capital adjustment                                                        |             | 14,601,915            | 14,601,915               |
| Irrevocable contributions                                                 |             | 391,200               | 391,200                  |
| Additional paid-in capital                                                |             | 3,795,540             | 3,795,540                |
| Legal Reserve                                                             |             | 3,909,998             | 3,909,998                |
| IFRS Special Reserve                                                      |             | 8,999,705             | 8,999,705                |
| Optional reserve                                                          |             | 47,640,380            | 47,640,380               |
| Other reserves                                                            |             | 27,945,416            | 28,813,302               |
| Retained earnings                                                         |             | 3,477,172             | 2,596,992                |
| <b>Shareholders' Equity Attributable to Controlling Group</b>             |             | <b>111,913,853</b>    | <b>111,901,559</b>       |
| <b>Shareholders' Equity Attributable to Non-Controlling third Parties</b> |             | <b>392,768</b>        | <b>399,506</b>           |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                         |             | <b>112,306,621</b>    | <b>112,301,065</b>       |
| <b>NON-CURRENT LIABILITIES</b>                                            |             |                       |                          |
| Liabilities for employee compensations and benefits                       | 17          | 778,808               | 726,404                  |
| Tax liabilities                                                           | 10.1        | 397,815               | 489,262                  |
| Deferred tax liabilities                                                  | 10.2        | 1,455,402             | 1,239,018                |
| Provisions                                                                | 18          | 493,385               | 523,276                  |
| Accounts payable to related parties                                       | 11          | 287,104               | 341,840                  |
| Financial Liabilities                                                     | 19          | —                     | 58,975,556               |
| <b>Total non-current liabilities</b>                                      |             | <b>3,412,514</b>      | <b>62,295,356</b>        |
| <b>CURRENT LIABILITIES</b>                                                |             |                       |                          |
| Liabilities for employee compensations and benefits                       | 17          | 1,285,368             | 1,915,255                |
| Tax liabilities                                                           | 10.1        | 364,279               | 443,166                  |
| Accounts payable to related parties                                       | 11          | 2,890,859             | 2,845,187                |
| Financial Liabilities                                                     | 19          | 69,949,516            | 8,849,065                |
| Trade creditors and other accounts payable                                | 20          | 4,504,990             | 5,665,373                |
| <b>Total current liabilities</b>                                          |             | <b>78,995,012</b>     | <b>19,718,046</b>        |
| <b>TOTAL LIABILITIES</b>                                                  |             | <b>82,407,526</b>     | <b>82,013,402</b>        |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                         |             | <b>194,714,147</b>    | <b>194,314,467</b>       |

The accompanying notes are integral part of these interim condensed consolidated financial statements.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Changes in Equity**

For the periods of three months ended March 31, 2023 and 2022.

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

| Detail                          | Contributions of Shareholders |                    |                           |                            | Reserves      |                      |                  |                               |                | Retained earnings |
|---------------------------------|-------------------------------|--------------------|---------------------------|----------------------------|---------------|----------------------|------------------|-------------------------------|----------------|-------------------|
|                                 | Issued capital                | Capital adjustment | Irrevocable contributions | Additional paid-in capital | Legal reserve | IFRS Special Reserve | Optional reserve | Other reserves <sup>(1)</sup> | Total reserves |                   |
| Balance as of December 31, 2021 | 1,152,527                     | 14,601,915         | 391,200                   | 3,795,540                  | 3,909,998     | 8,999,705            | 44,290,957       | 31,286,753                    | 88,487,413     | 3,648,000         |
| Net income for the period       | —                             | —                  | —                         | —                          | —             | —                    | —                | —                             | —              | 1,187,100         |
| Other comprehensive income      | —                             | —                  | —                         | —                          | —             | —                    | —                | (1,624,260)                   | (1,624,260)    | —                 |
| Balance as of March 31, 2022    | 1,152,527                     | 14,601,915         | 391,200                   | 3,795,540                  | 3,909,998     | 8,999,705            | 44,290,957       | 29,662,493                    | 86,863,153     | 4,835,100         |
| Balance as of December 31, 2022 | 1,152,527                     | 14,601,915         | 391,200                   | 3,795,540                  | 3,909,998     | 8,999,705            | 47,640,380       | 28,813,302                    | 89,363,385     | 2,596,900         |
| Net income for the period       | —                             | —                  | —                         | —                          | —             | —                    | —                | —                             | —              | 880,100           |
| Other comprehensive income      | —                             | —                  | —                         | —                          | —             | —                    | —                | (867,886)                     | (867,886)      | —                 |
| Balance as of March 31, 2023    | 1,152,527                     | 14,601,915         | 391,200                   | 3,795,540                  | 3,909,998     | 8,999,705            | 47,640,380       | 27,945,416                    | 88,495,499     | 3,477,000         |

<sup>(1)</sup> See structure and evolution in Note 16.5.

The accompanying notes are integral part of these interim condensed consolidated financial statements.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)

Certified Public Accountant (U.B.A.)

C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3

Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone

Lawyer C.P.A.C.F. Vol. 67- Fo. 212

Regular Statutory Auditor

By the Supervisory Committee

Martin Genesio

President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Cash Flows**

for the three-month period ended March 31, 2023 and 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                |         | March 31     |             |
|----------------------------------------------------------------|---------|--------------|-------------|
|                                                                | Note    | 2023         | 2022        |
| Operating Activities                                           |         |              |             |
| Net income for the period                                      |         | 888,200      | 1,195,558   |
| Adjustments for reconciliation of results                      |         |              |             |
| Depreciation and amortization expenses                         | 7 and 8 | 2,469,453    | 2,733,429   |
| Loss for withdrawals of property, plant and equipment          | 25      | 2,821        | 6,289       |
| Exchange gain or loss and (Loss) Gain on net monetary position |         | 5,783,219    | 4,457,736   |
| Interest and other financial income                            | 24      | (3,909,861)  | (3,153,255) |
| Loss on partial repurchase of notes                            | 24      | —            | 445,510     |
| Income from investments in other companies                     | 6       | (45,215)     | (124,735)   |
| Income tax loss                                                | 10.2    | (450,907)    | (1,230,322) |
| Cost of provisions for legal claims                            | 25      | 31,819       | 43,435      |
| Accrued interest expenses                                      | 24      | 2,586,583    | 2,078,052   |
| Bad debt allowance                                             | 23      | 22,809       | (7,468)     |
| Expenses for pension plans                                     | 17.1    | 187,412      | 126,387     |
| Adjustments for changes in Balance sheet accounts              |         |              |             |
| Inventories                                                    |         | 962,105      | 110,325     |
| Trade receivables and other accounts receivable                |         | (12,547,716) | (393,061)   |
| Accounts receivable from related parties                       |         | (375,196)    | 317,011     |
| Other non-financial assets                                     |         | (54,994)     | (313,054)   |
| Trade creditors and other accounts payable                     |         | (3,173,544)  | (1,230,614) |
| Accounts payable to related parties                            |         | 159,064      | 69,624      |
| Other liabilities and provisions                               |         | (8,169)      | (6,747)     |
| Tax assets                                                     |         | 375,136      | 241,090     |
| Other tax liabilities                                          |         | (421,949)    | 2,309,461   |
| Liabilities for employee compensations and benefits            |         | (344,568)    | (375,037)   |
| Income tax paid                                                |         | (80,457)     | (1,571,586) |
| Interest income from trade receivables                         |         | 594,813      | 498,867     |
| Net cash flows (used in) resulting from operating activities   |         | (7,349,142)  | 6,226,895   |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Cash Flow (continued)**

for the three-month period ended March 31, 2023 and 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                         |           | March 31           |                    |
|-------------------------------------------------------------------------|-----------|--------------------|--------------------|
|                                                                         |           | Note               |                    |
|                                                                         |           | 2023               | 2022               |
| <b>Investment Activities</b>                                            |           |                    |                    |
| Purchase of property, plant and equipment                               |           | (2,091,102)        | (1,977,502)        |
| Purchase of intangible assets                                           |           | (66,656)           | (69,420)           |
| Interest received                                                       |           | 2,081,667          | 1,208,372          |
| Dividends received                                                      |           | 90,601             | —                  |
| Net increase of mutual funds                                            |           | (917,460)          | (1,493,286)        |
| <b>Net cash flows used in investing activities</b>                      |           | <b>(902,950)</b>   | <b>(2,331,836)</b> |
| <b>Financing Activities</b>                                             |           |                    |                    |
| Amounts from third-party loans                                          | 19.2      | 10,147,365         | 7,570,052          |
| Principal paid due to third-party loans                                 | 19.2      | (4,140,446)        | (2,762,328)        |
| Interests paid due to third-party loans                                 | 19.2      | (3,051,397)        | (3,294,387)        |
| Payments of lease liabilities                                           | 7.1/19.2  | (2,786)            | (2,943)            |
| <b>Net cash flows resulting from financing activities</b>               |           | <b>2,952,736</b>   | <b>1,510,394</b>   |
| Effect of exchange difference and RECPAM on cash and cash equivalents   |           | (1,349,860)        | (138,768)          |
| <b>(Decrease) Increase in cash and cash equivalents, net</b>            |           | <b>(6,649,216)</b> | <b>5,266,685</b>   |
| Cash and cash equivalents at the beginning of the period <sup>(1)</sup> | 15        | 7,817,713          | 3,761,039          |
| <b>Cash and cash equivalents at the end of the period<sup>(1)</sup></b> | <b>15</b> | <b>1,168,497</b>   | <b>9,027,724</b>   |

<sup>(1)</sup> See note 15 regarding cash and cash equivalents at the beginning and end of the period.

The accompanying notes are integral part of these interim condensed consolidated financial statements.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

## Notes to the interim condensed consolidated financial statements for the three-month period ended March 31, 2023

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

### NOTE 1 - OVERVIEW

AES Argentina Generación S.A (www.aesargentina.com.ar) (hereinafter referred to as the “Company”, “AES Argentina Generación” or “AAG”), together with its subsidiaries (hereinafter, the “Group”) belong to The AES Corporation (“AES Group”) whose purpose is the production and block commercialization of electric power, the exploitation of its own or third-party electric power plants, and the provision of services for them.

The Group’s business is included in the Electricity Regulatory Framework established in 1992 by Law 24065, which established the guidelines for the structuring and operation of the sector. This law established four types of players: Generators, Transporters, Distributors and Large Users, and created the Wholesale Electricity Market (MEM, for its acronym in Spanish). To administer the MEM, it created Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA) with the involvement of different market players and the Secretary of Energy (SE) that reports to the National Government. Then, the national authorities made a significant amendment to this regulatory framework, as described in Note 3.

As a result of the acquisition of concessions and interests, different merging processes, and the investment in power plants, the Group currently has 9 productive sites, 4 hydroelectric power plants, 3 thermal power plants, and 2 wind power plants, located in the Provinces of Buenos Aires, Salta, San Juan and Neuquén, with a total installed capacity of 2,985 MW:

1. Alicura Power Plant (Alicura): Hydroelectric power plant located in the Province of Neuquén with an installed capacity of 1,050 MW.
2. Cabra Corral Power Plant: Hydroelectric power plant located in the Province of Salta with an installed capacity of 102 MW.
3. El Tunal Power Plant: Hydroelectric power plant located in the Province of Salta with an installed capacity of 10 MW.
4. Ullum Power Plant: Hydroelectric power plant located in the Province of San Juan with an installed capacity of 45 MW.
5. Paraná Thermal Power Plant (AES Paraná): Combined cycle thermal power plant located in the Province of Buenos Aires with an installed capacity of 845 MW, together with a gas turbine with an installed capacity of 25 MW.
6. San Nicolás Thermal Power Plant (CTSN): Thermal power plant located in the Province of Buenos Aires with an installed capacity of 675 MW.
7. Sarmiento Thermal Power Plant: Thermal power plant located in the Province of San Juan with an installed capacity of MW 33.
8. Vientos Bonaerenses Wind Plant: Wind power plant located in the Province of Buenos Aires with an installed capacity of 100 MW.
9. Vientos Neuquinos Wind Plant: Wind power plant located in the Province of Neuquén with an installed capacity of 100 MW.

On May 26, 2022 AAG executed the purchase option of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW wind plant, such as environmental impact study, land use rights, easement agreements, etc. Likewise, it is registered in the Registro de Proyectos de Energía Renovable and is able to participate in future tenders.

The Company was admitted to the Notes public offering system by Resolution 18389 of the National Securities Commission (“CNV”), dated December 1, 2016.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

At the end of the three months ended March 31, 2023, the Company has negative working capital. For this reason, the Company's management is evaluating different action plans to correct such a situation.

## NOTE 2 - BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2.1. - Professional Accounting Standards

The Group prepares its consolidated financial statements (hereinafter the “consolidated financial statements”) in accordance with the current provisions of the National Securities Commission (CNV), which approved General Resolution (RG) 562 and adopted Technical Resolution (RT) 26 (as amended by RT 29) issued by the *Federación Argentina de Consejos Profesionales de Ciencias Económicas* (Argentine Federation of Economic Sciences Professional Councils - FACPCE), which establishes that the issuers of shares and/or notes, with some exceptions, are required to prepare their financial statements as per the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Likewise, some additional disclosures required by the Business Companies Law and/or CNV standards were included to comply with the regulatory requirements. These interim condensed consolidated financial statements of the Group are presented based on the application of International Accounting Standard (“IAS”) No. 34 “Interim Financial Reporting”.

### 2.2. - Presentation Basis

These interim condensed consolidated financial statements include all the information necessary for a proper understanding by users of the relevant facts and transactions occurring after the issuance of the last annual financial statements for the year ending December 31, 2022. However, these interim condensed consolidated financial statements only include some of the information and disclosures required for annual financial statements prepared per IAS 1 (Presentation of Financial Statements). Therefore, these interim condensed consolidated financial statements should be read in conjunction with the financial statements for the year ended December 31, 2022.

These interim condensed consolidated financial statements have been prepared using the accounting principles applicable to a going concern.

The Group's management believes that they include all adjustments necessary to present fairly the results for each period on a basis consistent with that of the annual financial statements.

For the convenience of the reader, the interim condensed consolidated financial statements and their accompanying notes have been translated from Spanish into English.

#### 2.2.1. - Consolidated Financial Statements

The interim condensed consolidated financial statements include the financial statements of AES Argentina Generación and its subsidiaries for the three-month period ended March 31, 2023 and 2022.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



The financial information of the subsidiaries is prepared as of and for the same period as the parent and consistently apply the same accounting policies.

### **Subsidiaries**

According to IFRS 10, subsidiaries are all the entities controlled by AES Argentina Generación. An investor controls an investee if the investor:

1. has power over the investee,
2. is exposed, or has rights, to variable returns from its involvement with the investee, and
3. has the ability to affect those returns through its power over the investee.

It is considered that an investor has power over an investee when the investor has existing rights that give it the ability to direct the relevant activities, i.e., the activities that significantly affect the investee's returns. In the case of the Group, in general, the power over its subsidiaries is derived from the ownership of a majority of voting rights granted by capital instruments of the subsidiaries.

If the Group has less than the majority of the voting rights of an investee, it has power over the investee when these voting rights are sufficient to grant it, in the usual practice, the ability to unilaterally direct the relevant activities of the investee. The Group considers all the events and circumstances to assess whether the rights to voting rights in an investee are sufficient to grant it the power, including:

- the number of voting rights held by the investor relative to the number and dispersion held by the other vote holders;
- potential voting rights held by the investor, other vote holders and other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the investor has, or fails to have, the current ability to direct the relevant activities when decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group shall reassess whether it controls an investee if facts and circumstances indicate that there have been changes to one or more of the three elements of control listed above. The assets, liabilities, revenue and expenditure of a subsidiary acquired or sold are included since the date on which the Group obtains control until the date on which the Group ceases to control the subsidiary.

Below is a detail of the subsidiaries of the Group:

| <b>Name of the Company</b>                  | <b>Reference</b>           | <b>Percentage Interest</b> |
|---------------------------------------------|----------------------------|----------------------------|
| Energética Argentina S.A.                   | EASA or Energética         | 99.67 %                    |
| Vientos Neuquinos I S.A.                    | VN or Vientos Neuquinos    | 95.00 %                    |
| Sierras del Buendía S.A.                    | SBD or Sierras del Buendía | 90.00 %                    |
| Central Termoeléctrica Guillermo Brown S.A. | CTGBSA                     | 60.00 %                    |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

While the Group's interest in the stock of CTGBSA y Sierras del Buendía S.A. amounts to 60% y 90% respectively and therefore falls into the definition of "control", as described in the IFRS, the Group has chosen not to consolidate these subsidiaries on a line-by-line basis in its consolidated financial statements, due to the little significance that the disclosure of such information would bring to the users of the financial statements.

## **2.2.2. - Unit of Measurement**

### **Functional Currency**

Based on the standards set out in IAS 21 "The Effects of Changes in Foreign Exchange Rates," The company established the Argentine Peso as the functional currency expressed in constant currency as of the end of the reporting period.

The subsidiaries EASA and VN maintain the US Dollar as their functional currency, and restate the figures converted to the presentation currency in the year-end currency of the reporting period according to the provisions of the Practical Application Guide of Accounting and Auditing Issues in Companies under the Scope of Public Offering No. 1 - 2019.

## **2.3. - Summary of Significant Accounting Policies**

There have been no changes in the Company's accounting policies concerning those used in the financial statements as of December 31, 2022, except for the application of the new standards or amendments that became effective as of January 1, 2023, detailed in note 2.6.

## **2.4. - Information on Operation Segments**

For management purposes, the Group is organized in a single business unit to carry out its main electric power generation and marketing business. The Group only discloses the information on that activity in the operating results of the income statement.

## **2.5. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the financial statements of the Group requires the Administration to make judgments, estimates and assumptions that affect the amount of the reported income, expenses, assets and liabilities and the determination and disclosure of contingent assets and liabilities as of the end of the reporting fiscal year. In this sense, the uncertainties associated with the adopted assumptions and estimates could lead in the future to final results that could differ from those estimates and require significant adjustments to balances informed of the affected assets or liabilities.

In preparing these interim condensed consolidated financial statements, the significant estimates and judgments made by the Company's Administration and Management in applying the Group's accounting policies and the primary sources of uncertainty were consistent with those applied in preparing the annual financial statements.

## **2.6.- Changes in accounting policies**

### **Accounting Pronouncements effective for periods beginning on or after January 1, 2024 and following**

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The following is a list and brief description of the new or amended standards and interpretations that the Group expects to adopt in the future. In general, the Group intends to adopt these standards when they become effective, although in certain cases it may apply them earlier.

**IAS 1 “Presentation of Financial Statements - Classification of liabilities as current or non-current”**

In 2020 and 2022, the IASB issued amendments to IAS 1 to specify the requirements for the classification of liabilities as current or non-current. Such amendments clarify about:

1. The meaning of a right to defer settlement.
2. The right to postpone at the end of the reporting period exists.
3. The lack of impact on the classification of the probability of an entity exercising its right to defer.
4. Only if a derivative embedded in a convertible liability is an equity instrument, the terms of liability would not affect its classification.

The amendments are effective for periods beginning on or after January 1, 2024. The amendments should be applied prospectively. An early application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments and vice versa.

The Group will assess the impacts of these amendments on the date closer to its effective date.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## **IFRS 16 Lease liabilities related to sale-leasebacks**

The amendment addresses the requirements that a seller-lessee uses to measure the lease liability arising on a sale and leaseback transaction.

The amendment provides that after the commencement date of a sale and leaseback transaction, the seller-lessee applies paragraphs 29-35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36-46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46 of IFRS 16, the seller-lessee determines the "lease payments" or "revised lease payments" in such a way that the seller-lessee would not recognize any amount of gain or loss related to the right-of-use asset that it retains. The application of these requirements does not preclude the seller-lessee from recognizing, in profit or loss, any gain or loss related to the partial or total termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of lease liabilities arising from a leaseback may result in the seller-lessee determining "lease payments" that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee shall develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted and that fact should be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e. the amendment does not apply to sale and leaseback transactions entered into before the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The Group will assess the impacts of these amendments on the date closer to its effective date.

## **Impact of the Application of New Standards and Amendments in 2023**

### **IAS 1 Presentation of Financial Statements - Disclosures of Accounting Policies**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Making Materiality Judgments, in which it provides guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures.

The amendments are intended to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies.
- Including guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy disclosures, entities should consider both the size of transactions and other events or conditions, as well as the nature of those events or conditions.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The amendment did not have a material impact on the Group.

#### **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates**

In February 2021, the IASB issued amendments to IAS 8, introducing a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate resulting from a change in an input or a change in a measurement technique are changes in accounting estimates, provided that these are not the result of the correction of prior period errors. This definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

The amendment did not have a material impact on the Group

#### **IAS 12 Deferred Taxes related to assets and liabilities arising from a single transaction**

In May 2021, the IASB issued amendments to IAS 12, which reduce the scope of the initial recognition exception under IAS 12 so that it no longer applies to transactions that result in equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether temporary differences exist in the initial recognition of assets and liabilities.

Likewise, according to the amendments issued, the exception in the initial recognition does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

It only applies if the recognition of a lease asset and a lease liability (or a decommissioning liability and a component of the decommissioning asset) result in taxable and deductible temporary differences that are not equal. However, the resulting deferred tax assets and liabilities may not be equal (for example, if the entity cannot benefit from tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, an entity would need to account for the difference between the deferred tax asset and the deferred tax liability in profit or loss.

The amendment did not have a material impact on the Group

#### **IFRS 17 Insurance Contracts**

In May 2017, IASB issued IFRS 17 Insurance Contracts, a new standard of comprehensive accounting for insurance contracts covering recognition, measurement, presentation, and disclosure. Once it comes into effect, it will substitute IFRS 4 Insurance Contracts, as issued in 2005. The new standard is applicable to all the types of insurance contracts, regardless of the type of issuing entity, as well as certain guarantees and financial instruments with specific discretionary participation features. Some exceptions within the scope might be applied.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting asymmetries between financial assets and insurance contract liabilities in comparative information presented on initial application of IFRS 17.

If an entity applies the classification overlay, it may only do so for comparative periods to which it applies IFRS 17 (i.e. from the date of transition to the date of initial application of IFRS 17).

IFRS 17 will be effective for periods beginning on or after January 1, 2023, and comparative figures are required. Early application is permitted as long as the entity also applies IFRS 9 Financial Instruments on or before the first application of IFRS 17.

The amendment did not have a material impact on the Group.

### NOTE 3 - REGULATORY ASPECTS AND CURRENT AGREEMENTS

This Note summarizes the regulation in force in the periods of three-month ended March 31, 2023 and 2022 and those regulatory aspects that, in spite of having been in force in previous fiscal years, still have an impact on these financial statements.

#### a. Current Regulatory Framework:

##### Resolution SE 59/2023:

On February 05, 2023, Resolution 59/2023 by the Secretariat of Energy allows power generation agents owning thermal generation plants with combined-cycle technology, as per Res. 826 dated December 12, 2022, without power supply agreements, to adhere to a power availability and efficiency improvement agreement with CAMMESA on behalf of the distributors and large users of the MEM to encourage the necessary investments for major and minor maintenance of the machines. On March 9, 2023, and March 21, 2023, the Group signed the notes and the agreement with CAMMESA to adhere to such scheme, respectively, waiving any administrative and judicial claims related to the remuneration in force until the signing of the agreement.

| Capacity Combined Cycles: Availability | Res. 59/2023 (***)<br>From March 2023<br>USD / MWh (**) |
|----------------------------------------|---------------------------------------------------------|
| Summer: December - January - February  | 2.000+ 65% Capacity tariff from Res 826/22              |
| Winter: June - July - August           | 2.000+ 65% Capacity tariff from Res 826/22              |
| Rest of the months of the year.        | 2.000+ 85% Capacity tariff from Res 826/22              |

| Generated Energy Combined Cycles(*) | Res. 59/2023 (***)<br>From March 2023<br>USD / MWh (**) |
|-------------------------------------|---------------------------------------------------------|
| Natural Gas                         | 3.5                                                     |
| Gas Oil / Fuel oil                  | 6.1                                                     |
| BioComb                             | 8.7                                                     |

(\*) The energy operated, and the payments during peak hours continue to be paid in pesos at the price of Res 826/22.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

(\*\*) Prices in dollars are converted into pesos with the COM 3500 on the last business day of the month.

(\*\*\*) Agreement with CAMMESA for five years, with an 85% availability commitment.

### **Resolution SE No. 826/2022**

On December 12, 2022, the Secretariat of Energy amended, by means of Resolution 826/2022, the pricing scheme of the electric energy commercialized in the regulatory framework "Base Energy" established by Resolution 238/2022, to ensure the reliability and sustainability of the MEM at economically reasonable and efficient conditions, thus updating such remunerations effective as from the transactions corresponding to the month of September 2022. It also established new remuneration rates from the transactions corresponding to November 2022 and December 2022 and adjusted the remuneration rates from February 1, 2023, and August 1, 2023, with average increases of 25% and 28%, respectively.

Remunerative energy and power prices for thermal and hydraulic power plants for the periods ended March 31, 2023 and 2022 as expressed in historical currency, are summarized below:

#### – Energy Remuneration for Thermal and Hydraulic Plants:

| Price per source and fuel      | in ARS/MWh                  | in ARS/MWh                           | in ARS/MWh                                   | in ARS/MWh                  | in ARS/MWh                               | in ARS/MWh                               |
|--------------------------------|-----------------------------|--------------------------------------|----------------------------------------------|-----------------------------|------------------------------------------|------------------------------------------|
|                                | Res. 826/2022               |                                      |                                              | Res. 238/2022               |                                          | Res. 238/2022                            |
|                                | effective since August 2023 | effective from February to July 2023 | effective from December 2022 to January 2023 | effective for November 2022 | effective from June 2022 to October 2022 | effective from February 2022 to May 2022 |
| <b>Generated Energy</b>        |                             |                                      |                                              |                             |                                          |                                          |
| Natural Gas                    | 936                         | 731                                  | 585                                          | 532                         | 443                                      | 403                                      |
| Gas Oil / Fuel oil             | 1,637                       | 1,279                                | 1,023                                        | 930                         | 775                                      | 705                                      |
| Biodiesel                      | 2,338                       | 1,826                                | 1,461                                        | 1,328                       | 1,107                                    | 1,006                                    |
| Mineral Coal                   | 2,806                       | 2,192                                | 1,754                                        | 1,594                       | 1,328                                    | 1,208                                    |
| Hydraulic Power Plants         | 818                         | 639                                  | 512                                          | 465                         | 388                                      | 352                                      |
| Renewable Power Stations       | 6,545                       | 5,113                                | 4,090                                        | 3,719                       | 3,099                                    | 2,817                                    |
| <b>Operated Electric Power</b> |                             |                                      |                                              |                             |                                          |                                          |
| Thermal Plants                 | 326                         | 255                                  | 204                                          | 185                         | 154                                      | 140                                      |
| Hydraulic Power Plants         | 326                         | 255                                  | 204                                          | 185                         | 154                                      | 140                                      |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



– Capacity Remuneration for Thermal Plants:

| Base Price per<br>Technology and Scale | <i>in ARS/Month</i>                    | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                                         | <i>in ARS/Month</i>                        | <i>in ARS/Month</i>                                     | <i>in ARS/Month</i>                                     |
|----------------------------------------|----------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
|                                        | Res. 826/2022                          |                                                     |                                                             | Res. 238/2022                              |                                                         |                                                         |
|                                        | <i>effective since<br/>August 2023</i> | <i>effective from<br/>February to<br/>July 2023</i> | <i>effective from<br/>December 2022<br/>to January 2023</i> | <i>effective for<br/>November<br/>2022</i> | <i>effective from<br/>June 2022 to<br/>October 2022</i> | <i>effective from<br/>February 2022<br/>to May 2022</i> |
| Large Combined Cycle<br>Power > 150 MW | 392,135                                | 306,355                                             | 245,084                                                     | 222,804                                    | 185,670                                                 | 168,791                                                 |
| Large Steam Turbine Power<br>>100 MW   | 559,273                                | 436,932                                             | 349,546                                                     | 317,769                                    | 264,807                                                 | 240,734                                                 |
| Small Steam Turbine Power<br>≤ 100MW   | 668,555                                | 522,308                                             | 417,847                                                     | 379,861                                    | 316,551                                                 | 287,773                                                 |
| Small Gas Turbine Power ≤<br>50MW      | 591,414                                | 462,042                                             | 369,634                                                     | 336,031                                    | 280,025                                                 | 254,569                                                 |

| Price of Offered<br>Guaranteed Capacity  | <i>in ARS/Month</i>                    | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                                         | <i>in ARS/Month</i>                        | <i>in ARS/Month</i>                                     | <i>in ARS/Month</i>                                     |
|------------------------------------------|----------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
|                                          | Res. 826/2022                          |                                                     |                                                             | Res. 238/2022                              |                                                         |                                                         |
|                                          | <i>effective since<br/>August 2023</i> | <i>effective from<br/>February to<br/>July 2023</i> | <i>effective from<br/>December 2022<br/>to January 2023</i> | <i>effective for<br/>November<br/>2022</i> | <i>effective from<br/>June 2022 to<br/>October 2022</i> | <i>effective from<br/>February 2022<br/>to May 2022</i> |
| Summer: December -<br>January - February | 1,402,562                              | 1,095,752                                           | 876,601                                                     | 796,910                                    | 664,092                                                 | 603,720                                                 |
| Winter: June - July -<br>August          | 1,402,562                              | 1,095,752                                           | 876,601                                                     | 796,910                                    | 664,092                                                 | 603,720                                                 |
| Rest of the months of the<br>year        | 1,051,922                              | 821,814                                             | 657,451                                                     | 597,683                                    | 498,069                                                 | 452,790                                                 |

– Capacity Remuneration for Hydraulic Power Plants:

| Remuneration for<br>Capacity   | <i>in ARS/Month</i>                    | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                                             | <i>in ARS/Month</i>                        | <i>in ARS/Month</i>                                     | <i>in ARS/Month</i>                                         |
|--------------------------------|----------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|
|                                | Res. 826/2022                          |                                                     |                                                                 | Res. 238/2022                              |                                                         |                                                             |
|                                | <i>effective since<br/>August 2023</i> | <i>effective from<br/>February to<br/>July 2023</i> | <i>effective from<br/>December 2023<br/>to January<br/>2023</i> | <i>effective for<br/>November<br/>2022</i> | <i>effective from<br/>June 2022 to<br/>October 2022</i> | <i>effective from<br/>February<br/>2022 to May<br/>2022</i> |
| Large P > 300 MW               | 385,705                                | 301,332                                             | 241,065                                                         | 219,150                                    | 182,625                                                 | 166,023                                                     |
| Median P > 120 and ≤ 300<br>MW | 514,273                                | 401,776                                             | 321,421                                                         | 292,200                                    | 243,500                                                 | 221,364                                                     |
| Small P > 50 and ≤ 120<br>MW   | 707,125                                | 552,442                                             | 321,421                                                         | 401,776                                    | 334,813                                                 | 304,376                                                     |
| Renewable P ≤ 50MW             | 1,157,114                              | 903,995                                             | 723,196                                                         | 657,451                                    | 547,876                                                 | 498,069                                                     |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



**b. Regulatory Framework valid from February 2022 to November 2022: Resolution SE No. 238/2022**

On April 18, 2022 the Secretary of Energy amended, by means of Resolution 238/2022, the pricing scheme for power marketed in the “Base Energy” regulatory framework established by Resolution 440/2021, with effects starting in February and June 2022, with a rise of an average of 30% and 10% respectively. The new Resolution eliminated the application of the Use Factor which could reduce the capacity payment based on the generation of the last 12 months.

**c. Current regulatory issues arising from prior periods**

**c.1 Situation of FONINVEMEM I y II**

At the beginning of 2020, CAMMESA paid all 120 installments of the projects related to FONINVEMEM I & II and the power increase with the respective updates and interests.

According to the Agreements entered into by the generators with the Energy Secretariat and CAMMESA, upon completion of the payment of the 120 installments of the Sale Settlements with Maturity Date to be Defined (LVFVD), the trusts holding the ownership of the assets of each thermoelectric power plant would be liquidated, and the assets transferred to each controlling company subject to the initial condition that an agreement on the reallocation of ownership is reached between the Argentine State and the existing shareholders.

As of the end of the period, the Company has not recognized any effects, other than those already mentioned above, related to the foregoing disclosures, since we consider that the economic substance of diluting its participating interest in both companies directly corresponds to the increase in assets as a result of having received the net assets from the settlement of the Trusts, mainly as a consequence of the transfer of the aforementioned plants, none of which was made official as of period end. Once they are made official, the relevant records will be recognized.

**c.2. Situation of Generators Agreement (Guillermo Brown Thermal Plant - CTGBSA)**

As of March 31, 2023, CAMMESA paid 82 due installments out of 120 installments for the credits represented by LVFVDs of Guillermo Brown Thermoelectric Plant project, with the respective adjustments and interests.

Once the accounts receivable have been collected in the 120 installments mentioned above, the National Government shall receive a portion of the shares in the capital stock of the relevant Managing Company according to the guidelines established in the Generators Agreement, as amended, in order that they proceed to transfer the assets of the trusts to the Managing Company (the “Generating Company”).

According to the provisions of Addendum 2 to the Generators Agreement entered into on July 20, 2012, the new participating interest of AAG in the Generating Company shall not be greater than 30%.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

### **c.3. 2013-2017 Additional Remuneration Trust and Resolution SE No. 529/2014: Payment of Non-Recurring Maintenance**

Resolution SE No. 95/2013 introduced the notion of Additional Remuneration Trust. As of March 31, 2023, the balance of receivables accrued from August 2014 to December 2017 for sale settlements with maturity date to be defined and their interest amounts to 2,947,387 (Note 14).

Resolution SE 529/2014 incorporated the notion of Non-recurrent Maintenance Remuneration, which was accrued based on energy sold at the spot market to cover maintenance of the plants. As of March 31, 2023, the balance of receivables accrued from August 2014 to January 2017 for LVFVD and interest amount to 2,351,516 (Note 14). In September 2022 the Group made an adjustment to the Expected Credit Losses (ECL), more detail in Note 14.3

## **NOTE 4 – FINANCIAL RISK MANAGEMENT**

### **4.1 Risk Management Policy**

The Risk Management strategy is designed to safeguard the stability and sustainability of the Group in relation to all relevant components of financial uncertainty, both in normal and special circumstances. The Group's risk management is consistent with the general guidelines defined by its ultimate controlling shareholder, The AES Corporation.

In the preparation of these interim condensed consolidated financial statements, the risk management policies used by the Company were consistent with those applied in the preparation of the annual financial statements.

### **4.2 Risk Factors**

#### ***Interest Rate Risk***

The interest rate variations affect the value of assets and liabilities bearing a fixed interest rate, including the flow of financial assets with variable interest rates.

The interest rate risk is the risk that the fair values or future cash flows of the assets and liabilities of the Group will fluctuate because of changes in market interest rates. The Group is exposed to the risk of changes in the Financial Placement Rate of the dispatch entity and LIBOR, which are used by CAMMESA to calculate interest on different classes of Accounts Receivable.

It is also exposed to the risk of changes in the LIBOR/EURODOLLAR rate due to the loans held by the Group.

As of March 31, 2023, 96% of the interest-bearing financial liabilities of the Group were at fixed rates.

#### ***Interest Rate Sensitivity***

In the event of a 10% variation in the interest rates mentioned above and if all the other variables remain constant, the income before tax for the year would become affected as follows:

Signed for identification purposes with  
our report dated June 29, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

| Rate       | Rate Percentage Increase/<br>(Decrease) | Effect on income/(loss)<br>before tax |
|------------|-----------------------------------------|---------------------------------------|
| LIBOR      | 0.46%                                   | 125,030                               |
| LIBOR      | (0.46)%                                 | (125,030)                             |
| CAMMESA    | 6.40%                                   | 339,130                               |
| CAMMESA    | (6.40)%                                 | (339,130)                             |
| EURODOLLAR | 0.48%                                   | (12,172)                              |
| EURODOLLAR | (0.48)%                                 | 12,172                                |

### *Exchange Risk*

Exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the exchange rates. In addition, since the fiscal year ended December 31, 2020, the government issued certain regulations that may affect future cash flows in foreign currency, which are explained in Note 19.1.

The value of assets and liabilities denominated in a currency other than the functional currency of the Group and subsidiaries is subject to changes resulting from the fluctuation in real terms of exchange rates. Given that the functional currency of the Group is the Argentine peso restated in constant currency, the currency that generates the highest exposure in terms of effects on profit or loss is the US Dollar. In the case of the subsidiaries (VN and EASA), whose functional currency is the US dollar, the currency that generates the greatest exposure in terms of effects on profit and loss is the Argentine peso.

The following table summarizes the exposure per assets and liabilities denominated in currencies other than the functional currencies mentioned in the preceding paragraph, to their value in pesos at period-end:

|                               | March 31, 2023    |
|-------------------------------|-------------------|
| Total Non-Current Assets      | 45,400,394        |
| Total Current Assets          | 25,452,838        |
| <b>Total Assets</b>           | <b>70,853,232</b> |
| Total Non-Current Liabilities | 303,578           |
| Total Current Liabilities     | 67,451,818        |
| <b>Total Liabilities</b>      | <b>67,755,396</b> |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

### *Exchange Rate Sensitivity*

The following table shows the sensitivity, in the event of a 10% variation in the exchange rate of the United States dollar for each Argentine peso in real terms, holding all other variables constant, and its impact on income before tax for the period.

The exposure of the Group to changes in the exchange rates of all other currencies is not significant.

| <b>Increase/(Decrease) of Exchange<br/>Rate in Pesos</b> | <b>Effect on income/(loss) before<br/>tax</b> |
|----------------------------------------------------------|-----------------------------------------------|
| 20.90                                                    | (661,109)                                     |
| (20.90)                                                  | 661,109                                       |

During the last fiscal years the national authorities have implemented foreign exchange control measures (see Notes 16.4 and 19.1).

### *Risk for the decrease of the purchasing power of currency*

Changes in the purchasing power of the currency affect the value of monetary assets and liabilities of the Company, affecting the income/(loss) before taxes. The effects of changes in the purchasing power of the currency affect the value of the monetary assets and liabilities of the subsidiaries and have an impact on “Other Comprehensive Income for the period.”

The following table shows the sensitivity, in the event of a 10% decrease in the purchasing power of the currency over the monetary position while keeping all the other variables constant, and its impact on income before tax for the fiscal period.

| <b>Decrease of the purchasing<br/>power of currency</b> | <b>Effect on income/(loss)<br/>before tax</b> |
|---------------------------------------------------------|-----------------------------------------------|
| 10%                                                     | (2,342,595)                                   |

### *Price risk*

The income of the AAG depends mainly on the price of electricity sold under the Base Energy regulatory framework. The Company is not able to set prices in the market where it operates.

As for its subsidiaries, EASA receives a portion of its revenues from the RENOVAR program that consists of an electric power supply agreement with CAMMESA at the prices awarded in the tender for such program and, additionally, together with all

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

the income of VN from the Forward Market (MATER, for its acronym in Spanish) consisting of contracts with private customers in accordance with the prices agreed in each operation.

### ***Commodities Price Risk***

The Group purchases mineral coal for use in units 1, 2 and 5 of the CTSN. The recognition of the Variable Production Cost (CVP, for its acronym in Spanish) by CAMMESA for the generation of electric power with fuels purchased by the Group mitigates the impact of an increase in the price of these commodities.

### ***Credit Risk***

The credit risk is concentrated in the accounts receivable for the recognized book value. Regarding the determination as to whether the credit risk of such financial assets has increased significantly since the initial recognition and estimation of the initial "Expected Credit Loss" (ECL), the Group considers reasonable and supportable information that is relevant and available at no additional cost.

The calculated ECLs are based on the difference between contractual cash flows and all the cash flows that the Group expects to receive; the difference is then discounted using an approximation of the effective interest rate of the original asset (Note 14).

### ***Liquidity Risk***

The Group manages liquidity in order to ensure that the necessary funds are available to support its business strategy. The Group uses its own funds for the payment of its obligations and maintains uncommitted facilities with first-line banks of Argentina, which are disbursed whenever necessary.

## **4.3 Risk Measurement**

The Group maintains methods to measure the effectiveness of risk strategies both prospectively and retrospectively.

Various methodologies on risk quantification, such as regression analysis methods, risk tolerances and maximum exposures are used and documented for such analysis in order to adjust risk mitigation strategies and to assess their impacts.

## **NOTE 5 - OPERATING SEGMENTS**

For the purposes of the application of IFRS 8, the Group defines itself as a single operating segment allocated to the whole business. Business segments were defined according to the regular manner in which the management analyzes the information in the decision-making process. For this purpose, the management prepares monthly management reports containing a single business segment consisting of the whole Group. It has been established that the representative measure of economic results for the decision-making process by the Management is the "adjusted EBITDA." The next table shows the reconciliation between Net Income for the period and adjusted EBITDA:

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

|                                            | For the three-month period ended |                  |
|--------------------------------------------|----------------------------------|------------------|
|                                            | March 31, 2023                   | March 31, 2022   |
| <b>Net income for the period</b>           | <b>888,200</b>                   | <b>1,195,558</b> |
| Income tax                                 | (450,907)                        | (1,230,322)      |
| Other income and expenses                  | 29,249                           | 27,614           |
| Income from investments in other companies | (45,215)                         | (124,735)        |
| Financial income                           | (3,909,861)                      | (3,153,255)      |
| Financial expenses                         | 2,771,417                        | 2,664,890        |
| Exchange gain (loss)                       | 1,343,733                        | 150,121          |
| RECPAM                                     | 4,897,639                        | 4,970,575        |
| Depreciation and amortization              | 2,469,453                        | 2,733,429        |
| <b>Adjusted EBITDA</b>                     | <b>7,993,708</b>                 | <b>7,233,875</b> |

#### NOTE 6 - INVESTMENTS IN SUBSIDIARY AND OTHER COMPANIES

The Group has the following interests in non-consolidated private entities that are not listed on any stock exchange, and which are located in the Republic of Argentina.

##### a. Subsidiaries:

##### **Central Termoeléctrica Guillermo Brown S.A. (CTGBSA).**

AGG holds 60% of the shares and voting rights of the Subsidiary, while AES Electroinversora BV (member of the economic group The AES Corporation) holds the remaining 40% of the shares and voting rights. CTGBSA, which is engaged in the operation and maintenance of thermal power plants, prepares its financial information under Argentine professional accounting standards, but no significant differences have been identified with the IFRS applied by the Group. The shares of CTGBSA are encumbered in favor of the trust to guarantee operation and maintenance of the respective generation plants.

##### **Sierras del Buendía S.A. (Sierras del Buendía)**

On May 26, 2022 AAG executed the purchase option of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW "Macondo" wind plant, (such as environmental impact study, land use rights, easement agreements, etc.) Likewise, it is registered in the Registry of Renewable Energy Projects ("Registro de Proyectos de Energía Renovable") and is able to participate in future tenders.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**b. Evolution and changes in the investment of the subsidiary:**

| Investments in Subsidiary | Country of origin | Functional Currency | Participating Interest and Shares | Balance January 1 2023 | Interest in income | Declared dividends | Transactions | Balance March 31, 2023 |
|---------------------------|-------------------|---------------------|-----------------------------------|------------------------|--------------------|--------------------|--------------|------------------------|
| CTGBSA                    | Argentina         | AR\$                | 60.00%                            | 364,577                | 45,559             | (90,601)           | (13,698)     | 305,837                |
| Sierras del Buendía       | Argentina         | AR\$                | 90.00%                            | 1,369                  | (344)              | —                  | (244)        | 781                    |

| Investments in Subsidiary | Country of origin | Functional Currency | Participating Interest and Shares | Balance January 1 2022 | Interest in income | Declared dividends | Transactions | Balance March 31, 2022 |
|---------------------------|-------------------|---------------------|-----------------------------------|------------------------|--------------------|--------------------|--------------|------------------------|
| CTGBSA                    | Argentina         | AR\$                | 60.00%                            | 334,928                | 45,716             | —                  | 655          | 381,299                |

**c. Summary financial information of the subsidiary:**

| Investments in Subsidiaries <sup>(1)</sup> | March 31, 2023     |                |                      |                         |                     |           |            |
|--------------------------------------------|--------------------|----------------|----------------------|-------------------------|---------------------|-----------|------------|
|                                            | Non-Current Assets | Current Assets | Shareholders' equity | Non-Current Liabilities | Current liabilities | Ordinary  | Net Income |
| CTGBSA                                     | 59,301             | 746,396        | 509,728              | 34,470                  | 261,499             | 1,170,109 | 75,932     |
| Sierras del Buendía                        | —                  | 2,836          | 868                  | —                       | 1,968               | —         | (382)      |

| Investments in Subsidiaries <sup>(1)</sup> | December 31, 2022  |                |                      |                         |                     |          |            |
|--------------------------------------------|--------------------|----------------|----------------------|-------------------------|---------------------|----------|------------|
|                                            | Non-Current Assets | Current Assets | Shareholders' equity | Non-Current Liabilities | Current liabilities | Ordinary | Net Income |
| CTGBSA <sup>(1)</sup>                      | 78,717             | 893,466        | 607,628              | 35,022                  | 329,533             | 430,561  | 76,193     |
| Sierras Del Buendía                        | —                  | 3,768          | 1,520                | —                       | 2,248               | —        | (22,134)   |

<sup>(1)</sup> The financial information from the subsidiaries is for the three- month period ended March 31, 2023 and for the fiscal year ended December 31, 2022

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

| Classes                                            | March 31, 2023     |                          |                   |
|----------------------------------------------------|--------------------|--------------------------|-------------------|
|                                                    | Gross value        | Accumulated depreciation | Net value         |
| Construction work in progress                      | 363,539            | —                        | 363,539           |
| Lands                                              | 43,903             | —                        | 43,903            |
| Buildings                                          | 3,069,776          | (1,966,143)              | 1,103,633         |
| Plant and Equipment                                | 157,339,889        | (69,683,955)             | 87,655,934        |
| Information Technology (IT) Equipment              | 1,734,055          | (1,577,932)              | 156,123           |
| Furniture, fixture and fittings                    | 405,500            | (360,267)                | 45,233            |
| Motor vehicles                                     | 528,624            | (391,870)                | 136,754           |
| Other property, plant and equipment <sup>(1)</sup> | 121,303            | (8,699)                  | 112,604           |
| <b>Total</b>                                       | <b>163,606,589</b> | <b>(73,988,866)</b>      | <b>89,617,723</b> |

| Classes                                            | December 31, 2022  |                          |                   |
|----------------------------------------------------|--------------------|--------------------------|-------------------|
|                                                    | Gross value        | Accumulated depreciation | Net value         |
| Construction work in progress                      | 365,466            | —                        | 365,466           |
| Lands                                              | 43,903             | —                        | 43,903            |
| Buildings                                          | 3,069,776          | (1,951,943)              | 1,117,833         |
| Plant and Equipment                                | 158,750,924        | (67,830,046)             | 90,920,878        |
| Information Technology (IT) Equipment              | 1,720,140          | (1,554,154)              | 165,986           |
| Furniture, fixture and fittings                    | 405,547            | (355,206)                | 50,341            |
| Motor vehicles                                     | 529,022            | (381,327)                | 147,695           |
| Other property, plant and equipment <sup>(1)</sup> | 125,126            | (7,240)                  | 117,886           |
| <b>Total</b>                                       | <b>165,009,904</b> | <b>(72,079,916)</b>      | <b>92,929,988</b> |

<sup>(1)</sup> The asset of the cost of Dismantling Obligations is included within "Other property, plant and equipment."

The useful lives of the most relevant assets of the Group are disclosed below:

| Classes                             | Method used for depreciation | Minimum life | Maximum Life |
|-------------------------------------|------------------------------|--------------|--------------|
| Buildings                           | Years                        | 1            | 36           |
| Plant and Equipment                 | Years                        | 1            | 34           |
| Renewable Plants and Equipment      | Years                        | 1            | 40           |
| IT equipment                        | Years                        | 1            | 5            |
| Furniture, fixture and fittings     | Years                        | 1            | 24           |
| Motor vehicles                      | Years                        | 2            | 10           |
| Other property, plant and equipment | Years                        | 1            | 20           |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



Find below the movements in properties, plant and equipment:

|                                      | Construction<br>Work in<br>Progress | Lands         | Buildings,<br>net | Plant and<br>equipment, net | IT equipment,<br>net | Furniture,<br>fixture and<br>fittings, net | Motor<br>vehicles<br>net |
|--------------------------------------|-------------------------------------|---------------|-------------------|-----------------------------|----------------------|--------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2023</b> | <b>365,466</b>                      | <b>43,903</b> | <b>1,117,833</b>  | <b>90,920,878</b>           | <b>165,986</b>       | <b>50,341</b>                              | <b>147,691</b>           |
| Additions                            | 35,052                              | —             | —                 | 330,022                     | —                    | —                                          | —                        |
| Withdrawals                          | —                                   | —             | —                 | (2,821)                     | —                    | —                                          | —                        |
| Depreciation expense                 | —                                   | —             | (14,200)          | (2,037,369)                 | (23,804)             | (5,082)                                    | (10,681)                 |
| Translation effect                   | (1,587)                             | —             | —                 | (1,576,214)                 | (13)                 | (26)                                       | (23,804)                 |
| Finished works                       | (35,392)                            | —             | —                 | 23,586                      | 11,806               | —                                          | —                        |
| Transfers                            | —                                   | —             | —                 | (2,148)                     | 2,148                | —                                          | —                        |
| <b>Balance as of March 31, 2023</b>  | <b>363,539</b>                      | <b>43,903</b> | <b>1,103,633</b>  | <b>87,655,934</b>           | <b>156,123</b>       | <b>45,233</b>                              | <b>136,751</b>           |

|                                      | Construction<br>Work in<br>Progress | Lands         | Buildings,<br>net | Plant and<br>equipment, net | IT equipment,<br>net | Furniture,<br>fixture and<br>fittings, net | Motor<br>vehicles<br>net |
|--------------------------------------|-------------------------------------|---------------|-------------------|-----------------------------|----------------------|--------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2022</b> | <b>425,415</b>                      | <b>43,891</b> | <b>1,177,567</b>  | <b>102,401,927</b>          | <b>197,884</b>       | <b>69,607</b>                              | <b>120,951</b>           |
| Additions                            | 153,280                             | —             | —                 | 220,784                     | 384                  | 937                                        | —                        |
| Withdrawals                          | —                                   | —             | —                 | (6,289)                     | —                    | —                                          | —                        |
| Depreciation expense                 | —                                   | —             | (28,206)          | (2,324,888)                 | (41,201)             | (5,769)                                    | (9,051)                  |
| Translation effect                   | (745)                               | —             | —                 | (4,233,141)                 | (227)                | (82)                                       | (60,804)                 |
| Finished works                       | (157,932)                           | —             | —                 | 157,932                     | —                    | —                                          | —                        |
| <b>Balance as of March 31, 2022</b>  | <b>420,018</b>                      | <b>43,891</b> | <b>1,149,361</b>  | <b>96,216,325</b>           | <b>156,840</b>       | <b>64,693</b>                              | <b>111,221</b>           |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The Group has insurance contracts with respect to its generation plants, including business interruption all risks insurance policy, which cover, among other things, damages caused by fire, flood, and earthquake.

### 7.1. Leases

Below there is a detail of the net value recorded in Property, Plant and Equipment for rights-of-use assets recognized as of March 31, 2023, including movements, as per class of assets where the Group is lessee.

|                                      | Lease of offices <sup>(1)</sup> | Battery energy storage equipment <sup>(1)</sup> | Total          |
|--------------------------------------|---------------------------------|-------------------------------------------------|----------------|
| <b>Balance as of January 1, 2022</b> | <b>10,841</b>                   | <b>104,127</b>                                  | <b>114,968</b> |
| Amortization                         | (2,906)                         | (68,919)                                        | (71,825)       |
| <b>Balance as of March 31, 2022</b>  | <b>7,935</b>                    | <b>35,208</b>                                   | <b>43,143</b>  |
| <b>Balance as of January 1, 2023</b> | <b>10,172</b>                   | <b>442,839</b>                                  | <b>453,011</b> |
| Amortization                         | (2,897)                         | (41,098)                                        | (43,995)       |
| <b>Balance as of March 31, 2023</b>  | <b>7,275</b>                    | <b>401,741</b>                                  | <b>409,016</b> |

Moreover, the balance of lease liabilities as of March 31, 2023 and the changes during the three- month period ended on that date are as follows:

|                                      | Lease of offices | Battery energy storage equipment(2) | Debt for lease liabilities |
|--------------------------------------|------------------|-------------------------------------|----------------------------|
| <b>Balance as of January 1, 2022</b> | <b>10,843</b>    | <b>727,948</b>                      | <b>738,791</b>             |
| Accrued interest                     | 247              | 1,505                               | 1,752                      |
| Payments                             | (2,943)          | —                                   | (2,943)                    |
| Exchange gain or loss and RECPAM     | (696)            | (50,023)                            | (50,719)                   |
| <b>Balance as of March 31, 2022</b>  | <b>7,451</b>     | <b>679,430</b>                      | <b>686,881</b>             |
| <b>Balance as of January 1, 2023</b> | <b>10,172</b>    | <b>1,221,696</b>                    | <b>1,231,868</b>           |
| Accrued interest                     | 234              | 11,433                              | 11,667                     |
| Payments                             | (2,786)          | —                                   | (2,786)                    |
| Exchange gain or loss and RECPAM     | (345)            | (37,186)                            | (37,531)                   |
| <b>Balance as of March 31, 2023</b>  | <b>7,275</b>     | <b>1,195,943</b>                    | <b>1,203,218</b>           |

<sup>(1)</sup> Included under the heading Buildings in Property, Plant and Equipment

<sup>(2)</sup> Included in accounts payable to related parties

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## 7.2 Asset Impairment

During the three- month period ended March 31,2023 no indication of impairment was observed; therefore, the recoverability test has not been performed. All of the items of property, plant and equipment, and intangible assets have definite useful life.

## NOTE 8 - INTANGIBLE ASSETS

### 8.1 Intangible Assets

The detail is shown in the following table:

| <b>March 31, 2023</b>                             |                    |                                 |                  |
|---------------------------------------------------|--------------------|---------------------------------|------------------|
|                                                   | <b>Gross value</b> | <b>Accumulated amortization</b> | <b>Net value</b> |
| Software                                          | 1,326,039          | (1,051,961)                     | 274,078          |
| Concession agreements (Note 8.3)                  | 30,584,827         | (29,382,666)                    | 1,202,161        |
| Acquisition and development of renewable projects | 3,750,142          | (90,851)                        | 3,659,291        |
| <b>Total</b>                                      | <b>35,661,008</b>  | <b>(30,525,478)</b>             | <b>5,135,530</b> |

| <b>December 31, 2022</b>                          |                    |                                 |                  |
|---------------------------------------------------|--------------------|---------------------------------|------------------|
|                                                   | <b>Gross value</b> | <b>Accumulated amortization</b> | <b>Net value</b> |
| Software                                          | 1,326,126          | (1,017,656)                     | 308,470          |
| Concession agreements (Note 8.3)                  | 30,572,481         | (29,047,422)                    | 1,525,059        |
| Acquisition and development of renewable projects | 3,765,744          | (83,777)                        | 3,681,967        |
| <b>Total</b>                                      | <b>35,664,351</b>  | <b>(30,148,855)</b>             | <b>5,515,496</b> |

The useful lives of the most relevant intangible assets of the Group are disclosed below.

|                                   | <b>Unit</b> | <b>Maximum life</b> | <b>Minimum life</b> |
|-----------------------------------|-------------|---------------------|---------------------|
| Concession agreements             | Years       | Concession period   | Concession period   |
| Software                          | Years       | 10                  | 1                   |
| Acquisition of renewable projects | Years       | 25                  | 25                  |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

Below are the movements in intangible assets:

|                                      | Software       | Concession agreement | Acquisition and development of renewable projects | Intangible Assets, total |
|--------------------------------------|----------------|----------------------|---------------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2023</b> | 308,470        | 1,525,059            | 3,681,967                                         | <b>5,515,496</b>         |
| Additions                            | —              | 13,179               | —                                                 | <b>13,179</b>            |
| Withdrawals                          | —              | (834)                | —                                                 | <b>(834)</b>             |
| Amortization                         | (34,334)       | (335,243)            | (7,074)                                           | <b>(376,651)</b>         |
| Translation effect                   | (58)           | —                    | (15,602)                                          | <b>(15,660)</b>          |
| <b>Balance as of March 31, 2023</b>  | <b>274,078</b> | <b>1,202,161</b>     | <b>3,659,291</b>                                  | <b>5,135,530</b>         |

|                                      | Software       | Concession agreement | Acquisition and development of renewable projects | Intangible Assets, total |
|--------------------------------------|----------------|----------------------|---------------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2022</b> | 320,550        | 2,631,846            | 3,783,960                                         | <b>6,736,356</b>         |
| Additions                            | 34,336         | 16,536               | —                                                 | <b>50,872</b>            |
| Amortization                         | (43,948)       | (271,943)            | (7,912)                                           | <b>(323,803)</b>         |
| Translation effect                   | 55             | —                    | (44,581)                                          | <b>(44,526)</b>          |
| <b>Balance as of March 31, 2022</b>  | <b>310,993</b> | <b>2,376,439</b>     | <b>3,731,467</b>                                  | <b>6,418,899</b>         |

## 8.2 Concession Asset Ownership Restrictions

The Group has concessions on Alicurá, Cabra Corral, El Tunal and Ullum power plants.

According to their concession contracts, all the equipment of the concessionaire, including all elements, materials, machinery, and other goods of any nature that the Group, as concessionaire, uses for the performance of the concession, shall be transferred by operation of law to the grantor at the expiration of the concession term.

## 8.3 Concessions per Plant

Below is a detail of the recognized carrying amount of the concession contracts detailed for each hydroelectric power plant:

|                                   | March 31, 2023   | December 31, 2022 |
|-----------------------------------|------------------|-------------------|
| Alicurá Plant                     | 343,337          | 572,857           |
| Cabra Corral Plant                | 353,324          | 385,611           |
| El Tunal Plant                    | 163,940          | 182,442           |
| Ullum Plant                       | 341,560          | 384,149           |
| <b>Total Concession Contracts</b> | <b>1,202,161</b> | <b>1,525,059</b>  |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## NOTE 9 - INVENTORY

The detail of the inventory is as follows:

|                                     | Current           |                   | Non-current      |                   |
|-------------------------------------|-------------------|-------------------|------------------|-------------------|
|                                     | March 31, 2023    | December 31, 2022 | March 31, 2023   | December 31, 2022 |
| Coal                                | 13,088,140        | 14,085,177        | —                | —                 |
| Gas Oil                             | 1,841             | 2,038             | —                | —                 |
| Fuel Oil                            | 5,366             | 5,942             | —                | —                 |
| Materials, spare parts and supplies | 1,621,413         | 1,585,720         | 2,395,253        | 2,395,253         |
| <b>Total</b>                        | <b>14,716,760</b> | <b>15,678,877</b> | <b>2,395,253</b> | <b>2,395,253</b>  |

The detail of recognized costs is shown in the following table:

|                     | March 31, 2023    | March 31, 2022   |
|---------------------|-------------------|------------------|
| Coal <sup>(1)</sup> | 11,221,885        | 8,734,458        |
| <b>Total</b>        | <b>11,221,885</b> | <b>8,734,458</b> |

(1) The coal costs charged to income are included within “fuels used for generation” in Note 23.

### Coal supply

During the three- month period ended March 31, 2023, the supply of coal was covered by the contracts with Interocean Coal Sales LLC and Glencore International AG. The Company received approximately 228,239 metric tons as March 31, 2023.

## NOTE 10 - TAXES

### 10.1. Tax Assets and Liabilities (except for Deferred Income Taxes)

#### Tax assets

|                                         | Current          |                   | Non-current      |                   |
|-----------------------------------------|------------------|-------------------|------------------|-------------------|
|                                         | March 31, 2023   | December 31, 2022 | March 31, 2023   | December 31, 2022 |
| Value Added Tax                         | 1,006,735        | 1,683,675         | —                | —                 |
| Gross income tax                        | 104,743          | 6,685             | 104,857          | 165,130           |
| Income tax                              | 858,614          | 2,185,305         | 3,783,477        | 3,311,595         |
| Credit balance due to withholding taxes | —                | 42,645            | —                | —                 |
| Sundry                                  | 6,496            | 5,442             | —                | —                 |
| <b>Total tax assets</b>                 | <b>1,976,588</b> | <b>3,923,752</b>  | <b>3,888,334</b> | <b>3,476,725</b>  |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**Tax liabilities**

|                              | Current           |                      | Non-Current       |                      |
|------------------------------|-------------------|----------------------|-------------------|----------------------|
|                              | March 31,<br>2023 | December 31,<br>2022 | March 31,<br>2023 | December 31,<br>2022 |
| Value Added Tax              | —                 | —                    | 284,648           | 364,037              |
| Fees and royalties           | 36,466            | 142,296              | —                 | —                    |
| Personal property tax        | 64,738            | 62,039               | —                 | —                    |
| Safety and hygiene rate      | 142,205           | 174,299              | 94,533            | 97,028               |
| Gross income tax             | 9,063             | 4,164                | —                 | —                    |
| Sundry                       | 111,807           | 60,368               | 18,634            | 28,197               |
| <b>Total tax liabilities</b> | <b>364,279</b>    | <b>443,166</b>       | <b>397,815</b>    | <b>489,262</b>       |

The Group's accounting policy is to value its tax receivables and payables at nominal value without considering their discount to present value.

**10.2- Current Income Tax and Deferred Tax**

The charge to income for income tax expense is as follows:

|                   | March 31, 2023 | March 31, 2022   |
|-------------------|----------------|------------------|
| Current tax       | —              | (311,120)        |
| Deferred tax, net | 450,907        | 1,541,442        |
| <b>Total</b>      | <b>450,907</b> | <b>1,230,322</b> |

The tax rate for the Group is 35% for March 31, 2023 and 2022 (progressive)

Tax Reform Law 27,430, as amended by Law 27,468, established certain requirements for the application of the tax inflation adjustment, with effect on fiscal years beginning on January 1, 2018. These interim condensed consolidated financial statements meet these requirements.

The following is a reconciliation between the income tax charged to income and the income tax that would result from applying the current tax rate on income before taxes:

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

|                                                                                  | <b>For the three-month period ended</b> |                       |
|----------------------------------------------------------------------------------|-----------------------------------------|-----------------------|
|                                                                                  | <b>March 31, 2023</b>                   | <b>March 31, 2022</b> |
| Income /(Loss) before taxes                                                      | 437,293                                 | (34,764)              |
| Current tax rate                                                                 | 35 %                                    | 35 %                  |
| <i>Subtotal</i>                                                                  | (153,053)                               | 12,167                |
| Effect of the tax losses inflation adjustment                                    | 1,347,715                               | —                     |
| Exchange gain                                                                    | 1,594,624                               | 890,348               |
| Difference for adjustment of property, plant and equipment and intangible assets | (159,840)                               | 1,840,392             |
| Overall tax adjustment effect                                                    | (990,703)                               | (1,061,919)           |
| Accounting restatement effect                                                    | (1,246,264)                             | (502,839)             |
| Sundry                                                                           | 58,428                                  | 52,173                |
| <b>Total Income Tax</b>                                                          | <b>450,907</b>                          | <b>1,230,322</b>      |

The composition of the net deferred tax assets is as follows:

|                                                                                                               | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------|
| Difference between depreciable values and amortization of property, plant and equipment and intangible assets | 2,771,508             | 2,420,356                |
| Overall tax adjustment                                                                                        | (978,433)             | (1,303,828)              |
| Tax losses                                                                                                    | 4,837,942             | 4,933,073                |
| Others                                                                                                        | (32,424)              | 36,265                   |
| <b>Total deferred assets, net</b>                                                                             | <b>6,598,593</b>      | <b>6,085,866</b>         |

The composition of the net deferred tax liabilities is as follows:

|                                                                                                               | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------|
| Non-taxable accounting income                                                                                 | (7,850,031)           | (8,123,401)              |
| Difference between depreciable values and amortization of property, plant and equipment and intangible assets | 71,946                | 436,514                  |
| Overall tax adjustment                                                                                        | (233,242)             | (313,451)                |
| Tax losses                                                                                                    | 3,884,774             | 3,166,968                |
| Allowance for doubtful receivables                                                                            | 1,918,284             | 2,324,649                |
| Others                                                                                                        | 752,867               | 1,269,703                |
| <b>Total deferred liability, net</b>                                                                          | <b>(1,455,402)</b>    | <b>(1,239,018)</b>       |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The evolution of the net deferred tax assets during the period is as follows:

|                                                                | <b>Total</b>     |
|----------------------------------------------------------------|------------------|
| <b>As of January 1, 2022</b>                                   | <b>752,652</b>   |
| Charged to the income statement - gain                         | 169,355          |
| Charged to other comprehensive income - Translation Difference | (157,911)        |
| <b>As of March 31, 2022</b>                                    | <b>764,096</b>   |
| <b>As of January 1, 2023</b>                                   | <b>6,085,866</b> |
| Charged to the income statement - gain                         | 667,291          |
| Charged to other comprehensive income - Translation Difference | (154,564)        |
| <b>As of March 31, 2023</b>                                    | <b>6,598,593</b> |

The evolution of the net deferred tax liabilities during the period is as follows:

|                                                                | <b>Total</b>     |
|----------------------------------------------------------------|------------------|
| <b>As of January 1, 2022</b>                                   | <b>7,822,168</b> |
| Charged to the income statement - gain                         | (1,372,087)      |
| Charged to other comprehensive income - Translation Difference | (63,867)         |
| <b>As of March 31, 2022</b>                                    | <b>6,386,214</b> |
| <b>As of January 1, 2023</b>                                   | <b>1,239,018</b> |
| Charged to the income statement - loss                         | 216,384          |
| <b>As of March 31, 2023</b>                                    | <b>1,455,402</b> |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



**NOTE 11 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

The transactions between the Group and its related parties involve the usual operations regarding purpose and terms. The nature of the relationship with the Group as follows:

- Parent: Ultimate parent company.
- Shareholder, Subsidiary or associate directly related to the Group.
- Common parent: Subsidiary of the parent company not directly related to the Group.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

## 11.1 Balances and Transactions with Related Parties

- a) The balances of accounts receivable between the Group and its related companies are as follows:

| Accounts receivable from related parties |                |                                      |                        |          | Current        |
|------------------------------------------|----------------|--------------------------------------|------------------------|----------|----------------|
| Company                                  | Country        | Transaction description              | Nature of the relation | Currency | March 31, 2023 |
| AES Electroinversora B.V.                | Netherlands    | Loans granted                        | Common parent          | USD      | 50,220         |
| AES Electroinversora B.V.                | Netherlands    | Payment on behalf and for account of | Common parent          | USD      | 33,108         |
| The AES Corporation                      | United States  | Recovery of costs                    | Parent                 | ARS      | 49,440         |
| AES Energy Ltd. - Buenos Aires Branch    | Argentina      | Professional Services                | Common parent          | ARS      | 1,485          |
| AES Andes                                | Chile          | Miscellaneous services               | Common parent          | USD      | 1,954          |
| The AES Corporation                      | United States  | Miscellaneous services               | Parent                 | USD      | 589            |
| Shazia S.R.L.                            | Argentina      | Recovery of costs                    | Shareholder            | ARS      | 45             |
| AES Changuinola S.A.                     | Panamá         | Miscellaneous services               | Common parent          | USD      | —              |
| AES Andres DR, S.A.                      | Dominican Rep. | Sales of assets                      | Common parent          | USD      | 3,847          |
| Sierras del Buendia S.A.                 | Argentina      | Payment on behalf and for account of | Subsidiary             | ARS      | 1,847          |
| AES Servicios América S.R.L.             | Argentina      | Professional Services                | Common parent          | ARS      | —              |
| <b>Total</b>                             |                |                                      |                        |          | <b>142,535</b> |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

b) The balances of accounts payable between the Group and its related companies are as follows:

| Accounts payable to related parties         |                |                         |                        |          | Current          |                   |
|---------------------------------------------|----------------|-------------------------|------------------------|----------|------------------|-------------------|
| Company                                     | Country        | Transaction description | Nature of the relation | Currency | March 31, 2023   | December 31, 2022 |
| AES Andes S.A.                              | Chile          | Professional Services   | Common parent          | USD      | 1,195,956        | 1,111,956         |
| AES Laurel Mountain                         | United States  | Leased Assets           | Common parent          | USD      | 980,037          | 953,037           |
| AES Paraná Operations S.R.L.                | Argentina      | Professional Services   | Common parent          | ARS      | 330,339          | 363,339           |
| AES Globales B.V.                           | Netherlands    | Dividends payable       | Shareholder            | ARS      | 93,321           | 113,321           |
| AES Paraná Operations S.R.L.                | Argentina      | Recovery of costs       | Common parent          | ARS      | 81,040           | 112,040           |
| AES Servicios América S.R.L.                | Argentina      | Professional Services   | Common parent          | ARS      | 158,555          | 122,555           |
| The AES Corporation                         | United States  | Miscellaneous services  | Parent                 | USD      | 18,171           | 17,171            |
| Inversora de San Nicolás S.A.               | Argentina      | Miscellaneous services  | Shareholder            | USD      | 22,548           | 23,548            |
| Shazia S.R.L.                               | Argentina      | Dividends payable       | Shareholder            | ARS      | 9,172            | 11,172            |
| AES Changuinola S.A.                        | Panamá         | Miscellaneous services  | Common parent          | USD      | —                | —                 |
| Termoandes S.A.                             | Argentina      | Recovery of costs       | Common parent          | ARS      | 1,430            | 7,430             |
| AES Latin America                           | Panamá         | Recovery of costs       | Common parent          | USD      | —                | —                 |
| AES Energy Ltd. - Buenos Aires Branch       | Argentina      | Professional Services   | Common parent          | ARS      | —                | 3,000             |
| AES Panamá                                  | Panamá         | Miscellaneous services  | Common parent          | USD      | —                | —                 |
| AES Paraná Gas S.A.                         | Argentina      | Professional Services   | Common parent          | ARS      | 290              | 2,290             |
| Central Termoeléctrica Guillermo Brown S.A. | Argentina      | Recovery of costs       | Subsidiary             | ARS      | —                | 4,000             |
| Dominican Power Partners (Branch)           | Dominican Rep. | Miscellaneous services  | Common parent          | USD      | —                | —                 |
| <b>Total</b>                                |                |                         |                        |          | <b>2,890,859</b> | <b>2,845,859</b>  |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

c) The effects on the income statement of transactions with non-consolidated related parties are as follows:

| Effect on income revenues/(expense)   |             |                                         |                        | For the th    |
|---------------------------------------|-------------|-----------------------------------------|------------------------|---------------|
| Company                               | Country     | Transaction description                 | Nature of the relation | March 3 2023  |
| AES Alicura Holdings S.C.A.           | Argentina   | Loans granted                           | Common parent          |               |
| AES Electroinversora BV               | Netherlands | Loans granted                           | Common parent          | 6             |
| <b>Total Revenues</b>                 |             |                                         |                        | <b>6</b>      |
| AES Servicios América S.R.L.          | Argentina   | Professional Services                   | Common parent          | (294,5        |
| AES Andes S.A.                        | Chile       | Professional Services                   | Common parent          | (117,1        |
| AES Paraná Operations S.R.L.          | Argentina   | Professional Services                   | Common parent          | (80,0         |
| AES Paraná Operations S.R.L.          | Argentina   | Recovery of costs                       | Common parent          | (2,0          |
| AES Energy Ltd. - Buenos Aires Branch | Argentina   | Services                                | Common parent          | (11,0         |
| AES Paraná Gas S.A.                   | Argentina   | Provision of Services                   | Common parent          | (7            |
| AES Alicurá Holdings S.C.A.           | Argentina   | Personal Property Tax - Surrogate Payer | Shareholders           | (7,0          |
| AES Globales B.V.                     | Netherlands | Personal Property Tax - Surrogate Payer | Shareholders           | (4,5          |
| Inversora de San Nicolás S.A.         | Argentina   | Personal Property Tax - Surrogate Payer | Shareholders           | (2,9          |
| Shazia S.R.L.                         | Argentina   | Personal Property Tax - Surrogate Payer | Shareholders           | (             |
| <b>Total expense</b>                  |             |                                         |                        | <b>(520,2</b> |

Moreover, AES Laurel Mountain billed 59,022 and 66,177 for asset leases during the three-month period respectively.

Transactions with related companies in general consist of transactions inherent in the business of the Group.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## 11.2 Balances and Remuneration of the Board and Key Staff

Key Staff includes people with the authority and responsibility to plan, manage and control the activities of the Company, either directly or indirectly. The Group is managed by the members of the Senior Management and by a Board made up of five regular board members and five alternate board members for each of them, who are elected at the Annual General Shareholders' Meeting.

For the three-month period ended March 31, 2023, and 2022, the Group neither paid nor made a provision for fees payable to the Board members, given that all of them have waived their fees.

Key Staff accrued compensations with a cost for the Group of 118,811 and 118,182 for the three-month periods ended March 31, 2023 and 2022, respectively.

Certain senior positions are centralized within the regional structure of AES, with headquarters in Santiago, Chile, which provides administrative, financial, commercial, human resources, and general administration services under the terms of an agreement effective as of March 31, 2023. By virtue of this agreement, the Group is required to pay an annual fee to AES Andes S.A. (Note 11.b & c)

The members of the Supervisory Committee waived their fees for their duties as trustees for the three-month period ended March 31, 2023 and 2022. Therefore, the Group has neither paid nor made a provision for fees payable to trustees for their duties.

## NOTE 12 - OTHER FINANCIAL ASSETS

The detail related to other financial assets is as follows:

|                                | Current           |                      | Non-current       |                      |
|--------------------------------|-------------------|----------------------|-------------------|----------------------|
|                                | March 31,<br>2023 | December 31,<br>2022 | March 31,<br>2023 | December 31,<br>2022 |
| Restricted Cash                | 2,529,005         | 2,608,717            | —                 | —                    |
| Investments in other companies | —                 | —                    | 142,731           | 173,699              |
| <b>Total</b>                   | <b>2,529,005</b>  | <b>2,608,717</b>     | <b>142,731</b>    | <b>173,699</b>       |

The balance of restricted cash is related to the guarantee of the bank loan, under the pledge agreement entered into on February 12, 2020 with Goldman Sachs, in which the due date is August 12, 2023. See Note 19.1 (b).

### Investments in other companies

AES Argentina Generación has a participating interest in Termoeléctrica José de San Martín S.A. (TJSM) and Termoeléctrica Manuel Belgrano S.A. (TMB), which are engaged in the operation and maintenance of thermal power plants. The shares of these Companies are encumbered in favor of the different trusts to guarantee operation and maintenance of the respective generation plants.

The annual consolidated financial statement detail the regulatory aspects and the incorporation of the National State as a

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

shareholder of TJSM and TMB, as well as the accounting treatment that the Group adopts with respect to these investments.

On October 11, 2022, AES Argentina Generación acquired 10% of Green Valley Solar S.A.'s (GVS) shares through the payment of USD 650,000. This amount includes not only the purchase of shares but also the subscription of the capital increase of the investee. GVS' main activity is the development and marketing of energy generation and storage systems for agricultural irrigation through solar panels.

#### NOTE 13 - OTHER NON-FINANCIAL ASSETS

The details related to other non-financial assets is as follows:

|                                            | Current        |                   | Non-Current    |                   |
|--------------------------------------------|----------------|-------------------|----------------|-------------------|
|                                            | March 31, 2023 | December 31, 2022 | March 31, 2023 | December 31, 2022 |
| Advance Payments to Suppliers              | 88,561         | 178,790           | 405,961        | 363,325           |
| Insurance and other expenses to be accrued | 54,990         | 41,373            | —              | —                 |
| Expenses paid in advance                   | 94,565         | 12,850            | —              | —                 |
| Stamp tax to be recovered                  | 2,062          | 891               | 17,571         | 19,266            |
| Advance payment to employees               | 16,335         | 15,616            | —              | —                 |
| Sundry                                     | 46,821         | 28,877            | —              | —                 |
| <b>Total</b>                               | <b>303,334</b> | <b>278,397</b>    | <b>423,532</b> | <b>382,591</b>    |

#### NOTE 14 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

##### 14.1 Composition of the Item

The balances of this item involve energy and power sale operations in the ordinary course of business of the Group. The components are:

|                                                        | Current           |                   | Non-Current       |                   |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                        | March 31, 2023    | December 31, 2022 | March 31, 2023    | December 31, 2022 |
| CAMMESA trade receivables, gross                       | 38,672,479        | 23,237,369        | 23,791,882        | 27,751,296        |
| Renovar contracts                                      | 455,365           | 619,397           | —                 | —                 |
| MATER contracts                                        | 841,709           | 1,024,176         | —                 | —                 |
| Other trade receivables                                | 7,490             | 10,473            | 150,730           | 155,662           |
| Bad debt allowance                                     | (3,124)           | (3,803)           | (5,449,610)       | (6,604,238)       |
| <b>Trade receivables and other accounts receivable</b> | <b>39,973,919</b> | <b>24,887,612</b> | <b>18,493,002</b> | <b>21,302,720</b> |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The fair values of trade receivables and other accounts receivable are not significantly different from their carrying values.

## 14.2 CAMMESA Trade Receivables

The composition of the credits with Cammesa is as follows:

|                                                                            | March 31, 2023    | December 31, 2022 |
|----------------------------------------------------------------------------|-------------------|-------------------|
| CAMMESA common receivables                                                 | 29,581,944        | 13,899,579        |
| Renovar contracts                                                          | 455,365           | 619,397           |
| Receivable accrued interest from Generators Agreement (Note 3.c.2.)        | 403,203           | 426,066           |
| Receivables under Generators Agreement (Note 3.c.2.)                       | 27,180,311        | 30,214,430        |
| Receivables for Trust Additional Remuneration (Note 3.c.3.) <sup>(1)</sup> | 2,947,387         | 3,586,872         |
| Non-recurring maintenance receivables (Note 3.c.3.) <sup>(1)</sup>         | 2,351,516         | 2,861,718         |
| <b>Total CAMMESA receivables</b>                                           | <b>62,919,726</b> | <b>51,608,062</b> |

<sup>(1)</sup> 100% accrued.

## 14.3 Bad Debt Allowance

Bad debt allowances concerning trade receivables are as follows:

|                                         | Balance          |
|-----------------------------------------|------------------|
| <b>Balance as of January 1, 2022</b>    | <b>3,839,990</b> |
| Period increases - commercial expenses  | 12,300           |
| Period recoveries - commercial expenses | (19,767)         |
| RECPAM                                  | (530,749)        |
| <b>Balance as of March 31, 2022</b>     | <b>3,301,774</b> |
| <b>Balance as of January 1, 2023</b>    | <b>6,608,041</b> |
| Period increases - commercial expenses  | 23,100           |
| Period recoveries - commercial expenses | (291)            |
| RECPAM                                  | (1,178,116)      |
| <b>Balance as of March 31, 2023</b>     | <b>5,452,734</b> |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 15 – CASH AND CASH EQUIVALENTS**

|                             | March 31, 2023   | December 31, 2022 |
|-----------------------------|------------------|-------------------|
| Cash                        | 660              | 504               |
| Bank balances               | 1,167,837        | 367,831           |
| Short-term deposits         | —                | 7,449,378         |
| Mutual funds <sup>(1)</sup> | 6,892,256        | 6,385,323         |
| <b>Total</b>                | <b>8,060,753</b> | <b>14,203,036</b> |

<sup>(1)</sup> Mutual funds are not considered as Cash for the preparation of the Statement of Cash Flows

The item of “Mutual Funds” includes mutual funds in local financial institutions, they are recorded at fair value as of the end date of the financial statements. “Term deposits” mean placements in financial institutions whose original due date is less than 90 days.

**NOTE 16 - SHAREHOLDERS' EQUITY**
**16.1 Companies, Shareholders and Related Companies**

The participating interest of our shareholders as of period-end are those mentioned in the following table, being the four companies members of The AES Corporation economic group, ultimate parent company, with registered office in 4300 Wilson Boulevard, 11th. floor Arlington, Virginia, USA.

| Name                          | Legal domicile                                                                  | Interest %  |
|-------------------------------|---------------------------------------------------------------------------------|-------------|
| AES Alicurá Holdings S.C.A.   | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 48.2204%    |
| AES Globales B.V.             | Claude Debussylaan 12, 1082MD Amsterdam, Netherlands                            | 31.0763%    |
| Inversora de San Nicolás S.A. | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 20.1743%    |
| Shazia S.R.L.                 | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 0.3139%     |
| Stock Ownership Plan          | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 0.0898%     |
| Other Shareholders            |                                                                                 | 0.1252%     |
| <b>Total</b>                  |                                                                                 | <b>100%</b> |

**16.2 Capital Management**

The shareholders' equity includes issued capital, irrevocable contributions, additional paid-in capital, reserves, and retained earnings. The main purpose of the capital management of the Group is to maintain a robust risk rating and sound capital indicators in order to support the business and maximize the value to the shareholders. The Group manages its capital structure and makes adjustments based on changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust dividend payments or capital returns to shareholders, or issue new shares.

No changes were made in the capital related goals, policies or procedures during the three-month period ended March 31, 2023.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



### 16.3 Subscribed and Paid-in Capital

As of March 31, 2023, the capital stock of the Group is made up of 11,525,267,740 subscribed and paid in shares of face value 0.10 each and each entitled to one vote.

### 16.4 Dividend Policy, Restrictions on the Distribution of Retained Earnings and other Restrictions

In accordance with the provisions of the Business Companies Law 19,550, 5% of the net income for the fiscal year should be allocated to the legal reserve until it reaches twenty percent (20%) of the capital stock expressed in constant currency. The Company has reached the limit mentioned above.

In addition, in accordance with Article 11 of the Company's By-laws, a 0.5% of income from the year must be distributed as a Profit Sharing Bonus to employees, amount provided at the end of each reporting period.

Law No. 27,430 established a tax on distribution of dividends to local individuals or foreign beneficiaries, which the Company shall be required to withhold and pay to the Treasury as a single and final payment when dividends are paid. In accordance with the Law 27,541 and 27,630, for the accounting results corresponding to 2018, and following the retention rates per the dividends distributions, adjusted for the inflation rate of 7%.

Following the provisions of Act No. 27,541 and 27,630, for the accounting results corresponding to 2018 and subsequent years, the withholding rate on the distribution of dividends, if any, adjusted for inflation, will be 7%.

Furthermore, the provisions of the fourth paragraph of Article 166 of Decree 862/2019 shall apply to future dividend distributions arising from the restatement of retained earnings as of December 31, 2017, i.e. these dividends may be distributed free of Equalization Tax and the withholding system established by Law 27,340, as amended.

The impact of the inflation adjustment on retained earnings and optional reserves pending distribution is as follows:

| Distributable Income              | Profit or loss for the year/period <sup>(1)</sup> | Inflation Adjustment | Total distributable income <sup>(3)</sup> |
|-----------------------------------|---------------------------------------------------|----------------------|-------------------------------------------|
| Before December 31, 2017          | —                                                 | 22,493,368           | 22,493,368                                |
| Years 2018 to 2022 <sup>(2)</sup> | 7,531,092                                         | 20,212,912           | 27,744,004                                |
| Period 2023                       | 880,180                                           | —                    | 880,180                                   |
|                                   | <b>8,411,272</b>                                  | <b>42,706,280</b>    | <b>51,117,552</b>                         |

<sup>(1)</sup> At year-end currency of each financial year/period

<sup>(2)</sup> Net of anticipated dividends

<sup>(3)</sup> Consisting of the balance of the optional reserve and retained earnings

The purpose of the General Shareholders' Meeting is to distribute, as a dividend among its shareholders, the profits generated subject to the results of the projections periodically conducted by the Group and the need to contribute their own resources to finance investment projects, among others.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

On September 1, 2019, Decree of Necessity and Urgency (DNU) 609/2019 was published in the Official Gazette, under which it was set forth that any proceeds from export of goods and services shall be entered and/or negotiated in the exchange market in the terms and conditions established by the Argentine Central Bank ("BCRA"). In addition, the DNU provided for that the BCRA will establish the assumptions in which access to the exchange market will require prior authorization, making a distinction between the situation of natural persons and legal persons, and also empowers the BCRA to establish regulations to avoid practices and operations aimed at circumventing, through public securities or other instruments, the measures established in the DNU.

In view of the above, the BCRA issued, as from September 01, 2019, Communication "A" 6770, "A" 7030 as amended by Communications "A" 7042, "A" 7052, "A" 7068, "A" 7079 and "A" 7080, where it set forth as follows: (i) for exports of goods and/or services, foreign currency shall be surrendered within 5 days as from date of collection, (ii) for the import of goods (in certain cases) and services, BCRA authorizations are required for payment, (iii) for the acquisition of foreign assets, prior approval of the BCRA is required, (iv) certain measures relating to foreign debt repayment and disbursements are established, (v) as regards the transfer of profits and dividends, prior approval from the BCRA shall be required, (vi) in every case where access to the foreign exchange market is required for the payment of financial or commercial debts, it must be proven that those debts were declared under the reporting system set forth by the BCRA in Communication "A" 6401, (vii) the ownership of available liquid external assets in the name of the resident must not exceed USD 100,000 to access the Single Free Foreign Exchange Market (MULC), (viii) for advance payments for capital goods and the energy item under certain conditions (ix) for access to the MULC, the applicant must prove that no securities purchase or sale transactions have been carried out with settlement in foreign currency within 90 days before the application for access to the MULC and must undertake not to make such transactions within 90 days following access to the MULC. See also Note 19.1.

## 16.5 Evolution of Other Reserves

|                                                                       | Reserve for Exchange<br>Differences due to<br>Translation        |                                               | Reserve<br>for Cash<br>Flow<br>Hedges | Reserve for<br>Defined<br>Benefit<br>Plans | Other<br>variations | Total             |
|-----------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------|---------------------------------------|--------------------------------------------|---------------------|-------------------|
|                                                                       | Not to be<br>reclassified to<br>profit or<br>loss <sup>(1)</sup> | To be<br>reclassified<br>to profit or<br>loss |                                       |                                            |                     |                   |
| <b>Balance as of January 1, 2022</b>                                  | <b>37,287,620</b>                                                | <b>(5,575,576)</b>                            | <b>(2,954)</b>                        | <b>(68,983)</b>                            | <b>(100,372)</b>    | <b>31,539,735</b> |
| Exchange difference due to translation of investments in subsidiaries | —                                                                | (1,638,129)                                   | —                                     | —                                          | —                   | (1,638,129)       |
| <b>Balance as of March 31, 2022</b>                                   | <b>37,287,620</b>                                                | <b>(7,213,705)</b>                            | <b>(2,954)</b>                        | <b>(68,983)</b>                            | <b>(100,372)</b>    | <b>29,901,606</b> |
| <b>Balance as of January 1, 2023</b>                                  | <b>36,486,585</b>                                                | <b>(7,179,890)</b>                            | <b>(2,954)</b>                        | <b>(154,916)</b>                           | <b>(100,401)</b>    | <b>29,048,424</b> |
| Exchange difference due to translation of investments in subsidiaries | —                                                                | (882,644)                                     | —                                     | —                                          | —                   | (882,644)         |
| <b>Balance as of March 31, 2023</b>                                   | <b>36,486,585</b>                                                | <b>(8,062,534)</b>                            | <b>(2,954)</b>                        | <b>(154,916)</b>                           | <b>(100,401)</b>    | <b>28,165,780</b> |

<sup>(1)</sup> Includes 220,364 and 239,113, as of March 31, 2023 and 2022, respectively, attributable to non-controlling third parties.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 17 - LIABILITIES FOR EMPLOYEE COMPENSATIONS AND BENEFITS**

The Group grants different post-employment benefit plans to part of their active workers, according to the applicable collective bargaining agreements, which are benefits for years of service (granted to all employees upon completing a certain number of years in service), ordinary retirement benefits (granted to all employees upon obtaining the ordinary retirement pension granted by the Argentine Integrated Social Security System) and death benefits, which have been classified as defined benefit plans.

The components of the balance are:

|                                              | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|----------------------------------------------|-----------------------|--------------------------|
| Seniority and retirement benefits            | 760,691               | 713,581                  |
| Provisions for bonuses to staff and holidays | 18,117                | 12,823                   |
| <b>Total non-current</b>                     | <b>778,808</b>        | <b>726,404</b>           |
| Provisions for bonuses to staff and holidays | 981,538               | 1,625,470                |
| Remunerations                                | 83,791                | 186,871                  |
| Seniority and retirement benefits            | 43,053                | 52,394                   |
| Social security contributions payable        | 176,986               | 50,520                   |
| <b>Total current</b>                         | <b>1,285,368</b>      | <b>1,915,255</b>         |
| <b>Total</b>                                 | <b>2,064,176</b>      | <b>2,641,659</b>         |

**17.1 Present Value of the Obligations under Long-Term Benefits**

The variation of the obligations under defined benefit plans is as follows:

|                                               | <b>March 31, 2023</b> | <b>December 31, 2022</b> |
|-----------------------------------------------|-----------------------|--------------------------|
| <b>Balance at the beginning of the period</b> | <b>765,975</b>        | <b>754,063</b>           |
| Current service cost <sup>(*)</sup>           | 21,065                | 18,827                   |
| Interest cost <sup>(**)</sup>                 | 166,347               | 107,560                  |
| Translation difference                        | (164)                 | (1,072)                  |
| RECPAM                                        | (149,479)             | (110,453)                |
| <b>Balance at the end of the period</b>       | <b>803,744</b>        | <b>768,925</b>           |

<sup>(\*)</sup> Charged to “cost of sales” or “administrative expenses,” as appropriate, in the comprehensive income statement.

<sup>(\*\*)</sup> Charged to “financial result” in the comprehensive income statement.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## 17.2 Other Disclosures

There are no significant changes in the plans, actuarial assumptions, sensitivities and other relevant aspects to those disclosed in the financial statements as of December 31, 2022.

### NOTE 18 - PROVISIONS

| Non-Current                | March 31, 2023 | December 31, 2022 |
|----------------------------|----------------|-------------------|
| Provision for legal claims | 330,621        | 364,623           |
| Dismantling costs          | 160,674        | 156,497           |
| Other provisions           | 2,090          | 2,156             |
| <b>Total</b>               | <b>493,385</b> | <b>523,276</b>    |

### Movements in provisions

|                                      |                |
|--------------------------------------|----------------|
| <b>Balance as of January 1, 2022</b> | <b>595,978</b> |
| Increase for the fiscal year (*)     | 46,330         |
| Other transactions                   | 178            |
| Translation difference               | (4,691)        |
| RECPAM                               | (77,086)       |
| <b>Balance as of March 31, 2022</b>  | <b>560,709</b> |
| <b>Balance as of January 1, 2023</b> | <b>523,276</b> |
| Increase for the period (*)          | 40,663         |
| Other transactions                   | 342            |
| Translation difference               | (4,668)        |
| RECPAM                               | (66,228)       |
| <b>Balance as of March 31, 2023</b>  | <b>493,385</b> |

(\*) Charged to "Other income and expenses" in the interim condensed consolidated statement of comprehensive income.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 19 - FINANCIAL LIABILITIES**
**19.1 Composition of the Item**

|                             | Current           |                      | Non-current       |                      |
|-----------------------------|-------------------|----------------------|-------------------|----------------------|
|                             | March 31,<br>2023 | December 31,<br>2022 | March 31,<br>2023 | December 31,<br>2022 |
| Notes <sup>(a)</sup>        | 57,954,161        | 1,911,071            | —                 | 58,975,556           |
| Bank loans <sup>(b)</sup>   | 11,988,080        | 6,927,822            | —                 | —                    |
| Financial leases (Note 7.1) | 7,275             | 10,172               | —                 | —                    |
| <b>Total</b>                | <b>69,949,516</b> | <b>8,849,065</b>     | <b>—</b>          | <b>58,975,556</b>    |

**(a) Notes**

Under the scope of our program of notes, on January 26, 2017 AAG placed Class A Notes due on February 2, 2024 at a fixed rate of 7.75% for a nominal value of USD 300,000,000 with payment of interest on a semiannual basis on February 2 and August 2 of each year. The principal of the Notes will be amortized in a single payment on the due date. See a detail of the financial commitments assumed in Note 27.

On October 24, 2022, the Group obtained the approval of the National Values Commission (Comisión Nacional de Valores “CNV”) for the creation of a program of notes (not convertible into shares) for up to USD 500,000,000 (or its equivalent in other currencies and/or units of measure or value) for a period of five years.

The Company repurchased its notes in the local market for a nominal value of USD 22,500,000 in 2021 and USD 3,000,000 in 2022.

| Series  | Currency | Annual<br>nominal<br>rate | Maturity<br>year | Current           |                      | Non-Current       |                      |
|---------|----------|---------------------------|------------------|-------------------|----------------------|-------------------|----------------------|
|         |          |                           |                  | March 31,<br>2023 | December 31,<br>2022 | March 31,<br>2023 | December<br>31, 2022 |
| Class A | USD      | 7.75%                     | 2024             | 57,954,161        | 1,911,071            | —                 | 58,975,556           |
|         |          |                           |                  | <b>57,954,161</b> | <b>1,911,071</b>     | <b>—</b>          | <b>58,975,556</b>    |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**(b) Bank Loans**

|                                     | Currency | Nominal /<br>Effective<br>Annual Rate | Current           |                      | Non-Current       |                      |
|-------------------------------------|----------|---------------------------------------|-------------------|----------------------|-------------------|----------------------|
|                                     |          |                                       | March 31,<br>2023 | December<br>31, 2022 | March 31,<br>2023 | December<br>31, 2022 |
| ICBC Argentina <sup>(1)</sup>       | USD      | 9.22%                                 | —                 | 4,256,183            | —                 | —                    |
| Goldman Sachs <sup>(2)</sup>        | USD      | 6.51%                                 | 2,535,790         | 2,605,616            | —                 | —                    |
| Current account overdraft agreement | ARS      | 77.35%                                | 9,452,290         | 66,023               | —                 | —                    |
| <b>Total</b>                        |          |                                       | <b>11,988,080</b> | <b>6,927,822</b>     | <b>—</b>          | <b>—</b>             |

<sup>(1)</sup> The loan was canceled in February, 2023.

<sup>(2)</sup> Loan with original maturity on August 12, 2020 at 3-Month LIBOR plus a spread of 1.75%. On August 3, 2020, the USD 40,000 fee required to extend the maturity term for another six months was paid on February 12, 2021. An addendum was executed on February 9, 2021 which restructured the payment of the loan in two installments, the first due on February 12, 2021 for USD 8 million (repaid on such date) and the remaining USD 12 million due on February 12, 2023. The rate after the restructuring is variable (Adjusted Eurodollar Rate) + a margin of 1.75%. On February 10, 2023, the Company signed an addendum with Goldman Sachs whereby it agreed to extend the payment date of the balance of USD 12 million due on February 12, 2023, to August 12, 2023, with the possibility of a further extension to January 12, 2024, at the Company's request.

**19.2 Evolution of interest-bearing debts**

|                          | At the<br>beginning<br>of the<br>period | Cash<br>outflow <sup>(2)</sup> | Cash<br>inflow <sup>(3)</sup> | Changes other than cash |                     |                                                      | At the end<br>of the<br>period |
|--------------------------|-----------------------------------------|--------------------------------|-------------------------------|-------------------------|---------------------|------------------------------------------------------|--------------------------------|
|                          |                                         |                                |                               | Others <sup>(1)</sup>   | Accrued<br>interest | Translation/<br>Exchange gain<br>or loss /<br>RECPAM |                                |
| <b>Non-current</b>       |                                         |                                |                               |                         |                     |                                                      |                                |
| Notes                    | 58,975,556                              | —                              | —                             | (58,078,676)            | —                   | (896,880)                                            | —                              |
| <b>Total non-current</b> | <b>58,975,556</b>                       | <b>—</b>                       | <b>—</b>                      | <b>(58,078,676)</b>     | <b>—</b>            | <b>(896,880)</b>                                     | <b>—</b>                       |
| <b>Current</b>           |                                         |                                |                               |                         |                     |                                                      |                                |
| Notes                    | 1,911,071                               | (1,931,107)                    | —                             | 58,078,676              | 1,107,033           | (1,211,512)                                          | 57,954,161                     |
| Financial Leases         | 10,172                                  | (2,786)                        | —                             | —                       | 234                 | (345)                                                | 7,275                          |
| Bank loans               | 6,927,822                               | (5,260,736)                    | 10,147,365                    | —                       | 1,438,625           | (1,264,996)                                          | 11,988,080                     |
| <b>Total current</b>     | <b>8,849,065</b>                        | <b>(7,194,629)</b>             | <b>10,147,365</b>             | <b>58,078,676</b>       | <b>2,545,892</b>    | <b>(2,476,853)</b>                                   | <b>69,949,516</b>              |
| <b>2023 Total</b>        | <b>67,824,621</b>                       | <b>(7,194,629)</b>             | <b>10,147,365</b>             | <b>—</b>                | <b>2,545,892</b>    | <b>(3,373,733)</b>                                   | <b>69,949,516</b>              |
| <b>2022 Total</b>        | <b>82,164,471</b>                       | <b>(6,059,659)</b>             | <b>7,570,052</b>              | <b>445,510</b>          | <b>2,072,035</b>    | <b>(6,126,271)</b>                                   | <b>80,066,138</b>              |

<sup>(1)</sup> Includes changes due to reclassifications from non-current to current (net), results due to partial early repayment of Notes.

<sup>(2)</sup> Includes cash inflows from bank overdrafts during the three-month period ended March 31, 2023.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## NOTE 20 - TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

The components of balances are as follows:

|                | Current          |                   |
|----------------|------------------|-------------------|
|                | March 31, 2023   | December 31, 2022 |
| Trade payables | 4,499,354        | 5,662,439         |
| Sundry         | 5,636            | 2,934             |
| <b>Total</b>   | <b>4,504,990</b> | <b>5,665,373</b>  |

## NOTE 21 - FINANCIAL INSTRUMENTS

### 21.1 Financial Instruments by Category

The classification of financial assets is as follows:

| March 31, 2023                                                 | Cash and Cash Equivalents | Financial Assets at amortized cost | Assets at fair value through profit or loss | Total             |
|----------------------------------------------------------------|---------------------------|------------------------------------|---------------------------------------------|-------------------|
|                                                                |                           |                                    | Level 1                                     |                   |
| Accounts receivable from related parties                       | —                         | 152,472                            | —                                           | 152,472           |
| Other financial assets                                         | —                         | 2,671,736                          | —                                           | 2,671,736         |
| Trade receivables and other accounts receivable <sup>(1)</sup> | —                         | 58,466,921                         | —                                           | 58,466,921        |
| Cash and Cash Equivalents                                      | 1,168,497                 | —                                  | 6,892,256                                   | 8,060,753         |
| <b>Total</b>                                                   | <b>1,168,497</b>          | <b>61,291,129</b>                  | <b>6,892,256</b>                            | <b>69,351,882</b> |

<sup>(1)</sup> Includes bad debt allowance

| December 31, 2022                                              | Cash and Cash Equivalents | Financial Assets at amortized cost | Assets at fair value through profit or loss | Total             |
|----------------------------------------------------------------|---------------------------|------------------------------------|---------------------------------------------|-------------------|
|                                                                |                           |                                    | Level 1                                     |                   |
| Accounts receivable from related parties                       | —                         | 105,792                            | —                                           | 105,792           |
| Other financial assets                                         | —                         | 2,782,416                          | —                                           | 2,782,416         |
| Trade receivables and other accounts receivable <sup>(1)</sup> | —                         | 46,190,332                         | —                                           | 46,190,332        |
| Cash and Cash Equivalents                                      | 368,335                   | 7,449,378                          | 6,385,323                                   | 14,203,036        |
| <b>Total</b>                                                   | <b>368,335</b>            | <b>56,527,918</b>                  | <b>6,385,323</b>                            | <b>63,281,576</b> |

<sup>(1)</sup> Includes bad debt allowance

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The classification of financial liabilities is detailed below:

| <b>March 31, 2023</b>                      | <b>Financial liabilities at<br/>amortized cost</b> | <b>Total</b>      |
|--------------------------------------------|----------------------------------------------------|-------------------|
| Accounts payable to related parties        | 3,177,963                                          | 3,177,963         |
| Financial Liabilities                      | 69,949,516                                         | 69,949,516        |
| Trade creditors and other accounts payable | 4,504,990                                          | 4,504,990         |
| <b>Total</b>                               | <b>77,632,469</b>                                  | <b>77,632,469</b> |

| <b>December 31, 2022</b>                   | <b>Financial liabilities at<br/>amortized cost</b> | <b>Total</b>      |
|--------------------------------------------|----------------------------------------------------|-------------------|
| Accounts payable to related parties        | 3,187,027                                          | 3,187,027         |
| Financial Liabilities                      | 67,824,621                                         | 67,824,621        |
| Trade creditors and other accounts payable | 5,665,373                                          | 5,665,373         |
| <b>Total</b>                               | <b>76,677,021</b>                                  | <b>76,677,021</b> |

## 21.2 Fair Value

### a. Hierarchy of Fair Value of Financial Instruments

The various fair value hierarchies are described in note 21.2 to the consolidated financial statements as of December 31, 2022. The estimates made in the fair value measurement are the same as of December 31, 2022.

The financial instruments recorded in Financial Liabilities, involving Interest-bearing loans, show significant differences between the carrying value and fair value mainly due to the fluctuations of the exchange rate (US dollar) and market interest rates.

The calculation methodology is the present value of future debt flows discounted using a yield curve. Certain assumptions such as currency of debt, credit rating of the instrument, credit rating of the Group, are used to calculate the present value. The assumptions used as of March 31, 2023 fall into Level 2 of the Fair Value Hierarchy.

The following table shows the carrying value and fair value of the interest-bearing loans:

|                   | <b>Book Value</b> | <b>Fair Value</b> |
|-------------------|-------------------|-------------------|
| March 31, 2023    | 69,942,241        | 60,708,386        |
| December 31, 2022 | 67,814,449        | 53,014,542        |

## 21.3 Derivative Instruments

As of March 31, 2023, the Group has no balances for derivative instruments.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



## 21.4 Netting

As of March 31, 2023 and December 31, 2022 the Group has no derivative instruments that are subject to Master Netting Agreements where there has been a contractual right to offset the assets and liabilities under these financial instruments.

## NOTE 22 - INCOME FROM ORDINARY ACTIVITIES

|                                                              | For the three-month period |                   |
|--------------------------------------------------------------|----------------------------|-------------------|
|                                                              | March 31, 2023             | March 31, 2022    |
| Remuneration for energy <sup>(1)</sup>                       | 17,510,977                 | 13,559,575        |
| Remuneration for capacity <sup>(1)</sup>                     | 5,071,461                  | 4,969,317         |
| Sales of energy and capacity under agreements <sup>(2)</sup> | 2,089,113                  | 2,800,574         |
| Other income                                                 | 168,227                    | 102,874           |
| <b>Total</b>                                                 | <b>24,839,778</b>          | <b>21,432,340</b> |

<sup>(1)</sup> Includes the notion of generated and operated energy pursuant to the remuneration provided for by Resolutions 59/2023, 826/2022, 238/2022, 1037/2021 and 440/2021, as applicable, as well as other notions established by other current prior resolutions.

<sup>(2)</sup> Includes sales of renewable energy under Renovar contract with CAMMESA and Forward Market contracts (industrial customers).

## NOTE 23 – COMPOSITION OF RELEVANT RESULTS

### 23.1 Expenses by nature

The following is a detail of the main operating costs and expenses classified in the following items the statement of comprehensive income: “Cost of sales”, “Selling expenses” and “Administrative expenses.”

The details for the three-month period ended March 31, 2023 are as follows:

Signed for identification purposes with  
our report dated June 29, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

|                                                                       | March 31, 2023    |                         |                  |                   |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses | Total             |
| Fuels used for generation, net                                        | 11,263,966        | —                       | —                | 11,263,966        |
| Depreciation of property plant and equipment                          | 2,009,354         | 83,448                  | —                | 2,092,802         |
| Remunerations, social security contributions and other staff expenses | 1,296,367         | 257,261                 | 42,502           | 1,596,130         |
| Insurance                                                             | 1,068,471         | —                       | —                | 1,068,471         |
| Operation and maintenance expenditures                                | 911,468           | —                       | —                | 911,468           |
| Taxes, rates and contributions                                        | —                 | 230,040                 | 382,424          | 612,464           |
| Professional services from related parties                            | 80,845            | 424,738                 | —                | 505,583           |
| Amortization of intangible assets                                     | 376,651           | —                       | —                | 376,651           |
| Fees and remunerations to third parties                               | 23,169            | 130,277                 | 14,714           | 168,160           |
| Fees and royalties                                                    | 95,622            | —                       | —                | 95,622            |
| Transmission costs                                                    | 81,310            | —                       | —                | 81,310            |
| Frequency regulation                                                  | 76,150            | —                       | —                | 76,150            |
| Other market charges                                                  | 74,858            | —                       | —                | 74,858            |
| Purchase of energy and capacity                                       | 70,246            | —                       | —                | 70,246            |
| Cleaning expenses                                                     | 67,083            | —                       | —                | 67,083            |
| Sundry                                                                | 42,677            | 19,494                  | —                | 62,171            |
| Travel, mobility and transport expenses                               | 43,223            | 10,353                  | 362              | 53,938            |
| Materials and other supplies                                          | 44,199            | —                       | —                | 44,199            |
| Safety and security services                                          | 34,030            | —                       | —                | 34,030            |
| Use of fields                                                         | 32,235            | —                       | —                | 32,235            |
| Bad debts                                                             | —                 | —                       | 22,809           | 22,809            |
| Office and communications expenses                                    | 2,048             | 3,129                   | —                | 5,177             |
| <b>Total</b>                                                          | <b>17,693,972</b> | <b>1,158,740</b>        | <b>462,811</b>   | <b>19,315,523</b> |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The details for the three-month period ended March 31, 2022 are as follows:

|                                                                       | March 31, 2022    |                         |                  |                   |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses | Total             |
| Fuels used for generation, net                                        | 8,799,422         | —                       | —                | 8,799,422         |
| Depreciation of property plant and equipment                          | 2,281,199         | 128,427                 | —                | 2,409,626         |
| Operation and maintenance expenditures                                | 1,091,536         | —                       | —                | 1,091,536         |
| Remunerations, social security contributions and other staff expenses | 1,158,666         | 214,495                 | 86,125           | 1,459,286         |
| Insurance                                                             | 1,139,218         | —                       | —                | 1,139,218         |
| Professional services from related parties                            | 92,911            | 440,609                 | —                | 533,520           |
| Taxes, rates and contributions                                        | —                 | 248,872                 | 261,169          | 510,041           |
| Amortization of intangible assets                                     | 323,803           | —                       | —                | 323,803           |
| Fees and remunerations to third parties                               | 28,367            | 95,512                  | 13,016           | 136,895           |
| Fees and royalties                                                    | 87,114            | —                       | —                | 87,114            |
| Other market charges                                                  | 72,395            | —                       | —                | 72,395            |
| Frequency regulation                                                  | 79,889            | —                       | —                | 79,889            |
| Materials and other supplies                                          | 71,701            | —                       | —                | 71,701            |
| Transmission costs                                                    | 45,291            | —                       | —                | 45,291            |
| Safety and security services                                          | 36,223            | —                       | —                | 36,223            |
| Sundry                                                                | 20,256            | 13,505                  | —                | 33,761            |
| Use of fields                                                         | 34,428            | —                       | —                | 34,428            |
| Travel, mobility and transport expenses                               | 20,673            | 4,795                   | 112              | 25,580            |
| Purchase of energy and capacity                                       | 17,841            | —                       | —                | 17,841            |
| Cleaning expenses                                                     | 16,838            | —                       | —                | 16,838            |
| Office and communications expenses                                    | 3,235             | 11,718                  | —                | 14,953            |
| Bad debts                                                             | —                 | —                       | (7,467)          | (7,467)           |
| <b>Total</b>                                                          | <b>15,421,006</b> | <b>1,157,933</b>        | <b>352,955</b>   | <b>16,931,894</b> |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**23.2 Remunerations, social security contributions and staff expenses**

|                                             | For the three- month period |                  |
|---------------------------------------------|-----------------------------|------------------|
|                                             | March 31, 2023              | March 31, 2022   |
| Wages and salaries <sup>(1)</sup>           | 1,253,829                   | 1,140,610        |
| Short-term employee benefits <sup>(1)</sup> | 258,555                     | 242,334          |
| Employment termination benefits             | 14,770                      | 28,075           |
| Other long-term benefits                    | 24,036                      | 18,472           |
| Other staff costs                           | 44,940                      | 29,795           |
| <b>Total</b>                                | <b>1,596,130</b>            | <b>1,459,286</b> |

<sup>(1)</sup> Includes social security contributions.

**NOTE 24 – FINANCIAL RESULTS**

|                                                   | For the three- month period |                    |
|---------------------------------------------------|-----------------------------|--------------------|
|                                                   | March 31, 2023              | March 31, 2022     |
| Interest from financial assets                    | 1,827,553                   | 2,157,871          |
| Interest earned with related parties              | 641                         | 1,225              |
| Other financial income                            | 2,081,667                   | 994,159            |
| <b>Total financial income</b>                     | <b>3,909,861</b>            | <b>3,153,255</b>   |
| Interest on financial debts                       | (2,564,378)                 | (2,105,804)        |
| Interest on tax debts                             | (42)                        | (3,120)            |
| Interest on trade payables                        | (40,650)                    | (2,896)            |
| Loss on partial repurchase of notes               | —                           | (445,510)          |
| Cost of interest on long-term benefit obligations | (166,347)                   | (107,560)          |
| <b>Total Financial Expenses</b>                   | <b>(2,771,417)</b>          | <b>(2,664,890)</b> |
| Exchange differences from assets                  | 13,466,725                  | 5,461,920          |
| Exchange differences from liabilities             | (14,810,458)                | (5,612,041)        |
| <b>Total of exchange differences</b>              | <b>(1,343,733)</b>          | <b>(150,121)</b>   |
| RECPAM                                            | (4,897,639)                 | (4,970,575)        |
| <b>Total financial profit (loss)</b>              | <b>(5,102,928)</b>          | <b>(4,632,331)</b> |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 25 – OTHER INCOME AND EXPENSES**

| Income (loss)                                         | For the three- month period |                 |
|-------------------------------------------------------|-----------------------------|-----------------|
|                                                       | March 31, 2023              | March 31, 2022  |
| Income from settlement agreements                     | 12,578                      | 20,685          |
| Proceeds from the sale of assets                      | —                           | 26,844          |
| Results from disposal of property plant and equipment | (2,821)                     | (6,289)         |
| Surrogate payers on personal property                 | (14,716)                    | (26,636)        |
| Net charge for provision of legal claims              | (31,819)                    | (43,435)        |
| Sundry                                                | 7,529                       | 1,217           |
| <b>Total</b>                                          | <b>(29,249)</b>             | <b>(27,614)</b> |

**NOTE 26 – EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the profit attributable to the Group's shareholders by the weighted average number of ordinary shares in issue during the year, excluding, if any, any ordinary shares acquired by the Company and held as treasury stock.

|                                                                                | For the three- month period |                  |
|--------------------------------------------------------------------------------|-----------------------------|------------------|
|                                                                                | March 31, 2023              | March 31, 2022   |
| Net income for the year attributable to holders of ordinary equity instruments | 880,180                     | 1,187,119        |
| <b>Available profit or loss for ordinary shareholders, basic</b>               | <b>880,180</b>              | <b>1,187,119</b> |
| Weighted average number of shares, basic                                       | 11,525,267,740              | 11,525,267,740   |
| <b>Basic and diluted earnings per share in pesos</b>                           | <b>0.076</b>                | <b>0.103</b>     |

There are no transactions or items generating dilutive effect.

**NOTE 27 – CONTINGENCIES AND COMMITMENTS**
**27.1 Financial Commitments**
**Issue of Notes both Locally and under Rule 144A**

The Group's outstanding commitments have not changed concerning those described in the annual consolidated financial statements.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

As of March 31, 2023, AES Argentina Generación complies with the limitations and conditions described in the notes credit agreement.

## **27.2 Contingencies**

The Group's outstanding contingencies have remained relatively the same concerning those described in the annual consolidated financial statements.

## **27.3 Other relevant covenants and contracts**

### **A. Power Supply Agreements with Renewable Energy Sources**

The Group entered into power supply agreements with renewable energy source, which came into effect in 2020 for an annual contract demand of 543 GWh/year and which are supplied with the generation of renewable source from the projects of the subsidiaries EASA and VN. These agreements establish penalties in the event of breaches, which must be claimed by customers as applicable. To date, no significant claims have arisen in relation to these matters.

## **NOTE 28 - GUARANTEES**

### **Guarantees granted**

#### **A. Guarantees of the Contract for the Expansion of Liquid Fuels Storage Capacity**

The guarantees granted by the Company have not been modified concerning those described in the annual consolidated financial statements.

#### **B. Guarantees for the loan with Goldman Sachs**

The guarantees granted by the Company have not been modified concerning those described in the annual consolidated financial statements, except for their extension and the loan addendum.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

**NOTE 29 – ASSETS AND LIABILITIES IN CURRENCY OTHER THAN PESO OR WITH ADJUSTMENT CLAUSE**

| Item                                                | Foreign Currency/<br>Adjustment Clause |         | Foreign exchange rate | March 31, 2023    | December 31, 2022 |
|-----------------------------------------------------|----------------------------------------|---------|-----------------------|-------------------|-------------------|
|                                                     | Detail                                 | Amount  |                       |                   |                   |
| FONINVEMEM credits and generators' agreement        | (1)                                    | 87,878  | 209.01                | 18,367,427        | 21,132,283        |
| Accounts receivable from related parties            | USD                                    | 18      | 209.01                | 3,678             | 3,795             |
| <b>Total Non-Current Assets</b>                     |                                        |         |                       | <b>18,371,105</b> | <b>21,136,078</b> |
| FONINVEMEM credits and generators' agreement        | (1)                                    | 40,559  | 209.01                | 8,477,274         | 8,744,392         |
| Interest on FONINVEMEM and generators agreement     | USD                                    | 1,929   | 209.01                | 403,203           | 426,066           |
| Renovar receivables                                 | USD                                    | 2,179   | 209.01                | 455,365           | 619,397           |
| Accounts receivable from related parties            | USD                                    | 429     | 209.01                | 89,718            | 91,887            |
| Trade receivables and other accounts receivable     | USD                                    | 4,147   | 209.01                | 866,857           | 1,087,408         |
|                                                     | EUR                                    | 121     | 227.11                | 27,480            | 27,966            |
| Other financial assets                              | USD                                    | 12,100  | 209.01                | 2,529,005         | 2,608,717         |
| Cash and Cash Equivalents                           | USD                                    | 1,170   | 209.01                | 244,490           | 52,470            |
| <b>Total Current Assets</b>                         |                                        |         |                       | <b>13,093,392</b> | <b>13,658,303</b> |
| <b>Total Assets</b>                                 |                                        |         |                       | <b>31,464,497</b> | <b>34,794,381</b> |
| Provisions                                          | USD                                    | 779     | 209.01                | 162,764           | 158,653           |
| Accounts payable to related parties                 | USD                                    | 1,370   | 209.01                | 286,425           | 341,137           |
| Financial Liabilities                               | USD                                    | —       | 209.01                | —                 | 59,181,616        |
| Liabilities for employee compensations and benefits | USD                                    | 68      | 209.01                | 14,134            | 10,005            |
| <b>Total Non-Current Liabilities</b>                |                                        |         |                       | <b>463,323</b>    | <b>59,691,411</b> |
| Liabilities for employee compensations and benefits | USD                                    | 29      | 209.01                | 6,130             | 5,821             |
| Financial Liabilities                               | USD                                    | 290,178 | 209.01                | 60,650,105        | 8,773,466         |
| Trade creditors and other accounts payable          | USD                                    | 23,489  | 209.01                | 4,909,466         | 7,048,130         |
|                                                     | EUR                                    | 24      | 227.11                | 5,362             | 6,293             |
| Accounts payable to related parties                 | USD                                    | 10,606  | 209.01                | 2,216,712         | 2,105,547         |
| <b>Total Current Liabilities</b>                    |                                        |         |                       | <b>67,787,775</b> | <b>17,939,257</b> |
| <b>Total Liabilities</b>                            |                                        |         |                       | <b>68,251,098</b> | <b>77,630,668</b> |

<sup>(1)</sup> The credits from Generators' Agreement are adjusted based on changes in the US dollar rate.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 30 – CREDITS AND DEBTS REPAYMENT DEADLINES**

|                                                     | Expired    | Without caducity | Up to 3 months | From 3 to 6 months | From 6 to 9 months | From 9 to 12 months | More than a year | Total             |
|-----------------------------------------------------|------------|------------------|----------------|--------------------|--------------------|---------------------|------------------|-------------------|
| <b>NON-CURRENT ASSETS</b>                           |            |                  |                |                    |                    |                     |                  |                   |
| Accounts receivable from related parties            | —          | —                | —              | —                  | —                  | —                   | 9,937            | <b>9,937</b>      |
| Other financial assets                              | —          | —                | —              | —                  | —                  | —                   | 142,731          | <b>142,731</b>    |
| Trade receivables and other accounts receivable     | —          | —                | —              | —                  | —                  | —                   | 18,493,002       | <b>18,493,002</b> |
| Tax assets                                          | —          | —                | —              | —                  | —                  | —                   | 3,888,334        | <b>3,888,334</b>  |
| <b>CURRENT ASSETS</b>                               |            |                  |                |                    |                    |                     |                  |                   |
| Accounts receivable from related parties            | —          | —                | 90,468         | 50,220             | —                  | 1,847               | —                | <b>142,535</b>    |
| Other financial assets                              | —          | —                | —              | 2,529,005          | —                  | —                   | —                | <b>2,529,005</b>  |
| Tax assets                                          | —          | —                | 720,075        | 499,020            | 90,376             | 667,117             | —                | <b>1,976,588</b>  |
| Trade receivables and other accounts receivable     | 15,895,188 | —                | 17,677,314     | 2,133,806          | 2,133,806          | 2,133,805           | —                | <b>39,973,919</b> |
| <b>NON-CURRENT LIABILITIES</b>                      |            |                  |                |                    |                    |                     |                  |                   |
| Liabilities for employee compensations and benefits | —          | —                | —              | —                  | —                  | —                   | 778,808          | <b>778,808</b>    |
| Tax liabilities                                     | —          | —                | —              | —                  | —                  | —                   | 397,815          | <b>397,815</b>    |
| Provisions                                          | —          | —                | —              | —                  | —                  | —                   | 493,385          | <b>493,385</b>    |
| Accounts payable to related parties                 | —          | —                | —              | —                  | —                  | —                   | 287,104          | <b>287,104</b>    |
| <b>CURRENT LIABILITIES</b>                          |            |                  |                |                    |                    |                     |                  |                   |
| Liabilities for employee compensations and benefits | —          | —                | 810,531        | 157,320            | 157,320            | 160,197             | —                | <b>1,285,368</b>  |
| Tax liabilities                                     | —          | —                | 299,541        | —                  | 64,738             | —                   | —                | <b>364,279</b>    |
| Accounts payable to related parties                 | 1,282,289  | 581,321          | 897,148        | 43,367             | 43,367             | 43,367              | —                | <b>2,890,859</b>  |
| Financial liabilities                               | —          | —                | 9,482,597      | 3,251,905          | 1,924              | 57,213,090          | —                | <b>69,949,516</b> |
| Trade creditors and other accounts payable          | 3,369      | —                | 4,501,621      | —                  | —                  | —                   | —                | <b>4,504,990</b>  |

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



**NOTE 31 – ACCOUNTING BOOKS AND OTHER SUPPORTING DOCUMENTATION**

Due to administrative reasons, as of the date of issuance of the financial statements, AES Argentina Generación S.A. has not transcribed the interim condensed consolidated financial statements, interim condensed separate financial statements and other relevant documentation for the three-month period ended March 31, 2023 in the Inventories and Balance Sheets' Book and the accounting records (journal book) kept by optical means corresponding to the months of January through March 2023 are in the process of being generated.

Pursuant to the current CNV standards (RG 629), we have informed that the corporate books (Shareholders' Meeting Minutes Book, Board Minutes book, Registry of Attendance to Shareholders' Meetings, Registry of Shares, and Supervisory Committee Minutes Book) as well as the statutory accounting records (Journal and Ledgers, kept through optical means, and Inventories and Balance Sheets' Book) for the fiscal years ended December 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2022, are kept in the registered office of the Group, located in the Román A. Subiza 1960 - San Nicolas de los Arroyos - Buenos Aires Province.

Signed for identification purposes with  
our report dated June 29, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Directors of  
**AES Argentina Generación S.A.**

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of AES Argentina Generación S.A. and its subsidiaries (the "Group") as at March 31, 2023 which comprise the interim condensed consolidated statement of financial position as at March 31, 2023 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to the condensed consolidated financial statements. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard ("IAS") No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Group." 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS No. 34 "Interim Financial Reporting".

Buenos Aires Province,  
June 29<sup>th</sup>, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.



GERMÁN E. CANTALUPI  
Partner

Certified Public Accountant (U.B.A.)



**CONSOLIDATED FINANCIAL  
STATEMENTS  
AES Argentina Generación S.A. and  
Subsidiaries  
December 31, 2022**

**AES ARGENTINA GENERACIÓN S.A.****MEMBERS OF THE BOARD OF DIRECTORS**

|                                 |                                                                                                                               |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>CHAIRMAN:</b>                | Martín Genesio                                                                                                                |
| <b>VICE-CHAIRMAN:</b>           | Vicente Javier Giorgio                                                                                                        |
| <b>REGULAR BOARD MEMBERS:</b>   | Iván Diego Durontó<br>Fabián Carlos Giammaría<br>Luis Bernabé Casas                                                           |
| <b>ALTERNATE BOARD MEMBERS:</b> | Guillermo Daniel Paponi<br>Diego Andrés Parodi<br>Rubén Néstor Zaia<br>Adriana Beatriz Brambilla<br>Diego Gabriel Baldassarre |

**SUPERVISORY COMMITTEE**

|                                      |                                                                                                                               |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>REGULAR STATUTORY AUDITORS:</b>   | Andrés Leonardo Vittone<br>Patricio Richards<br>Manuel Goyenechea y Zarza                                                     |
| <b>ALTERNATE STATUTORY AUDITORS:</b> | Pablo Javier Viboud<br>Camila Evangelista (untill 29/04/2022)<br>Juan Manuel Carassale (from 29/04/2022)<br>Facundo Gladstein |

**Table of Contents of the Consolidated Financial Statements**

|                                                                                         |    |
|-----------------------------------------------------------------------------------------|----|
| Legal Information                                                                       | 1  |
| Consolidated Statement of Comprehensive Income                                          | 2  |
| Consolidated Statement of Financial Position                                            | 4  |
| Consolidated Statement of Changes in Equity                                             | 6  |
| Consolidated Statement of Cash Flows                                                    | 7  |
| Notes to the Consolidated Financial Statements                                          | 9  |
| NOTE 1 - Overview                                                                       | 9  |
| NOTE 2 - Basis of Preparation of the Consolidated Financial Statements                  | 10 |
| NOTE 3 - Regulatory Aspects and Current Agreements                                      | 40 |
| NOTE 4 - Financial Risk Management                                                      | 46 |
| NOTE 5 - Operating Segments                                                             | 49 |
| NOTE 6 - Investments in Subsidiary and other Companies                                  | 50 |
| NOTE 7 - Property, Plant and Equipment                                                  | 52 |
| NOTE 8 - Intangible Assets                                                              | 58 |
| NOTE 9 - Inventory                                                                      | 60 |
| NOTE 10 - Taxes                                                                         | 61 |
| NOTE 11 - Balances and Transactions with Related Parties                                | 65 |
| NOTE 12 - Other Financial Assets                                                        | 69 |
| NOTE 13 - Other Non-Financial Assets                                                    | 70 |
| NOTE 14 - Trade Receivables and Other Accounts Receivable                               | 71 |
| NOTE 15 - Cash and Cash Equivalents                                                     | 74 |
| NOTE 16 - Shareholders' Equity                                                          | 75 |
| NOTE 17 - Liabilities for Employee Compensations and Benefits                           | 78 |
| NOTE 18 - Provisions                                                                    | 81 |
| NOTE 19 - Financial Liabilities                                                         | 82 |
| NOTE 20 - Trade Payables and Other Accounts Payable                                     | 84 |
| NOTE 21 - Financial Instruments                                                         | 85 |
| NOTE 22 - Income from Ordinary Activities                                               | 88 |
| NOTE 23 - Composition of Relevant Results                                               | 89 |
| NOTE 24 - Financial Results                                                             | 92 |
| NOTE 25 - Other Income and Expenses                                                     | 93 |
| NOTE 26 - Earnings Per Share                                                            | 93 |
| NOTE 27 - Contingencies and Commitments                                                 | 94 |
| NOTE 28 - Guarantees                                                                    | 96 |
| NOTE 29 - Assets and Liabilities in Currency other than Pesos or with Adjustment Clause | 97 |
| NOTE 30 - Credits and Debts Repayment Deadlines                                         | 98 |
| NOTE 31 - Accounting Books and other Supporting Documentation                           | 99 |
| NOTE 32 - Subsequent events                                                             | 99 |

## AES ARGENTINA GENERACIÓN S.A.

Registered address: Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires Province  
Taxpayer Identification (CUIT) No.: 30-66346111-3

**FISCAL YEAR No. 30 BEGINNING ON JANUARY 1, 2022**

### CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

DECEMBER 31, 2022

#### Main business of the Group:

Production and block commercialization of electricity.

#### Date of Registration in the Provincial Board of Legal Persons:

Bylaws: May 04, 2006

Last amendment: October 22, 2010

#### Registration number in the Provincial Board of Legal Persons:

File N°: 137,419

#### Expiration Date of the Articles of Incorporation:

July 05, 2092

#### Parent Companies:

Note 16

### OWNERSHIP STRUCTURE

(Figures stated in thousands of pesos - Note 2.2.2 and Note 16)

| Characteristics                                                       | Class of shares | Subscribed, Paid in and Registered (Note 16) |
|-----------------------------------------------------------------------|-----------------|----------------------------------------------|
| Book-entry shares each of nominal value 0.10 and entitled to one vote | A               | 587,789                                      |
|                                                                       | B               | 555,079                                      |
|                                                                       | C               | 9,659                                        |
| Total                                                                 |                 | 1,152,527                                    |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

**AES Argentina Generación S.A.**
**Consolidated Statement of Comprehensive Income**

for the years ended December 31, 2022, 2021 and 2020

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                                                     | Note | December 31        |                   |                   |
|-----------------------------------------------------------------------------------------------------|------|--------------------|-------------------|-------------------|
|                                                                                                     |      | 2022               | 2021              | 2020              |
| Income from ordinary activities                                                                     | 22   | 70,126,231         | 67,052,171        | 54,540,523        |
| Cost of sales                                                                                       | 23   | (54,186,012)       | (44,429,237)      | (29,099,215)      |
| <b>Gross profit</b>                                                                                 |      | <b>15,940,219</b>  | <b>22,622,934</b> | <b>25,441,308</b> |
| Administrative Expenses                                                                             | 23   | (4,090,853)        | (4,233,836)       | (4,452,702)       |
| Selling expenses                                                                                    | 23   | (5,763,918)        | (1,935,162)       | (5,721,762)       |
| Other income and expenses                                                                           | 25   | (66,117)           | (166,351)         | 479,081           |
| <b>Operating income</b>                                                                             |      | <b>6,019,331</b>   | <b>16,287,585</b> | <b>15,745,925</b> |
| Financial income                                                                                    | 24   | 11,724,436         | 10,956,278        | 9,984,720         |
| Financial expenses                                                                                  | 24   | (8,644,927)        | (12,276,332)      | (10,448,407)      |
| Exchange gain (loss)                                                                                | 24   | (1,815,466)        | 2,013,242         | 817,514           |
| Loss on net monetary position ("RECPAM" for its acronym in Spanish)                                 | 24   | (14,419,671)       | (11,989,612)      | (5,820,494)       |
| Income from investments in other companies                                                          | 6    | 77,760             | 171,189           | 224,388           |
| <b>(Loss) Income before tax</b>                                                                     |      | <b>(7,058,537)</b> | <b>5,162,350</b>  | <b>10,503,646</b> |
| Income tax                                                                                          | 10.2 | 9,345,438          | (2,177,967)       | (4,392,916)       |
| <b>Net income for the year</b>                                                                      |      | <b>2,286,901</b>   | <b>2,984,383</b>  | <b>6,110,730</b>  |
| <b>Income attributable to</b>                                                                       |      |                    |                   |                   |
| Owners of parent company                                                                            |      | 2,133,987          | 2,997,630         | 6,111,877         |
| Non-controlling interest                                                                            |      | 152,914            | (13,247)          | (1,147)           |
| <b>Net income for the year</b>                                                                      |      | <b>2,286,901</b>   | <b>2,984,383</b>  | <b>6,110,730</b>  |
| <b>Net earnings per share for the year:</b>                                                         |      |                    |                   |                   |
| Basic and diluted, net earnings for the year attributable to holders of ordinary equity instruments | 26   | 0.185              | 0.260             | 0.530             |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

**AES Argentina Generación S.A.**
**Consolidated Statement of Comprehensive Income (continued)**

for the years ended December 31, 2022, 2021 and 2020

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                                                | Note         | December 31        |                    |                  |
|------------------------------------------------------------------------------------------------|--------------|--------------------|--------------------|------------------|
|                                                                                                |              | 2022               | 2021               | 2020             |
| <b>Net income for the year</b>                                                                 |              | <b>2,286,901</b>   | <b>2,984,383</b>   | <b>6,110,730</b> |
| <b>Other comprehensive income that shall not be reclassified to income in subsequent years</b> |              |                    |                    |                  |
| Exchange difference due to translation                                                         | 2.2.2 / 16.5 | —                  | —                  | (1,314,546)      |
| Actuarial gains (losses) from employee benefits                                                | 16.5         | (108,668)          | 12,356             | 78,386           |
| Effect of income tax related to employee benefits                                              | 16.5         | 38,032             | —                  | (19,770)         |
| Proceeds from the sale of interest in subsidiaries                                             | 16.5         | —                  | (82,501)           | —                |
| <b>Other comprehensive income that shall be reclassified to income in subsequent years</b>     |              |                    |                    |                  |
| Exchange difference due to translation of investments in subsidiaries                          | 2.2.2 / 16.5 | (1,976,511)        | (3,984,810)        | 507,915          |
| Gain (loss) from derivative valuation differences                                              | 16.5         | —                  | (262,896)          | 262,896          |
| Effect of Income Tax from derivatives                                                          | 16.5         | —                  | 76,442             | (78,869)         |
| <b>Other comprehensive income for the year</b>                                                 |              | <b>(2,047,147)</b> | <b>(4,241,409)</b> | <b>(563,988)</b> |
| <b>Net comprehensive income for the year</b>                                                   |              | <b>239,754</b>     | <b>(1,257,026)</b> | <b>5,546,742</b> |
| <b>Other comprehensive income attributable to:</b>                                             |              |                    |                    |                  |
| Owners of parent company                                                                       |              | (2,032,471)        | (4,387,699)        | (563,359)        |
| Non-controlling interest                                                                       |              | (14,676)           | 146,290            | (629)            |
| <b>Other comprehensive income for the year</b>                                                 |              | <b>(2,047,147)</b> | <b>(4,241,409)</b> | <b>(563,988)</b> |
| <b>Net comprehensive income attributable to:</b>                                               |              |                    |                    |                  |
| Owners of parent company                                                                       |              | 101,516            | (1,390,069)        | 5,548,517        |
| Non-controlling interest                                                                       |              | 138,238            | 133,043            | (1,776)          |
| <b>Net comprehensive income for the year</b>                                                   |              | <b>239,754</b>     | <b>(1,257,026)</b> | <b>5,546,741</b> |

The accompanying notes are integral part of these financial statements.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



**AES Argentina Generación S.A.**
**Consolidated Statement of Financial Position**

as of December 31, 2022, 2021 and 2020

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                 |      | December 31 |             |             |
|-------------------------------------------------|------|-------------|-------------|-------------|
|                                                 | Note | 2022        | 2021        | 2020        |
| NON-CURRENT ASSETS                              |      |             |             |             |
| Investments in Subsidiaries                     | 6    | 300,702     | 275,295     | 355,401     |
| Property, plant and equipment                   | 7    | 76,361,962  | 85,873,819  | 102,664,203 |
| Intangible assets                               | 8    | 4,532,165   | 5,536,957   | 6,421,130   |
| Inventories                                     | 9    | 1,968,215   | 1,968,215   | 2,448,704   |
| Accounts receivable from related parties        | 11   | 8,514       | 11,384      | 9,756       |
| Other financial assets                          | 12   | 142,731     | 2,507,443   | —           |
| Tax assets                                      | 10.1 | 2,856,881   | 726,679     | 3,111,741   |
| Other non-financial assets                      | 13   | 314,381     | 400,006     | 186,394     |
| Trade receivables and other accounts receivable | 14   | 17,504,764  | 32,728,216  | 54,368,355  |
| Deferred tax assets                             | 10   | 5,000,847   | 618,643     | 749,289     |
| Total non-current assets                        |      | 108,991,162 | 130,646,657 | 170,314,973 |
| CURRENT ASSETS                                  |      |             |             |             |
| Inventories                                     | 9    | 12,883,568  | 8,837,739   | 1,446,306   |
| Accounts receivable from related parties        | 11   | 78,417      | 115,501     | 64,775      |
| Tax assets                                      | 10.1 | 3,224,206   | 5,999,162   | 4,419,459   |
| Other financial assets                          | 12   | 2,143,622   | —           | 4,965,625   |
| Other non-financial assets                      | 13   | 228,763     | 330,903     | 3,069,534   |
| Trade receivables and other accounts receivable | 14   | 20,450,523  | 21,122,985  | 23,927,515  |
| Cash and Cash Equivalents                       | 15   | 11,670,847  | 9,543,880   | 8,182,013   |
| Total current assets                            |      | 50,679,946  | 45,950,170  | 46,075,227  |
| TOTAL ASSETS                                    |      | 159,671,108 | 176,596,827 | 216,390,200 |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

**AES Argentina Generación S.A.**
**Consolidated Statement of Financial Position (continued)**

as of December 31, 2022, 2021 and 2020

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                    |      | December 31 |             |             |
|--------------------------------------------------------------------|------|-------------|-------------|-------------|
|                                                                    | Note | 2022        | 2021        | 2020        |
| SHAREHOLDERS' EQUITY                                               |      |             |             |             |
| Issued Capital                                                     | 16   | 1,152,527   | 1,152,527   | 1,152,527   |
| Capital adjustment                                                 |      | 11,793,134  | 11,793,134  | 11,793,134  |
| Irrevocable contributions                                          |      | 321,455     | 321,455     | 321,455     |
| Additional paid-in capital                                         |      | 3,118,852   | 3,118,852   | 3,118,852   |
| Legal Reserve                                                      |      | 3,212,904   | 3,212,904   | 3,212,904   |
| IFRS Special Reserve                                               |      | 7,395,192   | 7,395,192   | 7,395,192   |
| Optional reserve                                                   |      | 39,146,813  | 36,394,542  | 30,464,964  |
| Other reserves                                                     |      | 23,676,322  | 25,708,793  | 30,096,492  |
| Retained earnings                                                  |      | 2,133,987   | 2,997,630   | 6,111,876   |
| Shareholders' Equity Attributable to Controlling Group             |      | 91,951,186  | 92,095,029  | 93,667,396  |
| Shareholders' Equity Attributable to Non-Controlling third Parties |      | 328,280     | 190,042     | 56,999      |
| TOTAL SHAREHOLDERS' EQUITY                                         |      | 92,279,466  | 92,285,071  | 93,724,395  |
| NON-CURRENT LIABILITIES                                            |      |             |             |             |
| Liabilities for employee compensations and benefits                | 17   | 596,897     | 578,386     | 552,629     |
| Tax liabilities                                                    | 10.1 | 402,034     | 826,095     | 1,401,386   |
| Deferred tax liabilities                                           | 10.2 | 1,018,120   | 6,429,440   | 8,488,343   |
| Provisions                                                         | 18   | 429,984     | 489,865     | 521,372     |
| Accounts payable to related parties                                | 11   | 280,895     | 69,148      | 91,035      |
| Financial Liabilities                                              | 19   | 48,461,097  | 61,478,139  | 88,372,623  |
| Total non-current liabilities                                      |      | 51,189,027  | 69,871,073  | 99,427,388  |
| CURRENT LIABILITIES                                                |      |             |             |             |
| Liabilities for employee compensations and benefits                | 17   | 1,573,794   | 1,609,284   | 1,735,917   |
| Tax liabilities                                                    | 10.1 | 364,156     | 338,051     | 1,011,634   |
| Accounts payable to related parties                                | 11   | 2,337,933   | 1,850,497   | 2,805,125   |
| Financial Liabilities                                              | 19   | 7,271,410   | 6,057,059   | 14,940,336  |
| Trade creditors and other accounts payable                         | 20   | 4,655,322   | 4,585,792   | 2,745,405   |
| Total current liabilities                                          |      | 16,202,615  | 14,440,683  | 23,238,417  |
| TOTAL LIABILITIES                                                  |      | 67,391,642  | 84,311,756  | 122,665,805 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES                         |      |             |             |             |
|                                                                    |      | 159,671,108 | 176,596,827 | 216,390,200 |

The accompanying notes are integral part of these financial statements.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

# AES Argentina Generación S.A.

## Consolidated Statement of Changes in Equity

for the years ended December 31, 2022, 2021 and 2020

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

| Detail                                 | Contributions of Shareholders |                    |                           |                            | Reserves         |                      |                   |                               |                   | Retained earnings |
|----------------------------------------|-------------------------------|--------------------|---------------------------|----------------------------|------------------|----------------------|-------------------|-------------------------------|-------------------|-------------------|
|                                        | Issued capital                | Capital adjustment | Irrevocable contributions | Additional paid-in capital | Legal reserve    | IFRS Special Reserve | Optional reserve  | Other reserves <sup>(1)</sup> | Total reserves    |                   |
| <b>Balance as of December 31, 2019</b> | <b>1,152,527</b>              | <b>11,793,134</b>  | <b>321,455</b>            | <b>3,118,852</b>           | <b>3,212,904</b> | <b>7,395,192</b>     | <b>16,249,803</b> | <b>30,659,850</b>             | <b>57,517,749</b> | <b>14,478,155</b> |
| Net income (loss) for the year         | —                             | —                  | —                         | —                          | —                | —                    | —                 | —                             | —                 | 6,111,876         |
| Other comprehensive income             | —                             | —                  | —                         | —                          | —                | —                    | —                 | (563,358)                     | (563,358)         | —                 |
| Creation of an optional reserve        | —                             | —                  | —                         | —                          | —                | —                    | 14,478,155        | —                             | 14,478,155        | (14,478,155)      |
| Dividend distribution April 2020       | —                             | —                  | —                         | —                          | —                | —                    | (262,994)         | —                             | (262,994)         | —                 |
| <b>Balance as of December 31, 2020</b> | <b>1,152,527</b>              | <b>11,793,134</b>  | <b>321,455</b>            | <b>3,118,852</b>           | <b>3,212,904</b> | <b>7,395,192</b>     | <b>30,464,964</b> | <b>30,096,492</b>             | <b>71,169,552</b> | <b>6,111,876</b>  |
| Net income (loss) for the year         | —                             | —                  | —                         | —                          | —                | —                    | —                 | —                             | —                 | 2,997,630         |
| Other comprehensive income             | —                             | —                  | —                         | —                          | —                | —                    | —                 | (4,387,699)                   | (4,387,699)       | —                 |
| Creation of an optional reserve        | —                             | —                  | —                         | —                          | —                | —                    | 6,111,876         | —                             | 6,111,876         | (6,111,876)       |
| Dividend distribution April 2021       | —                             | —                  | —                         | —                          | —                | —                    | (182,298)         | —                             | (182,298)         | —                 |
| <b>Balance as of December 31, 2021</b> | <b>1,152,527</b>              | <b>11,793,134</b>  | <b>321,455</b>            | <b>3,118,852</b>           | <b>3,212,904</b> | <b>7,395,192</b>     | <b>36,394,542</b> | <b>25,708,793</b>             | <b>72,711,431</b> | <b>2,997,630</b>  |
| Net income (loss) for the year         | —                             | —                  | —                         | —                          | —                | —                    | —                 | —                             | —                 | 2,133,900         |
| Other comprehensive income             | —                             | —                  | —                         | —                          | —                | —                    | —                 | (2,032,471)                   | (2,032,471)       | —                 |
| Creation of an optional reserve        | —                             | —                  | —                         | —                          | —                | —                    | 2,997,630         | —                             | 2,997,630         | (2,997,630)       |
| Dividend distribution April 2022       | —                             | —                  | —                         | —                          | —                | —                    | (245,359)         | —                             | (245,359)         | —                 |
| <b>Balance as of December 31, 2022</b> | <b>1,152,527</b>              | <b>11,793,134</b>  | <b>321,455</b>            | <b>3,118,852</b>           | <b>3,212,904</b> | <b>7,395,192</b>     | <b>39,146,813</b> | <b>23,676,322</b>             | <b>73,431,231</b> | <b>2,133,900</b>  |

<sup>(1)</sup> See structure and evolution in Note 16.5.

The accompanying notes are integral part of these financial statements.

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

**AES Argentina Generación S.A.**
**Consolidated Statement of Cash Flows**

for the years ended December 31, 2022, 2021 and 2020

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                |         | December 31  |              |             |
|----------------------------------------------------------------|---------|--------------|--------------|-------------|
|                                                                | Note    | 2022         | 2021         | 2020        |
| Operating Activities                                           |         |              |              |             |
| Net income for the year                                        |         | 2,286,901    | 2,984,383    | 6,110,729   |
| Adjustments for reconciliation of results                      |         |              |              |             |
| Depreciation and amortization expenses                         | 7 and 8 | 7,751,367    | 8,836,989    | 8,775,425   |
| Loss for withdrawals of property, plant and equipment          | 25      | 33,902       | 40,857       | 4,633       |
| Exchange gain or loss and (Loss) Gain on net monetary position |         | 15,095,947   | 6,466,994    | (3,191,492) |
| Interest and other financial income                            | 24      | (11,724,436) | (10,956,278) | (9,984,720) |
| Loss on partial repurchase of notes                            | 24      | 366,083      | 3,559,405    | —           |
| Income from investments in other companies                     | 6       | (77,760)     | (171,189)    | (224,388)   |
| Income tax loss                                                | 10.2    | (9,345,438)  | 2,177,967    | 4,392,916   |
| Cost of provisions for legal claims                            | 25      | 116,404      | 167,294      | 212,132     |
| Accrued interest expenses                                      | 24      | 7,995,415    | 8,532,827    | 10,160,132  |
| Bad debt allowance                                             | 23      | 4,436,076    | 761,253      | 4,424,452   |
| Expenses for pension plans                                     | 17.1    | 290,718      | 312,116      | 288,276     |
| Adjustments for changes in Balance sheet accounts              |         |              |              |             |
| Inventories                                                    |         | (4,045,753)  | (6,910,946)  | (1,453,619) |
| Trade receivables and other accounts receivable                |         | (2,052,002)  | 13,972,229   | 13,529,709  |
| Accounts receivable from related parties                       |         | (3,291,172)  | (3,491,447)  | (274,798)   |
| Other non-financial assets                                     |         | 461,506      | 1,920,709    | (1,261,355) |
| Trade creditors and other accounts payable                     |         | 776,437      | (3,064,274)  | (3,749,118) |
| Accounts payable to related parties                            |         | 1,978,052    | 1,417,761    | 662,708     |
| Other liabilities and provisions                               |         | 46,133       | (55,367)     | 2,703       |
| Tax assets                                                     |         | 561,971      | 912,656      | (1,962,948) |
| Other tax liabilities                                          |         | 709,212      | (1,423,174)  | 1,396,129   |
| Liabilities for employee compensations and benefits            |         | 791,646      | 661,901      | 713,503     |
| Income tax paid                                                |         | (4,948,619)  | (5,821,542)  | (7,371,234) |
| Hedging derivative instruments                                 | 19.2    | —            | (357,542)    | (565,822)   |
| Interest income from trade receivables                         |         | 1,783,600    | 2,195,982    | 2,910,165   |
| Net cash flow from operating activities                        |         | 9,996,190    | 22,669,564   | 23,544,118  |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

**AES Argentina Generación S.A.**
**Consolidated Statement of Cash Flow (continued)**

for the years ended December 31, 2022, 2021 and 2020

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                       |           | December 31        |                     |                     |
|-----------------------------------------------------------------------|-----------|--------------------|---------------------|---------------------|
|                                                                       | Note      | 2022               | 2021                | 2020                |
| <b>Investment Activities</b>                                          |           |                    |                     |                     |
| Purchase of property, plant and equipment                             |           | (2,499,607)        | (2,938,892)         | (21,085,643)        |
| Purchase of intangible assets                                         |           | (261,384)          | (258,341)           | (1,193,866)         |
| Sale of participating interest                                        |           | —                  | 136,080             | —                   |
| Interest received                                                     |           | 4,655,508          | 2,812,278           | 1,859,462           |
| Dividends received                                                    |           | 39,256             | 121,547             | 535,916             |
| Sale of short-term investments                                        |           | 983,697            | 3,698,671           | 4,696,773           |
| Purchase of short-term investments                                    |           | (515,705)          | (1,944,676)         | (2,834,982)         |
| Net increase of mutual funds                                          |           | (638,573)          | (2,373,838)         | (4,901,062)         |
| Loans granted to related parties                                      |           | 8,394              | (55,550)            | —                   |
| <b>Net cash flows used in investing activities</b>                    |           | <b>1,771,586</b>   | <b>(802,721)</b>    | <b>(22,923,402)</b> |
| <b>Financing Activities</b>                                           |           |                    |                     |                     |
| Amounts from third-party loans                                        | 19.2      | 25,051,395         | 7,744,364           | 29,401,506          |
| Margin deposit                                                        |           | —                  | 1,645,178           | (4,965,625)         |
| Principal paid due to third-party loans                               | 19.2      | (25,236,679)       | (23,099,701)        | (26,051,681)        |
| Interests paid due to third-party loans                               | 19.2      | (7,904,115)        | (7,788,870)         | (8,769,078)         |
| Loans received from related parties                                   | 19.2      | 1,098,358          | —                   | —                   |
| Amounts paid to related parties                                       |           | (1,093,705)        | —                   | —                   |
| Dividends paid                                                        |           | (152,893)          | (130,529)           | (792,341)           |
| Payments of lease liabilities                                         | 7.1/19.2  | (9,054)            | (10,056)            | (14,210)            |
| <b>Net cash flows resulting from (used in) financing activities</b>   |           | <b>(8,246,693)</b> | <b>(21,639,614)</b> | <b>(11,191,429)</b> |
| Effect of exchange difference and RECPAM on cash and cash equivalents |           | (188,541)          | (428,225)           | 1,219,358           |
| <b>Increase (decrease) in cash and cash equivalents, net</b>          |           | <b>3,332,542</b>   | <b>(200,996)</b>    | <b>(9,351,355)</b>  |
| Cash and cash equivalents at the beginning of the year <sup>(1)</sup> | 15        | 3,091,391          | 3,292,387           | 12,643,742          |
| <b>Cash and cash equivalents at the end of the year<sup>(1)</sup></b> | <b>15</b> | <b>6,423,933</b>   | <b>3,091,391</b>    | <b>3,292,387</b>    |

<sup>(1)</sup> See note 15 regarding cash and cash equivalents at the beginning and end of the year.

The accompanying notes are integral part of these financial statements.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## Notes to the consolidated financial statements for the year ended December 31, 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

### NOTE 1 - OVERVIEW

AES Argentina Generación S.A. ([www.aesargentina.com.ar](http://www.aesargentina.com.ar)) (hereinafter referred to as the “Company”, “AES Argentina Generación” or “AAG”), together with its subsidiaries (hereinafter, the “Group”) belong to The AES Corporation (“AES Group”) whose purpose is the production and block commercialization of electric power, the exploitation of its own or third-party electric power plants, and the provision of services for them.

The Group’s business is included in the Electricity Regulatory Framework established in 1992 by Law 24065, which established the guidelines for the structuring and operation of the sector. This law established four types of players: Generators, Transporters, Distributors and Large Users, and created the Wholesale Electricity Market (MEM, for its acronym in Spanish). To administer the MEM, it created Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA) with the involvement of different market players and the Secretary of Energy (SE) that reports to the National Government. Then, the national authorities made a significant amendment to this regulatory framework, as described in Note 3.

The business domicile of the Company is located at Román A. Subiza (ex Rivadavia) 1960, San Nicolás de los Arroyos in the Province of Buenos Aires.

As a result of the acquisition of concessions and interests, different merging processes, and the investment in power plants, the Group currently has 9 productive sites, 4 hydroelectric power plants, 3 thermal power plants, and 2 wind power plants, located in the Provinces of Buenos Aires, Salta, San Juan and Neuquén, with a total installed capacity of 2,985 MW:

1. Alicura Power Plant (Alicura): Hydroelectric power plant located in the Province of Neuquén with an installed capacity of 1,050 MW.
2. Cabra Corral Power Plant: Hydroelectric power plant located in the Province of Salta with an installed capacity of 102 MW.
3. El Tunal Power Plant: Hydroelectric power plant located in the Province of Salta with an installed capacity of 10 MW.
4. Ullum Power Plant: Hydroelectric power plant located in the Province of San Juan with an installed capacity of 45 MW.
5. Paraná Thermal Power Plant (AES Paraná): Combined cycle thermal power plant located in the Province of Buenos Aires with an installed capacity of 845 MW, together with a gas turbine with an installed capacity of 25 MW.
6. San Nicolás Thermal Power Plant (CTSN): Thermal power plant located in the Province of Buenos Aires with an installed capacity of 675 MW.
7. Sarmiento Thermal Power Plant: Thermal power plant located in the Province of San Juan with an installed capacity of MW 33.
8. Vientos Bonaerenses Wind Plant: Wind power plant located in the Province of Buenos Aires with an installed capacity of 100 MW.
9. Vientos Neuquinos Wind Plant: Wind power plant located in the Province of Neuquén with an installed capacity of 100 MW.

On May 26, AAG executed the purchase option of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW wind plant, such as environmental impact study, land use rights, easement agreements, etc. Likewise, it is registered in the Registro de Proyectos de Energía Renovable and is able to participate in future tenders.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The Company was admitted to the Notes public offering system by Resolution 18389 of the National Securities Commission (“CNV”), dated December 1, 2016.

## NOTE 2 - BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.1. - Professional Accounting Standards

The Group prepares its consolidated financial statements (hereinafter the “consolidated financial statements”) in accordance with the current provisions of the National Securities Commission (CNV), which approved General Resolution (RG) 562 and adopted Technical Resolution (RT) 26 (as amended by RT 29) issued by the *Federación Argentina de Consejos Profesionales de Ciencias Económicas* (Argentine Federation of Economic Sciences Professional Councils - FACPCE), which establishes that the issuers of shares and/or notes, with some exceptions, are required to prepare their financial statements as per the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Likewise, some additional disclosures required by the Business Companies Law and/or CNV standards were included to comply with the regulatory requirements.

### 2.2. - Presentation Basis

These consolidated financial statements have been prepared using the accounting principles applicable to a going concern.

Certain reclassifications were made on the figures of the financial statements submitted for comparison purposes in order to maintain a consistency between the disclosure and the figures of this year.

#### 2.2.1. - Consolidated Financial Statements

The consolidated financial statements include the financial statements of AES Argentina Generación and its subsidiaries for the years ended December 31, 2022, 2021 and 2020.

The financial information of the subsidiaries is prepared as of and for the same fiscal years as the parent and consistently apply the same accounting policies.

#### Subsidiaries

According to IFRS 10, subsidiaries are all the entities controlled by AES Argentina Generación. An investor controls an investee if the investor:

1. has power over the investee,
2. is exposed, or has rights, to variable returns from its involvement with the investee, and
3. has the ability to affect those returns through its power over the investee.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

It is considered that an investor has power over an investee when the investor has existing rights that give it the ability to direct the relevant activities, i.e., the activities that significantly affect the investee's returns. In the case of the Group, in general, the power over its subsidiaries is derived from the ownership of a majority of voting rights granted by capital instruments of the subsidiaries.

If the Group has less than the majority of the voting rights of an investee, it has power over the investee when these voting rights are sufficient to grant it, in the usual practice, the ability to unilaterally direct the relevant activities of the investee. The Group considers all the events and circumstances to assess whether the rights to voting rights in an investee are sufficient to grant it the power, including:

- the number of voting rights held by the investor relative to the number and dispersion held by the other vote holders;
- potential voting rights held by the investor, other vote holders and other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the investor has, or fails to have, the current ability to direct the relevant activities when decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group shall reassess whether it controls an investee if facts and circumstances indicate that there have been changes to one or more of the three elements of control listed above. The assets, liabilities, revenue and expenditure of a subsidiary acquired or sold are included since the date on which the Group obtains control until the date on which the Group ceases to control the subsidiary.

Below is a detail of the subsidiaries of the Group:

| Name of the Company                         | Reference                  | Percentage Interest |
|---------------------------------------------|----------------------------|---------------------|
| Energética Argentina S.A.                   | EASA or Energética         | 99.67%              |
| Vientos Neuquinos I S.A.                    | VN or Vientos Neuquinos    | 95.00%              |
| Sierras del Buendía S.A.                    | SBD or Sierras del Buendía | 90.00%              |
| Central Termoeléctrica Guillermo Brown S.A. | CTGBSA                     | 60.00%              |

The minority interests of EASA and VN are owned by AES Electroinversora B.V. and CTGBSA is owned by AES Globales B.V., both of which are members of The AES Corporation Group, meanwhile the minority interests of SBD is owned by AES Alicurá Holdings S.C.A.

While the Group's interest in the stock of CTGBSA y Sierras del Buendía S.A. amounts to 60% y 90% respectively and therefore falls into the definition of "control", as described in the IFRS, the Group has chosen not to consolidate these subsidiaries on a line-by-line basis in its consolidated financial statements, due to the little significance that the disclosure of such information would bring to the users of the financial statements.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



## 2.2.2. - Unit of Measurement

### Functional Currency

Based on the standards set out in IAS 21 “The Effects of Changes in Foreign Exchange Rates,” we have established the Argentine Peso as our functional currency expressed in constant currency as of the end of the reporting fiscal year. Such definition has been adopted since February 1, 2020, as a consequence of the issuance of Resolution 31/2020 by the Secretary of Energy on February 27, 2020, which changed, since the beginning of that month, the currency for the recognition of income from US dollars to Argentine pesos.

Previously, from February 1, 2017 to January 31, 2020, the US Dollar was the currency of the main economic environment in which the Company operated under the terms of Resolution No. 19/2017 issued by the Secretary of Electric Power, as amended by Resolution 1/2019.

The subsidiaries EASA and VN maintain the US Dollar as their functional currency, since they are not covered by Resolution 31/2020, and restate the figures converted to the presentation currency in the year-end currency of the reporting period according to the provisions of the Practical Application Guide of Accounting and Auditing Issues in Companies under the Scope of Public Offering No. 1 - 2019.

The assets, liabilities and results of subsidiaries and other companies are expressed in their respective functional currencies, and whenever they are other than the Argentine pesos, and the effects on their translations are recognized in “Other Comprehensive Income” within the statement of comprehensive income.

### Exchange difference due to translation of the Group

|                                                                      | December 31, 2022  |
|----------------------------------------------------------------------|--------------------|
| <b>Balance at the beginning of the year</b>                          | <b>26,058,262</b>  |
| Translation effect in USD functional currency subsidiaries for:      |                    |
| non-monetary assets                                                  | (5,834,242)        |
| net monetary position into functional currency                       | 5,075,746          |
| net monetary position into a currency other than functional currency | (1,218,015)        |
| <b>Subtotal</b>                                                      | <b>(1,976,511)</b> |
| <b>Balance at the end of the year</b>                                | <b>24,081,751</b>  |

### Tax Effect on Other Comprehensive Income

The results recorded as Other Comprehensive Income related to translation differences generated by investments in subsidiaries and the translation until January 31, 2020 of the financial statements of the Group to their presentation currency (pesos), have no effect either on the income tax or the deferred tax since, at the time of generation, such transactions had no impact on the accounting or tax income.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### 2.2.3. Restatement of presentation currency in entities with functional currency other than the peso.

IAS 29 Financial Information in Hyperinflationary Economies (“IAS 29”) requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy should be stated in terms of the measuring unit current at the end of the reporting period. This applies to AES Argentina Generación as from February 1, 2020.

However, neither IAS 21 nor IAS 29 explain how to report in constant currency in those cases where the functional currency is that of a stable economy, and the presentation currency is that of a hyperinflationary economy. This was the case for AAG until January 31, 2020 and continues to be the case for the subsidiaries EASA and VN, which have a functional currency other than the peso. Therefore, since 2019, those companies have applied as accounting policy the guidelines of the Practical Application of Accounting and Audit Issues in Companies under the scope of Public Offering 1 - 2019 (the “Practical Guide”) concerning the conversion into presentation currency and the restatement set forth in this guide, as detailed in the following paragraphs. This was discontinued for AAG on January 31, 2020 to begin applying IAS 29.

The literal application of IAS 21 requires no restatement of the financial statements figures once they are translated to the presentation currency (Pesos). Nevertheless, the Practical Guide considered that this gives rise to the presentation of information in Pesos that would be expressed in a currency of different purchasing power, given that the comparative information, initial shareholders’ equity and its variations, the statement of cash flows, evolutionary disclosures, and the results of the entity will not be expressed in a currency of the same purchasing power due to the fact that the presentation currency is that of a hyperinflationary economy (Pesos).

In order to mitigate this distortion, the Practical Guide sets out that it would be acceptable for an entity to restate at year-end currency all the information expressed in a currency other than year-end currency, namely: the contributions of the owners, the reserves, the retained earnings, and each of the items that make up the results of the reporting period. The effect of the restatement should be recognized in the translation reserve within Other Comprehensive Income, so that the balance of the reserve is expressed in real terms. Moreover, the above-mentioned restatement is consistent with the restatement mechanism provided for in IAS 29 and FACPCE Technical Resolution 6.

### 2.2.4.- Restatement to constant currency - Comparative information

As detailed in note 2.2.2., the Company has changed its functional currency since February 1, 2020.

IAS 29 requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy, regardless of whether they are based on the historical or current cost method, should be stated in terms of the measuring unit current at the end of the reporting fiscal year. For the purpose of arriving at a conclusion on the existence of a hyperinflationary economy, the standard details a number of factors to be consider, including a cumulative inflation rate over three rates that approaches or exceeds 100%.

Cumulative inflation over the past three years is above 100%. Likewise, both the National Government’s projections and other available projections indicate that this trend will not be reversed in the short term.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

In order to assess the above-mentioned quantitative condition and restate the financial statements, the CNV has set forth that the series of indices to be used in the enforcement of IAS 29 is as determined by FACPCE. This series combines the National Consumer Price Index (CPI) as from January 2017 (baseline month: December 2016) with the Wholesale Domestic Price Index (IPIM, for its acronym in Spanish), both as published by the National Statistics Bureau (INDEC) until that date, computing for the months of November and December 2015, for which INDEC has no information with respect to changes in the IPIM, and the variation in the CPI of the Autonomous City of Buenos Aires. This index is published every month by the FACPCE.

Considering the above index, inflation was 94.8%, 50.9% and 36.14% for the years ended December 31, 2022, 2021 and 2020, respectively.

### Restatement Mechanism

The financial statements should be adjusted to consider changes in the general purchasing power of the currency so that they are stated in the measuring unit current at the end of the reporting year. These requirements also include all comparative information in these financial statements, without this fact modifying the decisions made on the basis of the financial information for those fiscal years.

### Restatement of the statement of financial position

1. Monetary items (those with a fixed nominal value in local currency) are not restated because they are already stated in terms of the measuring unit current at the end of the reporting period. In a period of inflation, an entity holding monetary assets loses purchasing power and an entity holding monetary liabilities gains purchasing power to the extent that such items are not subject to an adjustment mechanism that may otherwise offset these effects. Monetary gain or loss is accounted for as profit or loss for the reporting period.
2. Non-monetary assets and liabilities carried at amounts current at the end of the reporting fiscal year are not restated for presentation purposes in the statement of financial position. Nevertheless, the adjustment process should be completed to establish, in terms of homogeneous measuring unit, the gains or losses resulting from holding those non-monetary items.
3. Non-monetary items measured at historical cost or at the amount current at a date prior to the end of the reporting fiscal year are restated by applying coefficients reflecting the changes in the general price level since the date of acquisition or revaluation through the end date. Subsequently, the restated amounts of such assets are compared to the corresponding recoverable amounts.
4. The restatement of non-monetary assets in terms of the measuring units current at the end of the reporting period with no equivalent adjustment for tax purposes gives rise to a taxable temporary difference and the recognition of deferred tax liabilities in profit or loss for the year. For the end of the next period, deferred tax items are adjusted for inflation to reassess the charge to income for the next period.
5. When borrowing costs are capitalized in non-monetary assets pursuant to IAS 23 Borrowing Costs ("IAS 23"), the components of those costs compensating the creditor for the effects of inflation are not capitalized.

### Restatement of the income statement

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

Expenses and income (including interest and exchange differences) are restated from the date the items were accounted for, except for those profit or loss items that reflect or include in their determination the consumption of assets measured at the currency purchasing power from a date prior to the date on which the consumption was recorded, which is restated based on the date of origin of the asset related to the item (e.g. depreciation and other consumption of assets valued at historical cost); and except also for any income or losses arising from comparing two measurements at currency purchasing power of different dates, for which it is necessary to identify the compared amounts, to restate them separately, and to repeat the comparison, but with the amounts already restated.

The result from the loss on net monetary position (“RECPAM” for its acronym in Spanish) is presented in a separate line and reflects the effect of inflation on monetary items.

#### Restatement of the statement of changes in shareholders’ equity

As from the date of change of functional currency (February 01, 2020), all equity components are restated by applying the general price index as from that date, and each variation of these components is restated from the date of contribution or from the time in which it has otherwise occurred.

#### Restatement of the statement of cash flows

IAS 29 requires that all accounts of this statement should be restated in terms of the measuring unit current at the end of the reporting period.

The monetary gain or loss generated from cash and cash equivalents is recorded in the statement of cash flows separately from the cash flows from operations, investments and financing activities, as a specific item for the reconciliation between cash and cash equivalents at the beginning and at the end of the fiscal year.

### 2.3. - Summary of Significant Accounting Policies

The following significant accounting policies have been applied by the Group to prepare its financial statements:

#### 2.3.1. - Classification of current and non-current items

The Group classifies its assets and liabilities in the statement of financial position as current and non-current.

An asset is classified as current when the entity:

- expects to realize the asset or intends to sell it or use it during its normal operation cycle;
- keeps the asset mainly held for trading;
- expects to realize the asset within the following twelve months after the reporting fiscal year; or
- the asset is cash or cash equivalent unless (a) it is restricted and cannot be exchanged or (b) used to cancel a liability for a period lower than twelve months after the end of the fiscal year.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

All other assets are classified as non-current.

A liability is classified as current when the entity:

- expects to settle the liability during its normal operation cycle;
- keeps the liability mainly for negotiation purposes;
- the liability must be settled within the twelve months following the end of the reporting fiscal year; or
- fails to have an unconditional right to defer the cancellation of the liability during, at least, the twelve months following the end of the reporting fiscal year.

All the other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities under all circumstances.

### 2.3.2. - Fair Value Measurements

The Group measures certain financial instruments based on their fair value as of the end date of the reporting period. Likewise, the fair values of the financial instruments measured based on their amortized cost are disclosed in Note 21.

The fair value is the price that the Company would have received if it had sold an asset or that it would have paid if it had transferred a liability in transaction entered into between market players at the measurement date. A fair value measurement assumes that the asset sale transaction or the liability transfer occurs:

- in the main market of the asset or liability; or
- in the absence of a main market, in the most advantageous market for the asset or liability.

The main or most advantageous market must be accessible for the Group. The fair value of an asset or liability is measured using the assumptions that the market participants would use to set the asset or liability price, assuming the market players act on their best economic interest.

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy as described in Note 21.

### 2.3.3.- Presentation Currency and Translation Basis.

#### Presentation Currency

As established by Resolution 562 issued by the CNV, the Group is required to submit its financial statements in Argentine pesos as presentation currency. Accordingly, for entities and periods in which the functional currency is different from the presentation currency (see details on change of functional currency in note 2.2.2), the financial statements prepared in a functional currency other than the presentation currency were translated into that currency using the following procedures:

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

- Assets and liabilities are translated at the year-end exchange rate as of the date of each presented statement of financial position.
- The shareholders' equity items were translated at historical exchange rates.
- The items of the statement of comprehensive income were translated at the exchange rate prevailing at the date of the transactions (or, for practical reasons and when the exchange rate has not changed significantly, at the average exchange rate of each month).
- All differences in the conversion to the presentation currency that may occur as a result of the above, are recognized in other comprehensive income under "Exchange difference due to translation."
- All the figures of the financial statements obtained in accordance with this procedure which are expressed in currencies other than the year-end currency are restated at the year-end currency by using price indexes with a reversing item within Exchange difference due to translation (see notes 2.2.2. and 2.2.3).

### Translation Basis

The assets and liabilities in functional currency (USD) different from the presentation currency have been translated into that currency using the following exchange rates:

|                       | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|-----------------------|-------------------|-------------------|-------------------|
| Argentine Peso (AR\$) | 177.16            | 102.72            | 84.15             |

### 2.3.4. - Transactions and Balances in a Currency other than Functional Currency

Transactions in a foreign currency other than the functional currency are recognized using the exchange rate of its functional currency at the transaction date.

Monetary assets and liabilities denominated in a currency other than the functional currency are translated to the functional currency using the exchange rate at the end date of the reporting period.

### 2.3.5. - Recognition of income from ordinary activities.

The IFRS 15 presents a detailed model of five steps to analyze the revenue from contracts with customers. Its main principle lies in the fact that an entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, upon satisfaction of a performance obligation. An asset is transferred when (or as) the customer obtains control of that asset, which is defined as the ability to direct the use and obtain substantially all the remaining benefits of the asset. The Group, following the guidelines of IFRS 15, shall analyze:

1. if the contract (or a combination of contracts) contains more than one promised asset or service, when and how the assets or services should be provided
2. whether the transaction price distributed to each performance obligation should be recognized as revenues over time or at a particular time. The Group recognizes an income when the obligation is met, that is to say, when the

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

- control of the goods and services having a specific obligation is transferred to the customer. This model includes no separate guidelines for the sale of goods or the provision of services.
3. when the transaction price includes a variable payment estimation element, how it will affect the amount and time to recognize the revenue. The notion of variable payment estimation is broad. It is considered as a variable price on discounts, reimbursements, receivables, price concessions, incentives, performance bonuses, penalties and contingency arrangements. No variable payments are recognized until it is very unlikely that there will occur a significant change in the amount of accrued income, i.e. when the uncertainties inherent in a variable payment estimation have disappeared.
  4. If any costs have been incurred to perfect a contract, when these costs can be recognized as an asset.

Revenues of the Group mainly come from the production and sale of energy and capacity. Revenues are recognized when the control of the goods and services is transferred to the customers and are recognized net of any tax collected that must be paid to the authorities of each country.

### Proceeds of energy and capacity sales

The proceeds of electric energy and capacity sales are recorded based on physical delivery of energy and capacity to the coordinator of the relevant grids at the prices prevailing in the electricity market or, where applicable, at the prices established in the current agreements with customers and CAMMESA, and they are recognized in the period in which the energy is delivered and the capacity is made available in the SADI. Revenues include billed items and those that were not billed as of year-end. Non-invoiced sales are calculated based on the estimated amount of energy delivered and power dispatched and the estimated price for the given month.

The spot market, pursuant to the law, is organized through Dispatch Centers (CAMMESA), where surpluses and deficits of electric energy and power are traded. The surpluses of energy and power are recorded as income, and the deficits are recorded as expenditure under the statement of comprehensive income. When energy and power are sold or purchased in spot market, the Group evaluates the facts and circumstances to establish the gross or net presentation of purchases and sales in the spot market.

The services are provided over time because the client simultaneously receives and uses the benefits provided by the Group. As a result, the Group recognizes the revenue from service contracts over time instead of at a point in time.

The Group is Principal since it controls a specific asset or service before it is transferred to the customer and therefore it is exposed to significant associated risks and benefits.

There are no variable considerations in the services rendered, since it is a fixed price established by CAMMESA under a resolution. Moreover, as the whole price is received in cash, no considerations are made as to any non-cash payment. Finally, there are costs related to obtaining a contract.

### 2.3.6. - Interest

Regarding all financial assets and liabilities measured at amortized cost and interest accrued on financial assets measured at fair value, interests earned or lost are recorded based on the effective interest rate method, which is the interest rate that accurately discounts future flows of payments and collections in cash throughout the expected life of the financial instruments or a

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



shorter period, as appropriate, with respect to the net carrying amount of the financial asset or liability. In general, interest earned and lost is included under financial income and expenses in the profit and loss statement, respectively.

### 2.3.7. - Taxes

#### Current Income Tax

Assets and liabilities for current income tax are measured based on the amounts expected to be recovered or paid from or to the tax authority. The tax rates and tax regulations used to calculate such amounts are those that have been approved or whose approval procedure is about to be completed by the end date of the reporting fiscal year. The current tax rate for the Group is 35% (progressive).

The Management periodically assesses the positions taken in the tax returns related to the situations where the applicable tax regulations are subject to interpretation and makes provisions as appropriate.

In accordance with General Resolution 3363/12, the Group shall present, in addition to its financial statements prepared as per IFRS, a statement of financial position as of year-end and an income statement for the year ended as of such date, prepared according to the Argentine professional accounting standards for the subjects not covered by RT 26, along with a professional report detailing the measurement and presentation differences arising from the application of the IFRS with respect to the other rules mentioned above.

#### Deferred Income Tax

We use the liability method of accounting for deferred income taxes, based on temporary differences between the taxable bases of assets and liabilities and their carrying amounts as of the end date of the reporting fiscal year.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- If the deferred tax liability arises from the initial recognition of goodwill, or of an asset or liability in a transaction not involving a business combination and that, at the time of the transaction, has no effect either on the accounting income or the tax income or loss.
- With respect to the taxable temporary differences related to investments in subsidiaries and other companies and interest in joint businesses, if their possible reversion can be controlled, and if they are not likely to be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences, and for the future offset of unused tax losses, provided that any future available taxable income against which such deductible temporary differences can be offset is likely to exist and/or that such tax losses can be used, except:

- If the deferred tax asset arises from the initial recognition of an asset or liability in a transaction not involving a business combination and that, at the time of the transaction, has no effect either on the accounting income or the tax income or loss;
- With respect to the deductible temporary differences related to investments in subsidiaries and other companies, and interest in joint businesses, where the deferred tax assets are recognized only to the extent that the deductible temporary

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



differences are likely to be reversed in the near future, and there is future available taxable income against which such differences can be offset.

The carrying amount of deferred tax assets is reviewed at each end date of the reporting fiscal year and is reduced against income of the year or other comprehensive income, as appropriate, provided that the existence of sufficient future taxable income to allow the total or partial use of such assets is no longer possible. The unrecognized deferred tax assets are reevaluated at each end date of the reporting fiscal year and charged to income for the year or in other comprehensive income, as appropriate, provided that any future taxable income is likely to exist that may make it possible to recover such deferred tax assets not previously recognized.

Deferred tax assets and liabilities are measured based on their gross nominal amounts at the tax rates expected to be applied in the year where the asset is realized or the liability is canceled, based on the tax rates and standards approved as of the end date of the reporting period or whose approval process is about to be completed as of that date. The tax rate for the Group is 35% for December 2022 and 2021 (progressive) and 30% for December 2020.

The deferred tax related to recognized items that are not accounted for in the income statement are recognized in connection with the underlying transactions with which they relate, either in other comprehensive income or directly in shareholders' equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax assets and liabilities and if the deferred taxes are related to the same entity subject to taxes and the same tax jurisdiction.

Note 10 to these financial statements discloses a detail of the deferred tax composition as of December 31, 2022, 2021 and 2020.

#### Other Taxes related to Sales and Bank Debits and Credits.

Income from ordinary activities, incurred expenses and acquired assets are recognized excluding the amount of any sales-related tax, such as the value added tax and the gross income tax, or those related to bank debits and credits, except:

- If the tax levied on a sale, purchase of assets or provision of services is not recoverable from the tax authority, in which case the tax is recognized as part of the acquisition cost of the asset or as part of the expense, as appropriate;
- Accounts receivable and payable, which are already including the value added tax.

The net amount of the tax related to sales and bank debits and credits that are expected to be recovered from, or which must be paid to the tax authority, is presented as an account receivable or an account payable in the statement of financial position, as appropriate.

The gross income tax charge is disclosed under selling expenses in the statement of comprehensive income. The bank debit and credit charge is disclosed under administrative expenses in the statement of comprehensive income.

#### Tax Reform Law 27630

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The National Executive Branch, through Law 27,630 passed on June 16, 2021, established (i) new progressive Income Tax rates for fiscal years beginning on and after January 1, 2021 as follows: 25% on accumulated net income of up to five million Argentine pesos, 30% on accumulated net income from five million Argentine pesos to fifty million Argentine pesos and 35% on the amount of any such income exceeding fifty million Argentine pesos and (ii) a 7% withholding tax on the dividends distributed to individuals and beneficiaries abroad. The amounts for the fiscal years starting January 1st 2022 are the following:

| Net taxable profit |          | Will pay | Additional % | Over the surplus of |
|--------------------|----------|----------|--------------|---------------------|
| More than          | Up to    |          |              |                     |
| —                  | 7,605    | —        | 25%          | —                   |
| 7,605              | 76,050   | 1,901    | 30%          | 7,605               |
| 76,050             | And over | 22,435   | 35%          | 76,050              |

In 2019, the Company opted for the revaluation of its fixed and intangible assets, as established in Law 27,430, and paid the relevant tax as and when required by the law.

#### General Resolution 5248 - Extraordinary payment of Income Tax:

On August 16, 2022, the Federal Administration of Public Revenues published General Resolution 5248 in the Official Gazette, which establishes the obligation to pay an extraordinary advance payment of income tax under the following conditions:

- 25% on the income tax assessed in 2021, net of withholdings, if this tax exceeds 100,000.
- 15% of the taxable income before offsetting tax losses from previous years, if such taxable income exceeds 300,000.

AES Argentina Generación S.A. fulfilled this obligation during the months of October, November and December 2022, in a timely manner, by making an extraordinary payment of 124,961 in 3 installments of 41,654.

#### 2.3.8. - Property, plant and equipment

Property, plant and equipment existing as of the date of transition to IFRS is measured as follows: (a) for CTSN and AES Paraná, at the fair value as of that date, and (b) for the remaining assets, at the attributed cost, which is the cost restated in constant currency, until March 1, 2003, net of accumulated depreciation and/or impairment losses, if any. This cost includes the cost to replace the components of property, plant and equipment and the borrowing costs related to long-term construction projects, provided that they meet the recognition requirements.

The subsequent additions are carried at cost. The cost of an asset includes its purchase price, all costs directly related to the installation of the asset at the place and in the conditions required to ensure it can work as expected, and, if any, the initial estimate of the total or partial dismantling, withdrawal or removal of the asset, as well as the restoration of the place where it was located, as it constitutes an obligation of the Company at the time of purchasing the item or as a consequence of using the asset during a certain period.

Following the change in functional currency described in Note 2.2.2, the plant, property and equipment items of the Company were valued at historical cost restated since that date, net of the corresponding accumulated depreciations.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

In the case of significant components of property, plant and equipment that must be replaced periodically, the Company shall retire the replaced component and recognize the new component with its relevant useful life and depreciation. Likewise, in the case of a large inspection, its cost is recognized as a replacement provided that all the asset recognition requirements are met. All other routine repair and maintenance costs are expensed as incurred in the income statement.

Inventories shall be depreciated according to the remaining useful life years allocated to each asset by applying the straight-line method.

An item or a significant part of an item of property, plant and equipment that has been initially recognized is retired at the time of its sale or when no future economic benefits are expected to be obtained from its use or sale. Any profit or loss resulting at the time of asset derecognition (calculated as the difference between the net profit resulting from the sale and the asset carrying amount) is included in the income statement when the asset is retired.

The residual values, useful lives and the depreciation methods and rates of the assets are reviewed periodically and adjusted prospectively, as appropriate.

Note 7 discloses the evolution of the main items of Property, Plant and Equipment.

### 2.3.9. - Intangible assets

Intangible assets acquired separately are initially measured at cost. After initial recognition, intangible assets are accounted for at cost less cumulative depreciation (if deemed to have finite useful lives) and any cumulative impairment loss, if any.

Intangible assets existing as of the transition date were valued at deemed cost based on its cost re-expressed in constant currency until March 1, 2003.

Following the change in functional currency described in Note 2.2.2, the intangible assets of the Company were valued at historical cost restated since that date, net of the corresponding accumulated depreciations.

Finite lived intangible assets are amortized over their useful lives and are reviewed to establish whether they had any value impairment if there is an indication that the intangible asset might have suffered such impairment. The amortization period and method for a finite lived intangible asset are reviewed at least at the end of each reporting fiscal year. The changes in the expected useful life or the expected consumption pattern of the asset are accounted for upon change of depreciation period or method, as appropriate, and are retrospectively treated as changes in accounting estimates.

Considering the terms of the concession agreements of the Alicurá, Cabra Corral and Ullum hydroelectric complexes and as a result of the changes mentioned above to the remuneration to the generators described in Note 3, it can be interpreted that the accounting criterion established in the Interpretation 12 "Service Concession Arrangements" issued by the International Financial Reporting Interpretations Committee ("IFRIC 12") is applicable. The Group has evaluated that if this interpretation is applicable, it shall not have significant effects on these financial statements.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The paragraphs below describe the main intangible assets of the Group:

- Alicurá Concession Contract

It represents the total value allocated by the Argentine Government to the assets delivered for exploitation purposes to the concessionaire in 1993, according to the concession contract of Alicurá Hydroelectric Complex executed pursuant to Law 23696, in addition to the extension of the electric power transmission capacity (capacitor banks and fourth line). The original value was calculated without specifically setting a value to each of the assets involved in the concession, using the amount paid by the then majority shareholder of AES Argentina Generación S.A. to acquire 59% of the capital stock of such concessionaire, plus the share of the capital stock held by the Argentine Government (and then transferred) and the value of the liabilities assumed by concessionaire pursuant to the concession contract.

The concession expires in 2023. The intangible asset was considered as deemed cost as of the transition date and amortized using the straight-line method. The amortization is calculated on a monthly basis (or its proportion) for 30 years (term of the concession).

- Former Río Juramento Hydroelectric Complex (“Cabra Corral” and “El Tunal”) and Former San Juan Hydrothermal Plants (“Ullum” and “Sarmiento Plants”) Concession Agreements

These assets were valued considering its deemed cost as of the transition date based on their cost restated in constant currency until March 1, 2003. The concession expires in 2025 and the deducted accumulated depreciation is calculated using the straight-line method, based on a 30-year service period (term of the concession).

- Acquisition and development of renewable projects:

This item refers to the amount paid for the acquisition in 2018 of Vientos Bonaerenses Wind Plant project, the first and second phases of which were completed in 2019 and 2020, respectively, and Vientos Neuquinos Wind Plant project, which was completed in 2020. The deducted accumulated depreciation is calculated using the straight-line method, based on a 25-year period, equivalent to the expected useful life of both wind plants.

Note 8 discloses the evolution of the main items of intangible assets.

### 2.3.10. - Impairment of Property, Plant and Equipment and finite lived intangible assets.

As of each end date of the reporting fiscal year, the Group assesses whether there is some indication that the property, plant and equipment and/or finite lived intangible assets might be impaired. If there is any such indication and the annual impairment test of an asset is then required, the Group estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of the fair value less sales cost of the asset and its value in use. The recoverable amount is calculated for an individual asset, except if no cash flows significantly independent from the other assets or groups of assets is generated by the individual asset, in which event the cash flows of the group of assets that make up the cash-generating unit to which they belong shall be taken into account.

When the carrying amount of an individual asset or a cash-generating unit exceeds its recoverable amount, the individual asset, or as the case may be the cash-generating unit is deemed to be impaired and its value is reduced to its recoverable amount.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

To assess the value in use of an individual asset or a cash-generating unit, the estimated cash flows are discounted at their present value using a discount rate before taxes that reflects current market assessments over the time value of money and the specific risks of that individual asset or, where applicable, the cash-generating unit.

The Group bases its calculation of cash flows on assumptions and forecast calculations which are made separately for the cash-generating unit of the Group to which the individual assets are allocated.

Impairment losses relevant to continuing operations are recognized in the income statement under the expenses categories consistent with the function of the impaired asset.

In addition, for this asset class, as of each end date of the reporting fiscal year, an assessment is made on whether there is some indication that an impairment loss previously recognized no longer exists or may have decreased. If there is such indication, the Group makes an estimate of the recoverable amount of the individual asset or cash-generating unit, as appropriate. An impairment loss previously recognized is reversed only if there was a change in the assumptions used to determine the recoverable amount of the individual asset or cash-generating unit, since the last time that an impairment loss in relation to that asset or cash-generating unit has been recorded.

The reversal is limited in such a way that the carrying amount of the asset or cash-generating unit shall neither exceed its recoverable amount, nor the calculated carrying amount, net of the relevant depreciation or amortization if no impairment loss for that asset or cash-generating unit has been recorded in prior fiscal years. Such a reversal is accounted for in the income statement under the same item in which the relevant impairment loss was previously recognized.

See Note 7.2. regarding the analysis conducted by the Group on the signs of impairment of property, plant and equipment and/or intangible assets with finite useful lives.

### 2.3.11.- Investments in Subsidiary and other Companies

Investment of the Group in subsidiaries is accounted for through the equity method. The Company controls an entity when it is exposed or is entitled to variable returns for its involvement and has the capacity to affect those returns through its power over the entity to manage its operating and financial policies.

According to the equity method, our investment in subsidiaries is initially recorded in the statement of financial position at cost, plus (less) changes in the interest of the Group in the net assets of the subsidiaries after the date of acquisition. The higher values of assets or goodwill related to the subsidiaries, if any, are included in the carrying amount of the investment, and are neither amortized nor individually subject to impairment tests.

The income statement shows the share in the results of the operations of the subsidiaries. If there are changes directly recognized in shareholders' equity of the subsidiaries, the Group recognizes its share in any of these changes, and discloses them, as appropriate, in the statement of changes in shareholders' equity.

The share in the income of the subsidiaries is disclosed in the main body of the income statement. This is the income attributable to owners of the subsidiaries.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

Once the equity method is applied, the Group assesses whether it is necessary to recognize additional impairment losses with respect to the investment held by the Group in its subsidiaries. As of each end date of this financial statement, the Group assesses whether there is objective evidence that the value of our investment in subsidiaries would have been impaired. If this were the case, the Group calculates the amount of impairment as the difference between the recoverable amount of our investment in subsidiaries and its carrying amount and recognizes that amount in the income statement.

Investments in other companies, until the effective date of the change in interest mentioned in note 3.f.1 were recognized using the equity method. From that date onwards, these investments started to be accounted for at cost plus dividends.

Note 6 describes the details related to associates and other companies.

### 2.3.12. - Inventory

Inventories are valued at the lowest of its cost or net realizable value, except in the case of those elements that will be used in the production process if their value is expected to be recovered through the sale of the final product. The cost is calculated using the acquisition cost method. The net realizable value is the estimated selling price in the ordinary course of business, minus applicable variable selling costs.

The Group regularly conducts an analysis of low turnover items to assess the possible obsolescence of inventories of materials and fuels and to make, if necessary, the relevant provisions.

The inventory amount does not exceed its recoverable amount as of the relevant dates.

### 2.3.13. - Financial Assets

#### Initial recognition and measurement.

Financial assets are classified, on initial recognition, as assets measured at amortized cost, at fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets, when recognized for the first time, depends on the financial asset's contractual cash flow characteristics and business model for its management. Except for trade debtors with no significant financial component or for which the simplified approach has been applied, the Group initially recognizes a financial asset at fair value plus, except for a financial asset through changes in profit or loss, transaction costs. Trade receivables with no significant financial component for which a simplified approach has been applied shall be recognized at the transaction price to be determined pursuant to IFRS 15 (Note 2.3.5).

For a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, the contractual terms of the financial asset must give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is known as SPPI test, and it is conducted at the level of each instrument.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



The business model for financial asset management refers to how the financial assets are managed to generate cash flows. A business model establishes whether the cash flows will result from collecting contractual cash flows or selling financial assets, or both.

Financial asset sales or purchases requiring the delivery of assets within a period of time established by a market regulation or convention are recognized on the negotiation date, namely, the date on which the Group undertakes to buy or sell the asset.

## Subsequent Valuation

### Assets measured at amortized cost

This category is the most relevant. A financial asset is classified in this category if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are afterwards calculated using the effective interest method and subject to impairment. Income and losses are charged to income when the asset is derecognized, modified or impaired.

The financial assets at amortized cost include “Trade Receivables and other Accounts Receivable,” “Accounts Receivable from Related Parties” and “Other Financial Assets.”

### Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for negotiation purposes, financial assets designated, when recognized for the first time, at fair value through profit or loss, or financial assets required to be measured at fair value. Financial assets are classified as held for trading purposes if they have been acquired with the purpose of selling or repurchasing them in the short term. Derivatives, including separated embedded derivatives also are classified as held for trading, unless they are designated as effective hedging instruments. Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through profit or loss, regardless of the business model. Notwithstanding the criteria to be classified as valued at amortized cost, as described above, debt instruments can be designated at fair value through profit or loss on initial recognition if, on doing so, an accounting mismatching is eliminated or significantly reduced.

The financial assets at fair value through profit or loss are recorded in the statement of financial position at fair value with net changes in the fair value recognized in the statement of comprehensive income.

This category includes derivative instruments and investments in mutual funds. Dividends are also recognized as financial results in the income statement when the collection right is established.

## Derecognition of financial assets

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

A financial asset (or, if appropriate, part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. Removed from the statement of financial position) when:

- The rights to receive the cash flows from the financial asset have expired or;
- The rights to receive the cash flows from the asset has been transferred or the entity has assumed the obligation to pay the cash flows received in its entirety without significant delay to a third party under a pass-through agreement, and (a) the entity has transferred substantially all of the risks and rewards of ownership of the asset have been transferred, or (b) the entity has neither retained nor transferred substantially all of the risks and rewards of the asset, but has transferred control of the asset.

Whenever the rights to receive cash flows of an asset have been transferred or a “pass-through” agreement has been signed, it is assessed whether, and to what an extent, the risks and rewards of the ownership have been retained. If the entity has neither retained nor transferred substantially all of the risks and rewards of the asset, and has retained control of the asset, then the entity continues to recognize the transferred asset. In this case, associated liabilities are also recognized. The transferred asset and related liability are measured on a basis that reflects the rights and obligations withheld by the Company.

The continued involvement by way of a guarantee on the transferred asset is measured as the lesser of the original carrying amount of the asset and the maximum amount of the consideration that the Company would be required to reimburse.

### Impairment of Financial Assets

IFRS 9 replaces the “incurred loss” model in IAS 39 with an “Expected Credit Loss” model (“ECL”). The new impairment model applies to financial assets measured at amortized cost and contractual assets, but not to investments in equity instruments.

Trade receivables and other accounts receivable are initially measured at fair value and later at amortized cost.

The company measures retained losses in an amount equal to the lifetime ECL. “ECL” are based on the difference between contractual cash flows and all the cash flows that the Company expects to receive. The difference is then discounted using an approximation of the effective interest rate of the original asset.

To establish whether there is an impairment or not on the portfolio, the Company performs a risk analysis, according to the historical experience on its uncollectible nature, which is adjusted by forward-looking factors and macroeconomic variables in order to obtain sufficient forward-looking information for the estimate.

The Group uses a simplified approach with the practical record of IFRS 9 in the stratification of portfolio maturities.

The Company considers that the financial assets are in arrears when: (i) it is unlikely that the debtor will pay its credit obligations in full, without need for the Company to resort to actions such as insurance claims, or (ii) the financial asset has exceeded the due date contractually agreed.

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



See Note 14.3 for changes in the initial estimates of expected credit losses resulting from certain trade receivables.

### 2.3.14.- Financial Derivative Instruments and Hedging Activities

The Group uses derivative financial instruments such as interest rate swaps and foreign exchange forwards to hedge its risks associated with fluctuations in interest and foreign exchange rates. Derivatives are initially recognized at the fair value of the date on which the derivative agreement has been entered into and they are subsequently remeasured at their fair values. The method to recognize the gain or loss resulting from the change in fair value depends on whether the derivative has been designated as a hedging instrument, and, if so, the nature of the item that it is hedging. The Group can record certain derivatives as:

1. fair value hedges;
2. cash flow hedges.

At the beginning of the transaction, the Group documents the relation existing between hedging instruments and hedged items, as well as their objectives for risk management and the strategy to conduct various hedging transactions. It also documents its assessment, both at the beginning and on a continuous basis, about whether the derivatives that are used in hedging transactions are highly effective to offset changes in the fair value or cash flows of the hedged items.

#### (a) Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in the income statement, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

The Group has not used fair value hedges in the reporting fiscal years.

#### (b) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in Other Reserves. The gain or loss relating to the ineffective portion is recognized immediately in the income statement within Financial expenses.

The amounts accumulated in Other reserves are accounted for in the income statement, during periods in which the hedged item affects the result. In case of interest rates hedges, this means that the amounts recognized in shareholders' equity are reclassified to results within Financial expenses, as interest on associated debts is accrued.

A hedge is considered to be highly effective when the changes in the fair value or cash flows of the underlying asset attributable to the hedged risk are offset against changes in the fair value or cash flows of the hedging instrument, with an effectiveness between 80% - 125%.

When a hedging instrument expires or is sold or when the requirements established for hedge accounting are not met, any profit or loss accumulated in other reserves until that time remains in the shareholders' equity and is recognized when the expected transaction is finally recognized in the income statement. When it is expected that the transaction is not likely to occur, the cumulative gain or loss in shareholders' equity is immediately charged to the income statement under "Financial Expenses."

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### 2.3.15.- Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, liabilities at amortized cost or derivatives designated for accounting purposes as hedging instruments, as appropriate.

#### Initial valuation

Financial liabilities are classified as financial liabilities at fair value through profit or loss, liabilities at amortized cost or derivatives designated for accounting purposes as hedging instruments, as appropriate. The Group establishes the classification of financial liabilities at the time of its initial recognition.

Financial liabilities are initially recognized at fair value, net of the transaction costs incurred, in the case of liabilities at amortized cost.

#### Subsequent Valuation

##### (a) Financial Liabilities at Fair Value through Profits or Loss

They are classified in this category when they are held for trading or designated on initial recognition at fair value through profit or loss. This category includes derivative instruments not designated for hedge accounting. They are classified as held for trading if they are intended to be repurchased in the short term.

Gains and losses on held-for-trading liabilities are charged to income.

The Group has not classified any financial liabilities within this category.

##### (b) Liabilities at Amortized Cost

They are subsequently valued at their amortized cost using the effective interest rate method. Income and loss are recognized in the income statement once they are deregistered or using the effective interest rate method.

The amortized cost is calculated by taking into account any premium or discount from the acquisition and includes costs of transactions which are an integral part of the effective interest rate. The effective interest rate method calculates the amortized cost of a financial asset or liability (or a group of financial assets or liabilities) and the financial income or expense to be recorded throughout the relevant period. The effective interest rate is the discount rate that matches exactly the cash flows receivable or payable estimated throughout the expected life of the financial instrument (or, where appropriate, in a shorter period) with the net carrying value of the financial asset or liability. Trade payables with maturity according to generally accepted commercial terms are not discounted.

This category includes “trade payables and other accounts payable,” “financial liabilities,” “accounts payable to related parties.”

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## Derecognition of Financial Liabilities

Financial liabilities are derecognized when the obligation is paid, settled, or expires.

When an existing financial liability is replaced by another liability from the same lender under substantially different terms, or if the terms of the existing liabilities are substantially modified, such exchange or modification shall be treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized as financial income or expense in the income statement, as appropriate.

Financial assets and financial liabilities are offset so as to reflect the net amount in the statement of financial position, only if there is a present right legally required to offset the recognized amounts, and there is an intention to settle them for the net amount, or to realize the assets and discharge the liabilities simultaneously.

### 2.3.16. - Financial Assets and Liabilities with Related Parties

The related party receivables and indebtedness are initially recognized at their fair value plus the directly attributable transaction costs. In case they come from transactions that are not entered into at arm's length, any difference arising at the time of its initial recognition between the fair value and the consideration given or received, shall be treated as an equity transaction (capital contribution or dividend distribution, according to whether it is positive or negative).

After the initial recognition, these credits and debts are measured at their amortized cost, using the effective interest rate method. The amortization of the interest rate shall be recognized in the income statement as financial income or expense.

### 2.3.17. - Cash and cash equivalents

Both the funds held in cash and the freely available demand bank deposits shall be considered as cash. Cash equivalents are deemed to include short-term, highly-liquid, and freely available investments that, without prior notice or relevant cost, are readily convertible to known amounts of cash, with a high degree of certainty at the time of deposit, and are subject to an insignificant risk of changes in value, with maturities of up to three months after the date of the respective deposits, and whose main destination is other than investment or the like, but the cancellation of short-term commitments.

### 2.3.18. - Provisions

Provisions are recognized when, as a consequence of a past event, the Company has a present obligation whose settlement requires an outflow of resources that is considered likely and that can be reliably estimated. This obligation can be legal or tacit, as a consequence of, among other factors, regulations, contracts, habits and customs or public commitments, which have created among third parties a valid expectation on the acknowledgement of certain responsibilities. The amount of the provision is the best estimate of the Company with regard to the disbursement that will be required to settle the obligation, taking into consideration all the information available as of the end date, including the opinion of independent experts, such as legal and financial advisors. If the effect of the time value of money is significant, provisions are discounted using the current market rate before taxes which reflects, where appropriate, the risks specific to the liability.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

A contingent liability is: (i) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence, or as the case may be, the non-occurrence of one or more uncertain future events not wholly under the control of the Group; or (ii) a present obligation arising from past events which have not been recognized for accounting purposes due to the fact that: (a) it is unlikely that, in order to comply with such obligation, an outflow of resources including economic benefits would be required; or (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is not recognized in the financial statements, but informed in the notes, except where the likelihood of a possible outflow of resources for settlement purposes is remote. For each type of contingent liability, as of the respective year-end dates, the Group discloses (i) a brief description of its nature and, where possible, (ii) an estimate of its financial effects; (iii) an indication of the uncertainties relating to the amount or the schedule of the relevant resource outflows; and (iv) the possibility of obtaining any refunds.

According to the provisions of IAS 37, the policy of the Company is to refrain from disclosing detailed information related to disputes with third parties, provided that such information seriously damages the position of the Company. In these cases, generic information is provided and the reasons that have led it to make such a decision are explained.

Due to the uncertainties inherent in the estimates required to establish the amount of the provisions, the actual disbursements may differ from the originally recognized amounts based on the estimates made.

### 2.3.19. - Employee Benefits

#### Short-term Employee Benefits:

The Group recognizes all short-term employee benefits, such as salary, statutory annual bonus, vacation, bonuses and others, on an accrual basis and considers the benefits arising as an obligation from the collective bargaining agreements.

#### Employee and Other Long-term Benefits

Benefit plans are valued at their present value and are accrued by virtue of the services provided by the employees covered by the respective plans. The amount recognized as a liability for such benefits is the net sum of: (a) the present value of the obligation at the end of the reporting fiscal year; and (b) more or less any actuarial loss or income;

The Group recognizes in the results for the reporting fiscal year, the total net amount of the following items, such as expense or income: (a) the cost of service of the current fiscal year; (b) the interest cost; (c) the effect of any kind of plan settlement or reduction. Actuarial gains and losses are recognized directly in other comprehensive income.

### 2.3.20. - Leases

A contract is, or contains, a lease if it transfers the right to use an identified asset for a period of time in exchange for a consideration.

#### Group as lessee

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The Group applies a single recognition and measurement approach for all leases, except those short-term leases and leases of low-value assets. The Group recognizes lease liabilities for lease payments and right-of-use assets that represent the right to use the underlying assets.

#### i) Right-of-use assets

The Group recognizes right-of-use assets on the commencement date of the lease (that is, the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any depreciation and impairment losses, and adjusted for any new measurement of lease liabilities. The cost of assets per right of use includes the amount of recognized lease liabilities, initial direct costs incurred and payments for leases made on or before the commencement date, less any lease incentives received. Assets for right-of-use are depreciated on a straight-line basis over the lease term and the estimated useful life of the assets, whichever is minor, as follows:

- Offices: 1 year
- Battery bank: 3 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are also subject to impairment.

#### ii) Lease liabilities

On the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including essentially fixed payments) less lease incentives receivable, variable lease payments depending on of an index or rate, and the amounts expected to be paid under the residual value guarantees. lease payments. They also include the exercise price of a purchase option that will reasonably be exercised by the Group and penalty payments for terminating the lease, if the lease term reflects the exercise by the Group of the termination option.

Variable lease payments that do not depend on an index or rate are recognized as expenses (unless incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

When calculating the present value of the lease payments, the Group uses its incremental borrowing rate in the commencement date of the lease since the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of the lease liability is increased to reflect the accrual of interest and reduced by lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (for example, changes in the future payments resulting from a change in an index or rate used to determine such lease payments) or a change in evaluating an option to purchase the underlying asset.

The Group's lease liabilities are included in Financial Liabilities.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the date start and do not contain a purchase option). The Group also applies the exemption from recognition of low value assets to office equipment leases that are considered low value. The lease payments in short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the term of the lease.

#### Group as lessor

Leases in which the Group does not transfer substantially all the risks and rewards inherent in the ownership of an asset are classified as operating leases. The rental income is accounted for on a straight-line basis over the lease terms and are included in income in the income statement due to their operative nature.

The initial direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized over the lease term on the same basis as income from lease.

Contingent rents are recognized as income in the period in which they are accrued.

The group does not participate in contracts as lessor. See note 7.1 in relation to leases.

### 2.3.21. - Shareholders' Equity

#### Subscribed Capital and Capital Adjustments

This account is made up of the contributions made by the shareholders represented by shares and includes the outstanding shares at their nominal value. The registered capital account has been kept at its nominal value and the adjustment derived from such monetary restatement is disclosed in Capital adjustment.

The capital adjustment is not available for distribution in cash or in goods, but its capitalization is permitted through the issuance of shares. This item is also allocated to cover retained losses.

#### Irrevocable contributions

The irrevocable contributions approved by the competent body have been effectively paid in and arise from a written agreement between the parties, which stipulates the permanence of the contribution and the conditions of the relevant conversion to shares, and accordingly they have been considered as part of the shareholders' equity.

#### Additional Paid-in Capital

This item represents the difference between the capital increase subscription amount and the relevant nominal value of the shares issued.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### Legal Reserve

In accordance with the provisions of the Business Companies Law, the Group is required to make a legal reserve of not less than 5% of the positive result arising from the algebraic sum of the results for the year, the adjustments from previous years, transfers of other comprehensive income to retained earnings and the losses for previous years, to complete 20% of the sum of the subscribed capital and the balance of the Capital adjustment account.

### IFRS Special Reserve

According to General Resolution 609/12 issued by the CNV, a special reserve was created containing the resulting positive difference between the initial balance of retained earnings disclosed in the financial statements of the first year-end on which the IFRS were applied and the final balance of the retained earnings as of the end of the last fiscal year during which the previous accounting standards were effective. This reserve cannot be reversed to make distributions in cash or in kind and may only be reversed for capitalization purposes or to absorb any negative balances of retained earnings.

### Optional Reserve

The Optional Reserve represents the allocation made by the Shareholders' Meeting in which a specific amount is allocated to cover the funding needs required by the projects and situations that might arise in relation to the policy of the Group.

### Other Reserves

Actuarial gains and losses are included in the calculation of liabilities for defined benefit plans, gains or losses resulting from derivative instrument valuation differences and their tax effects. Exchange difference due to translation of currencies of the Group, its associates and subsidiary is also included.

### Retained Earnings

Retained earnings include the accumulated income or losses with no specific allocation, which, if positive, can be distributed by means of a decision of the Shareholders' Meeting, provided that they are not subject to any legal restrictions. In addition, it includes the results of previous fiscal years that were not distributed, the amounts transferred from other comprehensive income and adjustments from previous fiscal years by application of accounting standards.

In addition, according to the provisions of the CNV standards, when the net balance of other comprehensive income is positive, it shall not be distributed, capitalized, or allocated to absorb retained losses; when the net balance of these results as at the end date of a fiscal year is negative, there will be a restriction on the distribution of retained earnings for the same amount.

## 2.4. - Information on Operation Segments

For management purposes, the Group is organized in a single business unit to carry out its main electric power generation and marketing business. The Group only discloses the information on that activity in the operating results of the income statement.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



## 2.5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements of the Group requires the Administration to make judgments, estimates and assumptions that affect the amount of the reported income, expenses, assets and liabilities and the determination and disclosure of contingent assets and liabilities as of the end of the reporting fiscal year. In this sense, the uncertainties associated with the adopted assumptions and estimates could lead in the future to final results that could differ from those estimates and require significant adjustments to balances informed of the affected assets or liabilities.

The key forward-looking assumptions and other key sources of uncertainty estimation of the end date of reporting fiscal year are described below. The Group has based its accounting assumptions and significant estimates considering the parameters available at the time of preparation of the financial statements. Nevertheless, the current circumstances and assumptions about future events may vary due to changes in the market or to circumstances arising beyond the control of the Group. These changes are reflected in the assumptions at the time of occurrence.

Below there is a detail the estimates and critical judgments used by the Management:

- The assumptions used in the actuarial calculation of post-employment obligations with employees, including the discount rate. (See Note 17)
- Useful lives, residual values and estimation of the recoverable amount used in the impairment test for property, plant and equipment and intangibles assets. (See Notes 7 and 8, respectively)
- Assumptions used in the calculation of the fair value of the financial instruments, including credit risk. (See Note 21)
- The probability of occurrence and the basis of calculation of the liabilities of uncertain amount or contingent liabilities (see Note 18).
- Recoverability of the deferred tax asset (See note 10.2).

Despite the fact that these estimates have been made based on the best information available at the date of issuance of these financial statements, it is possible that the latest information or events that may take place in the future may lead to change them (either upwards or downwards) in the next fiscal years. In such event, any changes would be made prospectively by recognizing the effects of the change in estimate in the relevant future financial statements, according to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

## 2.6.- Changes in accounting policies

### a. Measurement of participating interests in TJSM and TMB

As explained in Note 3 e.1, due to the change in the ownership interests in TJSM and TMB, from the effective date of the change, the gains or losses on these investments ceased to be accounted for using the equity method and were accounted for at their carrying value at the effective date plus dividends.

### b. Accounting Pronouncements effective for periods beginning on or after January 1, 2023

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



The following is a list and brief description of the new or amended standards and interpretations that the Group expects to adopt in the future. In general, the Group intends to adopt these standards when they become effective, although in certain cases it may apply them earlier.

### IAS 1: Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

In October 2022, the IASB issued amendments to IAS 1. The amendments clarify that only covenants with which an entity is required to comply on or before the reporting date will affect the classification of liabilities as current or non-current.

The combined impact of the 2020 amendments and the 2022 amendments will have an impact on practice. Therefore, entities will need to carefully consider the impact of the amendments on existing and future loan agreements.

The amendments are effective for fiscal years beginning on or after January 1, 2024 and will need to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early adoption is permitted, but will need to be disclosed.

The Group will assess the impact of the amendment on a date closer to its effective date.

### IAS 1 Presentation of Financial Statements - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 Making Materiality Judgments, which provides companies with guidance and examples on making materiality judgments about accounting policy disclosures.

The amendments are intended to help entities make the most useful accounting policy disclosures:

- Replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies;
- Providing guidance on how entities should apply the notion of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy information, the entities shall consider both the size of the transactions and other events or conditions and the nature of those events or conditions.

The amendment is effective for annual reporting periods beginning on or after January 1, 2023. Early application of the amendments to IAS 1 is permitted and shall be disclosed.

The amendments are not expected to have a material impact on the Group.

### IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimate

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

In February 2021, the IASB issued amendments to IAS 8 introducing a new definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and corrections of errors. They also clarify how entities use measurement techniques and inputs to account for estimates.

The amended standard clarifies that the effect on an accounting estimate, as a result of a change in an input or a change in a measurement method, is a change in the accounting estimates, unless it is the result of correcting a prior period error. This definition of a change in the accounting estimate specifies that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not considered to be correction of errors.

The amendment shall be effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted.

The amendments are not expected to have a material impact on the Group.

#### **IAS 12 Deferred taxes related to assets and liabilities arising from a single transaction**

In May 2021, the IASB issued amendments to IAS 12 that narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that when payments that settle a liability are deductible for tax purposes, it is a matter of judgement (taking into account the applicable tax law) whether such deductions are attributable for tax purposes to the liability (and interest expense) recognized in the financial statements or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Similarly, under the amendments issued, the initial recognition exception does not apply to transactions that give rise to equal amounts of taxable and deductible temporary differences on initial recognition. It is applied only when the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) gives rise to taxable and deductible temporary differences that are not equal. However, the resulting deferred tax assets and liabilities may not be equal (for example, if the entity is unable to use the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, an entity would be required to recognize the difference between the deferred tax asset and liability in profit or loss. The amendment is effective for annual periods beginning on or after January 1, 2023.

The amendments are not expected to have a material impact on the Group.

#### **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

Amendments to IFRS 10 Consolidated Financial Statements, and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of a sale or contribution of assets between an investor and its associate or joint venture.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The amendments, issued in September 2014, require a full gain or loss to be recognized when a transaction involves a business (whether or not it is located in a subsidiary). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are housed in a subsidiary.

In December 2015, the IASB decided to defer the effective date of these amendments indefinitely, pending the outcome of its research project on the equity method of accounting. Entities shall apply these amendments prospectively. Early application is permitted and shall be disclosed.

The amendments are not expected to have a material impact on the Group.

#### IFRS 16 Leases - Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued an amendment to IFRS 16 related to the recognition by a seller-lessee of the lease liability arising in a sale and leaseback transaction. The amendment is intended to improve the requirements for sale and leaseback transactions under IFRS 16.

The amendment is effective retrospectively for annual periods beginning on or after January 1, 2024. Earlier application is permitted.

The Group will assess the impact of the amendment on a date closer to its effective date.

#### IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new specific accounting standard for insurance contracts covering recognition, measurement, presentation, and disclosure. When effective, it will replace IFRS 4 Insurance Contracts, issued in 2005. The new standard applies to all types of insurance contracts, regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with certain discretionary participation features. Some exemptions may apply within its scope.

In December 2021, the IASB amended IFRS 17 to add a transition option for a “classification overlay” to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information disclosed on initial application of IFRS 17.

If an entity elects to apply the classification overlay, it may do so only for comparative periods to which it applies IFRS 17 (i.e. from the transition date to the date of first application of IFRS 17).

IFRS 17 is effective for annual periods beginning on or after January 1, 2023, with comparative disclosures required. Early adoption is permitted, provided the entity applies IFRS 9 Financial Instruments, on or before the date of first application of IFRS 17.

The amendments are not expected to have a material impact on the Group.

#### c. Impact of the Application of New Standards and Amendments in 2022

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### IFRS 3 Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. These amendments are intended to replace a reference to an earlier version of the IASB’s Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018, without materially changing its requirements.

The amendments are effective for annual periods beginning on or after January 1, 2022 and shall be applied prospectively.

The amendments provide consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use.

The amendment did not have a material impact on the Group.

### IFRS 9 Financial Instruments: Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities

The amendment clarifies the fees that an entity considers when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on behalf of the other. No similar amendment is proposed for IAS 39.

An entity shall apply the amendment to modifications or exchanges of financial liabilities that occur from the beginning of the annual reporting period in which the entity first applies the amendment.

An entity shall apply the amendment for the reporting fiscal years beginning on or after January 1, 2022. Early adoption is permitted.

The amendment did not have a material impact on the Group.

### IAS 16 Property, Plant and Equipment (“PPE”): Proceeds before Intended Use

The amendment prohibits the deduction from the cost of an item of property, plant and equipment of any proceeds from the sale of items produced in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from the sale of such items and the cost of producing those items in profit or loss for the period in accordance with applicable Regulations.

The amendment is effective for annual periods beginning on or after January 1, 2022. The amendment shall be applied retrospectively only to items of property, plant and equipment that are available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendment.

The amendment did not have a material impact on the Group.

### IAS 37: Onerous contracts: Cost of fulfilling a Contract

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to clarify the costs an entity must consider when assessing whether a contract is onerous or loss-making.

The amendment is effective for periods beginning on or after January 1, 2022. The amendment should be applied prospectively to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendment (date of initial application).

The amendments are intended to provide clarity and help to ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see an increase in provisions to reflect the addition of costs directly related to contract activities, while entities that have previously recognized provisions for contract losses using the guidance in the previous standard, IAS 11 Construction Contracts, should exclude the allocation of indirect costs from their provisions.

The amendment did not have a significant impact on the Group.

### NOTE 3 - REGULATORY ASPECTS AND CURRENT AGREEMENTS

This Note summarizes the regulation in force in the fiscal years ended December 31, 2022, 2021 and 2020 and those regulatory aspects that, in spite of having been in force in previous fiscal years, still have an impact on these financial statements.

#### a. Current Regulatory Framework:

##### Resolution SE No. 826/2022

On December 12 2022, the Secretary of Energy amended, by means of Resolution 826/2022, the pricing scheme for power marketed in the “Base Energy” regulatory framework established by Resolutions 238/2022 and 440/2021. The new Resolution is effective as from the economic transaction of November 2022.

Remunerative energy and power prices for thermal and hydraulic power plants for the fiscal years ended December 31, 2022, 2021 and 2020, as expressed in historical currency, are summarized below:

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

- Energy Remuneration for Thermal and Hydraulic Plants:

| Price per source and fuel      | <i>in ARS/MWh</i>                  | <i>in ARS/MWh</i>                           | <i>in ARS/MWh</i>                                   | <i>in ARS/MWh</i>                  | <i>in ARS/MWh</i>                               | <i>in ARS/MWh</i>                               | <i>in ARS/MWh</i>                                   |
|--------------------------------|------------------------------------|---------------------------------------------|-----------------------------------------------------|------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|
|                                | Res. 826/2022                      |                                             |                                                     | Res. 238/2022                      |                                                 | Res. 238/2022                                   | Res. 440/2021                                       |
|                                | <i>effective since August 2023</i> | <i>effective from February to July 2023</i> | <i>effective from December 2023 to January 2023</i> | <i>effective for November 2022</i> | <i>effective from June 2022 to October 2022</i> | <i>effective from February 2022 to May 2022</i> | <i>effective from February 2021 to January 2022</i> |
| <b>Generated Energy</b>        |                                    |                                             |                                                     |                                    |                                                 |                                                 |                                                     |
| Natural Gas                    | 936                                | 731                                         | 585                                                 | 532                                | 443                                             | 403                                             | 310                                                 |
| Gas Oil / Fuel oil             | 1,637                              | 1,279                                       | 1,023                                               | 930                                | 775                                             | 705                                             | 542                                                 |
| Biodiesel                      | 2,338                              | 1,826                                       | 1,461                                               | 1,328                              | 1,107                                           | 1,006                                           | 774                                                 |
| Mineral Coal                   | 2,806                              | 2,192                                       | 1,754                                               | 1,594                              | 1,328                                           | 1,208                                           | 929                                                 |
| Hydraulic Power Plants         | 818                                | 639                                         | 512                                                 | 465                                | 388                                             | 352                                             | 271                                                 |
| Renewable Power Stations       | 6,545                              | 5,113                                       | 4,090                                               | 3,719                              | 3,099                                           | 2,817                                           | 2,167                                               |
| <b>Operated Electric Power</b> |                                    |                                             |                                                     |                                    |                                                 |                                                 |                                                     |
| Thermal Plants                 | 326                                | 255                                         | 204                                                 | 185                                | 154                                             | 140                                             | 108                                                 |
| Hydraulic Power Plants         | 326                                | 255                                         | 204                                                 | 185                                | 154                                             | 140                                             | 108                                                 |

- Power Remuneration for Thermal Plants:

| Base Price per Technology and Scale | <i>in ARS/Month</i>                | <i>in ARS/Month</i>                         | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                | <i>in ARS/Month</i>                             | <i>in ARS/Month</i>                             | <i>in ARS/MWh</i>                                   |
|-------------------------------------|------------------------------------|---------------------------------------------|-----------------------------------------------------|------------------------------------|-------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|
|                                     | Res. 826/2022                      |                                             |                                                     | Res. 238/2022                      |                                                 | Res. 238/2022                                   | Res. 440/2021                                       |
|                                     | <i>effective since August 2023</i> | <i>effective from February to July 2023</i> | <i>effective from December 2023 to January 2023</i> | <i>effective for November 2022</i> | <i>effective from June 2022 to October 2022</i> | <i>effective from February 2022 to May 2022</i> | <i>effective from February 2021 to January 2022</i> |
| Large Combined Cycle Power > 150 MW | 392,135                            | 306,355                                     | 245,084                                             | 222,804                            | 185,670                                         | 168,791                                         | 129,839                                             |
| Large Steam Turbine Power >100 MW   | 559,273                            | 436,932                                     | 349,546                                             | 317,769                            | 264,807                                         | 240,734                                         | 185,180                                             |
| Small Steam Turbine Power ≤ 100MW   | 668,555                            | 522,308                                     | 417,847                                             | 379,861                            | 316,551                                         | 287,773                                         | 221,364                                             |
| Small Gas Turbine Power ≤ 50MW      | 591,414                            | 462,042                                     | 369,634                                             | 336,031                            | 280,025                                         | 254,569                                         | 195,822                                             |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

| Price of Offered<br>Guaranteed Power     | <i>in ARS/Month</i>                    | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                                             | <i>in ARS/Month</i>                        | <i>in ARS/Month</i>                                     | <i>in ARS/Month</i>                                         | <i>in ARS/Month</i>                                             |
|------------------------------------------|----------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------|
|                                          | Res. 826/2022                          |                                                     |                                                                 | Res. 238/2022                              |                                                         |                                                             | Res. 440/2021                                                   |
|                                          | <i>effective since<br/>August 2023</i> | <i>effective from<br/>February to<br/>July 2023</i> | <i>effective from<br/>December<br/>2023 to<br/>January 2023</i> | <i>effective for<br/>November<br/>2022</i> | <i>effective from<br/>June 2022 to<br/>October 2022</i> | <i>effective from<br/>February<br/>2022 to May<br/>2022</i> | <i>effective from<br/>February 2021<br/>to January<br/>2022</i> |
| Summer: December -<br>January - February | 1,402,562                              | 1,095,752                                           | 876,601                                                         | 796,910                                    | 664,092                                                 | 603,720                                                     | 464,400                                                         |
| Winter: June - July -<br>August          | 1,402,562                              | 1,095,752                                           | 876,601                                                         | 796,910                                    | 664,092                                                 | 603,720                                                     | 464,400                                                         |
| Rest of the months of the<br>year        | 1,051,922                              | 821,814                                             | 657,451                                                         | 597,683                                    | 498,069                                                 | 452,790                                                     | 348,300                                                         |

- Power Remuneration for Hydraulic Power Plants:

| Remuneration for Power         | <i>in ARS/Month</i>                    | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                                             | <i>in ARS/Month</i>                        | <i>in ARS/Month</i>                                     | <i>in ARS/Month</i>                                         | <i>in ARS/Month</i>                                             |
|--------------------------------|----------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------|
|                                | Res. 826/2022                          |                                                     |                                                                 | Res. 238/2022                              |                                                         |                                                             | Res. 440/2021                                                   |
|                                | <i>effective since<br/>August 2023</i> | <i>effective from<br/>February to<br/>July 2023</i> | <i>effective from<br/>December 2023<br/>to January<br/>2023</i> | <i>effective for<br/>November<br/>2022</i> | <i>effective from<br/>June 2022 to<br/>October 2022</i> | <i>effective from<br/>February<br/>2022 to May<br/>2022</i> | <i>effective from<br/>February<br/>2021 to<br/>January 2022</i> |
| Large P > 300 MW               | 385,705                                | 301,332                                             | 241,065                                                         | 219,150                                    | 182,625                                                 | 166,023                                                     | 127,710                                                         |
| Median P > 120 and ≤ 300<br>MW | 514,273                                | 401,776                                             | 321,421                                                         | 292,200                                    | 243,500                                                 | 221,364                                                     | 170,280                                                         |
| Small P > 50 and ≤ 120<br>MW   | 707,125                                | 552,442                                             | 321,421                                                         | 401,776                                    | 334,813                                                 | 304,376                                                     | 234,135                                                         |
| Renewable P ≤ 50MW             | 1,157,114                              | 903,995                                             | 723,196                                                         | 657,451                                    | 547,876                                                 | 498,069                                                     | 383,130                                                         |

#### b. Regulatory Framework valid from February 2022 to November 2022: Resolution SE No. 238/2022

On April 18, 2022 the Secretary of Energy amended, by means of Resolution 238/2022, the pricing scheme for power marketed in the “Base Energy” regulatory framework established by Resolution 440/2021, with effects starting in February and June 2022, with a rise of an average of 30% and 10% respectively. The new Resolution eliminated the application of the Use Factor which could reduce the capacity payment based on the generation of the last 12 months.

#### c. Regulatory Framework valid from February 2021 to January 2022: Resolution SE No. 440/2021

On May 19, 2021, the Secretary of Energy amended, by means of Resolution 440/2021, the pricing scheme for power marketed in the “Base Energy” regulatory framework established by Resolution 31/2020. The new Resolution was in force between the economic transactions entered into in February 2021 to and including the transactions entered into in January 2022.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



### **Resolution SE No. 1037/2021**

On November 2, 2021, Resolution No. 1037/2021 was published whereby the Secretary of Energy mainly establishes that, as from the economic transactions of September 2021, the income collected by CAMMESA from the electricity export operations, after deducting the costs incurred to supply those exports, such as fuels, generation, transport and any other related cost, will be accumulated in the Export Account of the Wholesale Electricity Market (MEM) Stabilization Fund.

These funds shall be specifically allocated to the financing of energy infrastructure works as appropriately established by the Secretary of Energy through the relevant regulatory instructions. In addition, it establishes that additional and transitional recognition will be regulated in the remuneration of the Generating Agents included in Resolution No. 440/2021.

By means of note NO-2021-108163338-APN-SE #MEC, the Secretary of Energy instructed CAMMESA that, in the calculation of the economic transactions provided for in paragraphs 4 and 5 of Annex II to Resolution SE No. 440/2021, it must be assumed that they have a constant Utilization Factor equal to 70% for the determination of the Power Availability Remuneration. Likewise, an additional amount of \$1,000/MWh exported during the month will be recognized and allocated pro rata the monthly generated energy of each conventional and hydraulic thermal Generating Agent under its scope.

### **d. Regulatory Framework valid from February 2020 to January 2021: Resolution SE No. 31/2020**

On February 27, 2020, the Secretary of Energy amended, by means of Resolution 31/2020, the pricing scheme for power marketed in the “Base Energy” regulatory framework established by Resolution 1/2019. The new Resolution was in force between the economic transactions entered into in February 2020 to and including the transactions entered into in January 2021.

The main changes introduced by such resolution include:

1. for all the technologies, it established the remuneration of generators in Argentine pesos, which would be adjusted by inflation on a monthly basis, with a combined index 60% based on the Consumer Price Index (CPI) and 40% based on the Internal Wholesale Price Index (IPIM, for its acronym in Spanish). Nevertheless, on April 8, 2020, the Secretary of Energy belonging to the Ministry of Productive Development of the National Executive Branch issued a note where it instructed Cammessa to postpone until further decision the implementation of Annex VI of Resolution 31/2020 concerning the transactional adjustment factor provided for in the aforementioned resolution to adjust the values established in Argentine pesos. Resolution 440/2021 replaced all the annexes to Resolution 31/2020, thus repealing Article 2 of Resolution 31/2020 that created the notion of inflation adjustment.
2. It further established a reduction in the prices of offered guaranteed power calculated on the prices of Resolution 1/2019 converted to Argentine pesos using a rate of 60 pesos per dollar. For thermal generators, the reduction

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



varies between 14% and 18% depending on whether summer/winter periods or the rest of the months are involved. In the case of hydroelectric generators, the reduction was approximately 45%.

3. A new remuneration for energy actually delivered by the thermal power plants and operated by hydroelectric power plants was incorporated, in the hours of maximum thermal requirement and mainly during winter and summer.

**e. Regulatory framework from March 2019 to January 2020: Resolution SE No. 1/2019**

Resolution 1/2019 was in force since the economic transactions entered into in March 2019 to and including January 2020.

The most significant changes introduced by this resolution are conceptually detailed below:

- it established summer, winter and “other months” prices for the offer of availability commitments with a differential remuneration (Offered Guaranteed Availability (DIGO, for its acronym in Spanish));
- it affected the remuneration for power of thermal generators by the factor of use of the generation equipment, setting, however, a guaranteed minimum price related to the actual power availability;
- it established that the actual power availability of the hydraulic generators is the average monthly availability of each generating machine that is not under scheduled and agreed maintenance.
- maintains the remuneration in USD

**f. Current Regulatory Aspects Originating in Previous Periods**

**f.1 Situation of FONINVEMEM I and II:**

In 2020, CAMMESA finalized its 120 installments payments for projects related to FONINVEMEM I and II and power increase with the respective adjustments and interests.

According to the Agreements entered into by generators with the Secretary of Energy and CAMMESA, once the 120 installments of the Sales Settlements with Due Date to be Determined (LVFVD) have been paid, the trusts holding the assets of each thermoelectric plant would be liquidated and the assets would be transferred to the Managing Company of each plant, on condition that they reach an agreement as to the reallocation of participating interest between the Argentine Government and the existing shareholders.

On May 4 and 8, 2020, the Special Shareholders’ Meeting of Termoeléctrica Manuel Belgrano S.A. (TMB) and Termoeléctrica Jose de San Martin S.A. (TJSM) were held, respectively, in order to conduct the acts necessary for the fulfillment of the condition precedent established in Article 1.01 of the Trust Agreement (the “Agreement”). Articles 1.01 and 7.03 of the Agreement provides for that, once the Termination Date has occurred, the Generating Company will become the Trustee upon verifying that the necessary acts have been carried out to allow the National State to receive the shares of TJSM and TMB in accordance with the guidelines established in the “Final Agreement for the MEM Reconversion”, as executed on October 17, 2005 between different MEM generators and the National State (the “Final Agreement”).

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The respective Shareholders' Meetings resolved to make capital increases in TMB and TJSM in the proportion necessary in each Company so that the National State may subscribe shares and become the owner of 65.006% of the shares of TMB and 68.826% of the shares of TJSM. Capital increases were performed without the exercise of any preemptive or accretion rights by the previous shareholders with respect to the shares to be issued in favor of the National State and will be paid in through capitalization of the capital adjustment account.

As a result, the capital increases were subscribed by the National State through the Secretary of Energy and imply that AAG's shareholding interest in both Managing Companies is reduced as consideration for them to receive the net assets of each trust, which transfers are pending.

On March 11 and March 28, 2021, TMB and TJSM, respectively, registered the new interest of the National State in their respective share ledgers, thus reducing the interest of AAG in TMB and TJSM to 7.2% and 6.4%, respectively. As from the effectiveness of this change in the participating interests the resulting gains or losses ceased to be recognized according to the equity method and started to be accounted for at their cost plus dividends.

On June 16, 2021, Executive Decree No. 389/2021 was published in the Official Gazette, whereby, among other things, the shares issued in favor of the National State in the generating companies TMB and TJSM were assigned to Integración Energética Argentina S.A. ("IEASA"). On June 22, 2021, the Managing Companies received a notice from IEASA pursuant to Art. 215 of the Commercial Companies Law, whereby they were informed of the provisions of Art. 6 of Executive Decree No. 389/2021 and requested to consider that the change of ownership has become effective and to record such change in their respective Share Ledgers.

On August 24, 2021, the Common Shareholders' Meetings of TMB and TJSM were held to appoint new directors based on the new stock ownership.

As of the end of the fiscal year, the Company has not recognized any effects, other than those already mentioned above, related to the foregoing disclosures, since we consider that the economic substance of diluting its participating interest in both companies directly corresponds to the increase in assets as a result of having received the net assets from the settlement of the Trusts, mainly as a consequence of the transfer of the aforementioned plants, none of which was made official as of year-end. Once they are made official, the relevant records will be recognized.

## f.2 Situation of Generators Agreement (Guillermo Brown Thermal Plant - CTGBSA)

As of December 31, 2022, CAMMESA paid 79 due installments out of 120 installments for the credits represented by LVFVDs of Guillermo Brown Thermoelectric Plant project, with the respective adjustments and interests.

Once the accounts receivable have been collected in the 120 installments mentioned above, the National Government shall receive a portion of the shares in the capital stock of the relevant Managing Company according to the guidelines established in the Generators Agreement, as amended, in order that they proceed to transfer the assets of the trusts to the Managing Company (the "Generating Company").

According to the provisions of Addendum 2 to the Generators Agreement entered into on July 20, 2012, the new participating interest of AAG in the Generating Company shall not be greater than 30%.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### f.3 2013-2017 Trust Additional Remuneration

As of December 31, 2022, the balance of credits accrued from August 2014 to December 2017 for sales settlements with due date to be determined and interest accrued amounts to 2,947,387 (Note 14).

In August 2021, CAMMESA started to offset receivables for Trust Additional Margin under Resolution SE No. 95/13 earned from February 2013 to August 2014 (partially) against the loan borrowed from CAMMESA as of such date (Notes 14 and 19).

### f.4 Resolution SE No. 529/2014: Remuneration of Non-Recurring Maintenance

Resolution SE 529/2014 incorporated the notion of Non-recurrent Maintenance Remuneration, which was accrued based on energy sold at the spot market to cover maintenance of the plants.

As of December 31, 2022, the balance of receivables accrued from August 2014 to January 2017 for LVFVD and interest amount to 2,351,516 (Note 14). In September 2022 the Group made an adjustment to the Expected Credit Losses (ECL), more detail in Note 14.3

## NOTE 4 – FINANCIAL RISK MANAGEMENT

### 4.1 Risk Management Policy

The Risk Management strategy is designed to safeguard the stability and sustainability of the Group in relation to all relevant components of financial uncertainty, both in normal and special circumstances. The Group's risk management is consistent with the general guidelines defined by its ultimate controlling shareholder, The AES Corporation.

### 4.2 Risk Factors

#### Interest Rate Risk

The interest rate variations affect the value of assets and liabilities bearing a fixed interest rate, including the flow of financial assets with variable interest rates.

The interest rate risk is the risk that the fair values or future cash flows of the assets and liabilities of the Group will fluctuate because of changes in market interest rates. The Group is exposed to the risk of changes in the Financial Placement Rate of the dispatch entity and LIBOR, which are used by CAMMESA to calculate interest on different classes of Accounts Receivable.

It is also exposed to the risk of changes in the LIBOR/EURODOLLAR rate due to the loans held by the Group.

As of December 31, 2022, 90% of the interest-bearing financial liabilities of the Group were at fixed rates.

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### Interest Rate Sensitivity

In the event of a 10% variation in the interest rates mentioned above and if all the other variables remain constant, the income before tax for the year would become affected as follows:

| Rate       | Rate Percentage Increase/<br>(Decrease) | Effect on income/(loss)<br>before tax |
|------------|-----------------------------------------|---------------------------------------|
| LIBOR      | 0.38%                                   | 81,404                                |
| LIBOR      | (0.38)%                                 | (81,404)                              |
| CAMMESA    | 5.80%                                   | 307,336                               |
| CAMMESA    | (5.80)%                                 | (307,336)                             |
| EURODOLLAR | 0.46%                                   | (9,849)                               |
| EURODOLLAR | (0.46)%                                 | 9,849                                 |

### Exchange Risk

Exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the exchange rates. In addition, since the fiscal year ended December 31, 2020, the government issued certain regulations that may affect future cash flows in foreign currency, which are explained in Note 19.1.

The value of assets and liabilities denominated in a currency other than the functional currency of the Group and subsidiaries is subject to changes resulting from the fluctuation in real terms of exchange rates. Given that the functional currency of the Group is the Argentine peso restated in constant currency, the currency that generates the highest exposure in terms of effects on profit or loss is the US Dollar. In the case of the subsidiaries (VN and EASA), whose functional currency is the US dollar, the currency that generates the greatest exposure in terms of effects on profit and loss is the Argentine peso.

The following table summarizes the exposure per assets and liabilities denominated in currencies other than the functional currencies mentioned in the preceding paragraph, to their value in pesos at year-end:

|                               | December 31, 2022 |
|-------------------------------|-------------------|
| Total Non-Current Assets      | 41,930,831        |
| Total Current Assets          | 16,421,231        |
| <b>Total Assets</b>           | <b>58,352,062</b> |
| Total Non-Current Liabilities | 48,921,373        |
| Total Current Liabilities     | 10,915,491        |
| <b>Total Liabilities</b>      | <b>59,836,864</b> |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### Exchange Rate Sensitivity

The following table shows the sensitivity, in the event of a 10% variation in the exchange rate of the United States dollar for each Argentine peso in real terms, holding all other variables constant, and its impact on income before tax for the fiscal year.

The exposure of the Group to changes in the exchange rates of all other currencies is not significant.

| Increase/(Decrease) of Exchange Rate in Pesos | Effect on income/(loss) before tax |
|-----------------------------------------------|------------------------------------|
| 17.72                                         | (938,026)                          |
| (17.72)                                       | 938,026                            |

During the last fiscal years the national authorities have implemented foreign exchange control measures (see Notes 16.4 and 19.1).

### Risk for the decrease of the purchasing power of currency

Changes in the purchasing power of the currency affect the value of monetary assets and liabilities of the Company, affecting the income/(loss) before taxes. The effects of changes in the purchasing power of the currency affect the value of the monetary assets and liabilities of the subsidiaries and have an impact on "Other Comprehensive Income for the period."

The following table shows the sensitivity, in the event of a 10% decrease in the purchasing power of the currency over the monetary position while keeping all the other variables constant, and its impact on income before tax for the fiscal year.

| Decrease of the purchasing power of currency | Effect on income/(loss) before tax |
|----------------------------------------------|------------------------------------|
| 10%                                          | (1,679,870)                        |

### Price risk

The income of the AAG depends mainly on the price of electricity sold under the Base Energy regulatory framework. The Company is not able to set prices in the market where it operates.

As for its subsidiaries, EASA receives a portion of its revenues from the RENOVAR program that consists of an electric power supply agreement with CAMMESA at the prices awarded in the tender for such program and, additionally, together with all the income of VN from the Forward Market (MATER, for its acronym in Spanish) consisting of contracts with private customers in accordance with the prices agreed in each operation.

### Commodities Price Risk

The Group purchases mineral coal for use in units 1, 2 and 5 of the CTSN. The recognition of the Variable Production Cost (CVP, for its acronym in Spanish) by CAMMESA for the generation of electric power with fuels purchased by the Group mitigates the impact of an increase in the price of these commodities.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### Credit Risk

The credit risk is concentrated in the accounts receivable for the recognized book value. Regarding the determination as to whether the credit risk of such financial assets has increased significantly since the initial recognition and estimation of the initial Expected Credit Loss (ECL), the Group considers reasonable and supportable information that is relevant and available at no additional cost.

In the quarter ended September 30, 2022, AAG adjusted its estimation of ECLs derived from trade receivables, recording an allowance for doubtful accounts on the receivables with CAMMESA whose ECLs are considered to be affected. The calculated ECLs are based on the difference between contractual cash flows and all the cash flows that the Group expects to receive; the difference is then discounted using an approximation of the effective interest rate of the original asset (Note 14).

### Liquidity Risk

The Group manages liquidity in order to ensure that the necessary funds are available to support its business strategy. The Group uses its own funds for the payment of its obligations and maintains uncommitted facilities with first-line banks of Argentina, which are disbursed whenever necessary.

## 4.3 Risk Measurement

The Group maintains methods to measure the effectiveness of risk strategies both prospectively and retrospectively.

Various methodologies on risk quantification, such as regression analysis methods, risk tolerances and maximum exposures are used and documented for such analysis in order to adjust risk mitigation strategies and to assess their impacts.

## NOTE 5 - OPERATING SEGMENTS

For the purposes of the application of IFRS 8, the Group defines itself as a single operating segment allocated to the whole business.

Business segments were defined according to the regular manner in which the management analyzes the information in the decision-making process. For this purpose, the management prepares monthly management reports containing a single business segment consisting of the whole Group. It has been established that the representative measure of economic results for the decision-making process by the Management is the “adjusted EBITDA.” The next table shows the reconciliation between Net Income for the year and adjusted EBITDA:

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

|                                            | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|--------------------------------------------|-------------------|-------------------|-------------------|
| <b>Net income for the year</b>             | <b>2,286,901</b>  | <b>2,984,383</b>  | <b>6,110,729</b>  |
| Income tax                                 | (9,345,438)       | 2,177,967         | 4,392,916         |
| Other income and expenses                  | 66,117            | 166,351           | (479,081)         |
| Income from investments in other companies | (77,760)          | (171,189)         | (224,388)         |
| Financial income                           | (11,724,436)      | (10,956,278)      | (9,984,720)       |
| Financial expenses                         | 8,644,927         | 12,276,332        | 10,448,407        |
| Exchange gain (loss)                       | 1,815,466         | (2,013,242)       | (817,514)         |
| RECPAM                                     | 14,419,671        | 11,989,612        | 5,820,494         |
| Depreciation and amortization              | 7,751,367         | 8,836,989         | 8,775,425         |
| <b>Adjusted EBITDA</b>                     | <b>13,836,815</b> | <b>25,290,925</b> | <b>24,042,268</b> |

## NOTE 6 - INVESTMENTS IN SUBSIDIARY AND OTHER COMPANIES

The Group has the following interests in non-consolidated private entities that are not listed on any stock exchange, and which are located in the Republic of Argentina.

### a. Subsidiaries:

#### Central Termoeléctrica Guillermo Brown S.A. (CTGBSA).

AGG holds 60% of the shares and voting rights of the Subsidiary, while AES Electroinversora BV (member of the economic group The AES Corporation) holds the remaining 40% of the shares and voting rights.

CTGBSA, which is engaged in the operation and maintenance of thermal power plants, prepares its financial information under Argentine professional accounting standards, but no significant differences have been identified with the IFRS applied by the Group. The shares of CTGBSA are encumbered in favor of the trust to guarantee operation and maintenance of the respective generation plants.

#### Sierras del Buendía S.A. (Sierras del Buendía)

On May 26, AAG executed the purchase option of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW wind plant, such as environmental impact study, land use rights, easement agreements, etc. Likewise, it is registered in the Registry of Renewable Energy Projects ("Registro de Proyectos de Energía Renovable") and is able to participate in future tenders.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



**b. Evolution and changes in the investment of the subsidiary:**

| Investments in Subsidiary | Country of origin | Functional Currency | Participating Interest and Shares | Balance January 1 2022 | Interest in income | Declared dividends | Transactions | Balance December 31, 2022 |
|---------------------------|-------------------|---------------------|-----------------------------------|------------------------|--------------------|--------------------|--------------|---------------------------|
| CTGBSA                    | Argentina         | AR\$                | 60.00%                            | 275,295                | 76,648             | (39,256)           | (13,109)     | 299,578                   |
| Sierras del Buendía       | Argentina         | AR\$                | 90.00%                            | —                      | 1,112              | —                  | 12           | 1,124                     |

| Investments in Subsidiary | Country of origin | Functional Currency | Participating Interest and Shares | Balance January 1 2021 | Interest in income | Declared dividends | Transactions | Balance December 31, 2021 |
|---------------------------|-------------------|---------------------|-----------------------------------|------------------------|--------------------|--------------------|--------------|---------------------------|
| CTGBSA                    | Argentina         | AR\$                | 60.00%                            | 225,364                | 171,189            | (121,547)          | 289          | 275,295                   |

| Investments in Subsidiary | Country of origin | Functional Currency | Participating Interest and Shares | Balance January 1 2020 | Interest in income | Declared dividends | Transactions | Balance December 31, 2020 |
|---------------------------|-------------------|---------------------|-----------------------------------|------------------------|--------------------|--------------------|--------------|---------------------------|
| CTGBSA                    | Argentina         | AR\$                | 60.00%                            | 358,526                | 126,324            | (259,936)          | 450          | 225,364                   |

**c. Summary financial information of the subsidiary:**

| Investments in Subsidiaries <sup>(1)</sup> | December 31, 2022  |                |                      |                         |                     |           |            |
|--------------------------------------------|--------------------|----------------|----------------------|-------------------------|---------------------|-----------|------------|
|                                            | Non-Current Assets | Current Assets | Shareholders' equity | Non-Current Liabilities | Current liabilities | Ordinary  | Net Income |
| CTGBSA                                     | 64,683             | 734,174        | 499,297              | 28,778                  | 270,782             | 1,170,109 | 127,746    |
| Sierras del Buendía                        | —                  | 3,096          | 1,249                | —                       | 1,847               | —         | (18,188)   |

<sup>(1)</sup> The financial information from the subsidiaries is for the fiscal year ended December 31, 2022.

| Investments in Subsidiary | December 31, 2021  |                |                      |                         |                     |           |            |
|---------------------------|--------------------|----------------|----------------------|-------------------------|---------------------|-----------|------------|
|                           | Non-Current Assets | Current Assets | Shareholders' equity | Non-Current Liabilities | Current liabilities | Ordinary  | Net Income |
| CTGBSA <sup>(1)</sup>     | 90,225             | 769,211        | 458,826              | 30,529                  | 370,081             | 1,396,019 | 285,315    |

<sup>(1)</sup> The financial information from the subsidiary is for the fiscal year ended December 31, 2021.

| Investments in Subsidiary | December 31, 2020  |                |                      |                         |                     |           |            |
|---------------------------|--------------------|----------------|----------------------|-------------------------|---------------------|-----------|------------|
|                           | Non-Current Assets | Current Assets | Shareholders' equity | Non-Current Liabilities | Current liabilities | Ordinary  | Net Income |
| CTGBSA <sup>(1)</sup>     | 111,296            | 569,228        | 375,605              | 25,165                  | 279,754             | 1,299,541 | 210,541    |

<sup>(1)</sup> The financial information from the subsidiary is for the fiscal year ended December 31, 2020.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



**NOTE 7 - PROPERTY, PLANT AND EQUIPMENT**

| Classes                                            | December 31, 2022  |                          |                   |
|----------------------------------------------------|--------------------|--------------------------|-------------------|
|                                                    | Gross value        | Accumulated depreciation | Net value         |
| Construction work in progress                      | 311,770            | —                        | 311,770           |
| Lands                                              | 36,076             | —                        | 36,076            |
| Buildings                                          | 2,522,481          | (1,603,941)              | 918,540           |
| Plant and Equipment                                | 130,448,012        | (55,736,967)             | 74,711,045        |
| Information Technology (IT) Equipment              | 1,402,004          | (1,277,072)              | 124,932           |
| Furniture, fixture and fittings                    | 333,244            | (291,878)                | 41,366            |
| Motor vehicles                                     | 434,706            | (313,342)                | 121,364           |
| Other property, plant and equipment <sup>(1)</sup> | 102,818            | (5,949)                  | 96,869            |
| <b>Total</b>                                       | <b>135,591,111</b> | <b>(59,229,149)</b>      | <b>76,361,962</b> |

| Classes                                            | December 31, 2021  |                          |                   |
|----------------------------------------------------|--------------------|--------------------------|-------------------|
|                                                    | Gross value        | Accumulated depreciation | Net value         |
| Construction work in progress                      | 349,668            | —                        | 349,668           |
| Lands                                              | 36,076             | —                        | 36,076            |
| Buildings                                          | 2,522,549          | (1,554,690)              | 967,859           |
| Plant and Equipment                                | 133,916,075        | (49,746,642)             | 84,169,433        |
| Information Technology (IT) Equipment              | 1,336,521          | (1,173,870)              | 162,651           |
| Furniture, fixture and fittings                    | 330,286            | (273,073)                | 57,213            |
| Motor vehicles                                     | 382,225            | (282,805)                | 99,420            |
| Other property, plant and equipment <sup>(1)</sup> | 36,467             | (4,968)                  | 31,499            |
| <b>Total</b>                                       | <b>138,909,867</b> | <b>(53,036,048)</b>      | <b>85,873,819</b> |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

| Classes                                            | December 31, 2020  |                          |                    |
|----------------------------------------------------|--------------------|--------------------------|--------------------|
|                                                    | Gross value        | Accumulated depreciation | Net value          |
| Construction work in progress                      | 410,489            | —                        | 410,489            |
| Lands                                              | 36,076             | —                        | 36,076             |
| Buildings                                          | 2,522,546          | (1,471,763)              | 1,050,783          |
| Plant and Equipment                                | 143,249,836        | (42,633,836)             | 100,616,000        |
| Information Technology (IT) Equipment              | 1,327,258          | (1,039,991)              | 287,267            |
| Furniture, fixture and fittings                    | 327,932            | (254,152)                | 73,780             |
| Motor vehicles                                     | 373,944            | (254,017)                | 119,927            |
| Other property, plant and equipment <sup>(1)</sup> | 72,312             | (2,431)                  | 69,881             |
| <b>Total</b>                                       | <b>148,320,393</b> | <b>(45,656,190)</b>      | <b>102,664,203</b> |

<sup>(1)</sup> The asset of the cost of Dismantling Obligations is included within “Other property, plant and equipment.”

The useful lives of the most relevant assets of the Group are disclosed below:

| Classes                             | Method used for depreciation | Minimum life | Maximum Life |
|-------------------------------------|------------------------------|--------------|--------------|
| Buildings                           | Years                        | 1            | 36           |
| Plant and Equipment                 | Years                        | 1            | 34           |
| Renewable Plants and Equipment      | Years                        | 1            | 40           |
| IT equipment                        | Years                        | 1            | 5            |
| Furniture, fixture and fittings     | Years                        | 1            | 24           |
| Motor vehicles                      | Years                        | 2            | 10           |
| Other property, plant and equipment | Years                        | 1            | 20           |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

Find below the changes in properties, plant and equipment:

|                                        | Construction<br>Work in<br>Progress | Lands         | Buildings,<br>net | Plant and<br>equipment, net | IT equipment,<br>net | Furniture,<br>fixture and<br>fittings, net | Motor<br>vehicles<br>net |
|----------------------------------------|-------------------------------------|---------------|-------------------|-----------------------------|----------------------|--------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2022</b>   | <b>349,668</b>                      | <b>36,076</b> | <b>967,859</b>    | <b>84,169,433</b>           | <b>162,651</b>       | <b>57,213</b>                              | <b>99,421</b>            |
| Additions                              | 597,655                             | —             | —                 | 2,198,798                   | 2,835                | 3,137                                      | 51,400                   |
| Withdrawals                            | —                                   | —             | —                 | (32,562)                    | —                    | —                                          | (1,340)                  |
| Depreciation expense                   | —                                   | —             | (49,319)          | (6,423,440)                 | (105,841)            | (18,865)                                   | (28,230)                 |
| Translation effect                     | (6,747)                             | —             | —                 | (5,763,333)                 | (482)                | (119)                                      | (78,000)                 |
| Finished works                         | (628,806)                           | —             | —                 | 562,149                     | 66,657               | —                                          | —                        |
| Transfers                              | —                                   | —             | —                 | —                           | (888)                | —                                          | 888                      |
| <b>Balance as of December 31, 2022</b> | <b>311,770</b>                      | <b>36,076</b> | <b>918,540</b>    | <b>74,711,045</b>           | <b>124,932</b>       | <b>41,366</b>                              | <b>121,300</b>           |

|                                        | Construction<br>Work in<br>Progress | Lands         | Buildings,<br>net | Plant and<br>equipment, net | IT equipment,<br>net | Furniture,<br>fixture and<br>fittings, net | Motor<br>vehicles<br>net |
|----------------------------------------|-------------------------------------|---------------|-------------------|-----------------------------|----------------------|--------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2021</b>   | <b>410,489</b>                      | <b>36,076</b> | <b>1,050,783</b>  | <b>100,616,000</b>          | <b>287,267</b>       | <b>73,780</b>                              | <b>119,921</b>           |
| Additions                              | 1,482,308                           | —             | —                 | 1,486,874                   | 10,375               | 2,640                                      | 8,580                    |
| Withdrawals                            | —                                   | —             | —                 | (40,857)                    | —                    | —                                          | —                        |
| Depreciation expense                   | —                                   | —             | (82,924)          | (7,618,270)                 | (134,149)            | (18,937)                                   | (28,780)                 |
| Translation effect                     | (16,478)                            | —             | —                 | (11,800,965)                | (842)                | (270)                                      | (30,000)                 |
| Finished works                         | (1,526,651)                         | —             | —                 | 1,526,651                   | —                    | —                                          | —                        |
| <b>Balance as of December 31, 2021</b> | <b>349,668</b>                      | <b>36,076</b> | <b>967,859</b>    | <b>84,169,433</b>           | <b>162,651</b>       | <b>57,213</b>                              | <b>99,421</b>            |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

|                                        | Construction<br>Work in<br>Progress | Lands         | Buildings,<br>net | Plant and<br>equipment, net | IT equipment,<br>net | Furniture,<br>fixture and<br>fittings, net | Motor<br>vehicles, net |
|----------------------------------------|-------------------------------------|---------------|-------------------|-----------------------------|----------------------|--------------------------------------------|------------------------|
| <b>Balance as of January 1, 2020</b>   | <b>39,439,728</b>                   | <b>36,609</b> | <b>1,372,910</b>  | <b>48,577,948</b>           | <b>315,328</b>       | <b>109,434</b>                             | <b>124,200</b>         |
| Additions                              | 18,422,003                          | —             | 12,155            | 264,162                     | 42,222               | 6,149                                      | 25,300                 |
| Withdrawals                            | —                                   | —             | —                 | (4,633)                     | —                    | —                                          | —                      |
| Depreciation expense                   | —                                   | —             | (314,292)         | (7,124,661)                 | (177,766)            | (37,429)                                   | (33,500)               |
| Translation effect                     | 1,461,495                           | (533)         | (19,990)          | 105,271                     | (4,382)              | (1,562)                                    | (1,800)                |
| Finished works                         | (58,912,737)                        | —             | —                 | 58,797,913                  | 111,865              | (2,812)                                    | 5,700                  |
| <b>Balance as of December 31, 2020</b> | <b>410,489</b>                      | <b>36,076</b> | <b>1,050,783</b>  | <b>100,616,000</b>          | <b>287,267</b>       | <b>73,780</b>                              | <b>119,900</b>         |

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The Group has insurance contracts with respect to its generation plants, including business interruption all risks insurance policy, which cover, among other things, damages caused by fire, flood, and earthquake.

For the preparation of the statement of cash flows in the cash flows from investing activities, the Group considers the amounts actually paid or anticipated in the period of properties, plant and equipment.

On the other hand, only the items linked to financing operations outside the normal period granted by suppliers, which, once satisfied, are disclosed as financing activities. are considered as non-cash items. During the years ended December 31, 2022, 2021 and 2020 there were no non-cash items.

## 7.1. Leases

Below there is a detail of the net value recorded in Property, Plant and Equipment for rights-of-use assets recognized as of December 31, 2022, including changes, as per class of assets where the Group is lessee.

|                                        | Lease of offices <sup>(1)</sup> | Battery energy storage equipment <sup>(1)</sup> | Total          |
|----------------------------------------|---------------------------------|-------------------------------------------------|----------------|
| <b>Balance as of January 1, 2020</b>   | <b>12,685</b>                   | <b>490,909</b>                                  | <b>503,594</b> |
| Additions                              | 13,730                          | —                                               | 13,730         |
| Amortization                           | (13,495)                        | (192,626)                                       | (206,121)      |
| Exchange gain or loss and RECPAM       | (140)                           | (20,016)                                        | (20,156)       |
| <b>Balance as of December 31, 2020</b> | <b>12,780</b>                   | <b>278,267</b>                                  | <b>291,047</b> |
| Additions                              | 9,598                           | —                                               | 9,598          |
| Amortization                           | (13,466)                        | (192,679)                                       | (206,145)      |
| <b>Balance as of December 31, 2021</b> | <b>8,912</b>                    | <b>85,588</b>                                   | <b>94,500</b>  |
| Additions                              | 8,156                           | 444,483                                         | 452,639        |
| Amortization                           | (8,711)                         | (166,184)                                       | (174,895)      |
| <b>Balance as of December 31, 2022</b> | <b>8,357</b>                    | <b>363,887</b>                                  | <b>372,244</b> |

Moreover, the balance of lease liabilities as of December 31, 2022 and the changes during the fiscal year ended on that date are as follows:

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

|                                        | Lease of offices | Battery energy storage equipment(2) | Debt for lease liabilities |
|----------------------------------------|------------------|-------------------------------------|----------------------------|
| <b>Balance as of January 1, 2020</b>   | <b>12,545</b>    | <b>641,724</b>                      | <b>654,269</b>             |
| Additions                              | 10,546           | —                                   | 10,546                     |
| Accrued interest                       | 711              | 49,164                              | 49,875                     |
| Payments                               | (14,210)         | —                                   | (14,210)                   |
| Exchange gain or loss and RECPAM       | 119              | 21,778                              | 21,897                     |
| <b>Balance as of December 31, 2020</b> | <b>9,711</b>     | <b>712,666</b>                      | <b>722,377</b>             |
| Additions                              | 9,598            | —                                   | 9,598                      |
| Accrued interest                       | 536              | 23,895                              | 24,431                     |
| Payments                               | (10,056)         | —                                   | (10,056)                   |
| Exchange gain or loss and RECPAM       | (876)            | (138,224)                           | (139,100)                  |
| <b>Balance as of December 31, 2021</b> | <b>8,913</b>     | <b>598,337</b>                      | <b>607,250</b>             |
| Additions                              | 8,156            | 444,483                             | 452,639                    |
| Accrued interest                       | 479              | 29,060                              | 29,539                     |
| Payments                               | (9,054)          | —                                   | (9,054)                    |
| Exchange gain or loss and RECPAM       | (137)            | (67,994)                            | (68,131)                   |
| <b>Balance as of December 31, 2022</b> | <b>8,357</b>     | <b>1,003,886</b>                    | <b>1,012,243</b>           |

<sup>(1)</sup> Included under the heading Buildings in Property, Plant and Equipment

<sup>(2)</sup> Included in accounts payable to related parties

## 7.2 Asset Impairment

During the year ended December 31, 2022 no indication of impairment was observed; therefore, the recoverability test has not been performed. All of the items of property, plant and equipment, and intangible assets have definite useful life.

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 8 - INTANGIBLE ASSETS

### 8.1 Intangible Assets

The detail is shown in the following table:

|                                                   | December 31, 2022 |                     |                  |
|---------------------------------------------------|-------------------|---------------------|------------------|
|                                                   | Gross value       | Amortization        | Net value        |
| Finite lived intangible assets                    | 29,305,932        | (24,773,767)        | 4,532,165        |
| <b>Total</b>                                      | <b>29,305,932</b> | <b>(24,773,767)</b> | <b>4,532,165</b> |
| Software                                          | 1,089,697         | (836,223)           | 253,474          |
| Concession agreements (Note 8.3)                  | 25,121,867        | (23,868,703)        | 1,253,164        |
| Acquisition and development of renewable projects | 3,094,368         | (68,841)            | 3,025,527        |
| <b>Total</b>                                      | <b>29,305,932</b> | <b>(24,773,767)</b> | <b>4,532,165</b> |

|                                                   | December 31, 2021 |                     |                  |
|---------------------------------------------------|-------------------|---------------------|------------------|
|                                                   | Gross value       | Amortization        | Net value        |
| Finite lived intangible assets                    | 29,192,225        | (23,655,268)        | 5,536,957        |
| <b>Total</b>                                      | <b>29,192,225</b> | <b>(23,655,268)</b> | <b>5,536,957</b> |
| Software                                          | 993,534           | (730,249)           | 263,285          |
| Concession agreements (Note 8.3)                  | 25,038,052        | (22,874,716)        | 2,163,336        |
| Acquisition and development of renewable projects | 3,160,639         | (50,303)            | 3,110,336        |
| <b>Total</b>                                      | <b>29,192,225</b> | <b>(23,655,268)</b> | <b>5,536,957</b> |

|                                                   | December 31, 2020 |                     |                  |
|---------------------------------------------------|-------------------|---------------------|------------------|
|                                                   | Gross value       | Amortization        | Net value        |
| Finite lived intangible assets                    | 29,134,726        | (22,713,596)        | 6,421,130        |
| <b>Total</b>                                      | <b>29,134,726</b> | <b>(22,713,596)</b> | <b>6,421,130</b> |
| Software                                          | 827,829           | (632,676)           | 195,153          |
| Concession agreements (Note 8.3)                  | 25,018,997        | (22,053,118)        | 2,965,879        |
| Acquisition and development of renewable projects | 3,287,900         | (27,802)            | 3,260,098        |
| <b>Total</b>                                      | <b>29,134,726</b> | <b>(22,713,596)</b> | <b>6,421,130</b> |

The useful lives of the most relevant intangible assets of the Group are disclosed below.

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

|                                   | Unit  | Maximum life      | Minimum life      |
|-----------------------------------|-------|-------------------|-------------------|
| Concession agreements             | Years | Concession period | Concession period |
| Software                          | Years | 10                | 1                 |
| Acquisition of renewable projects | Years | 25                | 25                |

Below are the changes in intangible assets:

|                                        | Software       | Concession agreement | Acquisition and development of renewable projects | Intangible Assets, total |
|----------------------------------------|----------------|----------------------|---------------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2022</b>   | 263,285        | 2,163,336            | 3,110,336                                         | <b>5,536,957</b>         |
| Additions                              | 96,493         | 83,708               | —                                                 | <b>180,201</b>           |
| Amortization                           | (106,012)      | (993,880)            | (24,232)                                          | <b>(1,124,124)</b>       |
| Translation effect                     | (292)          | —                    | (60,577)                                          | <b>(60,869)</b>          |
| <b>Balance as of December 31, 2022</b> | <b>253,474</b> | <b>1,253,164</b>     | <b>3,025,527</b>                                  | <b>4,532,165</b>         |

|                                        | Software       | Concession agreement | Acquisition and development of renewable projects | Intangible Assets, total |
|----------------------------------------|----------------|----------------------|---------------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2021</b>   | 195,153        | 2,965,879            | 3,260,098                                         | <b>6,421,130</b>         |
| Additions                              | 168,332        | 20,173               | —                                                 | <b>188,505</b>           |
| Amortization                           | (97,569)       | (822,716)            | (30,344)                                          | <b>(950,629)</b>         |
| Translation effect                     | (2,631)        | —                    | (119,418)                                         | <b>(122,049)</b>         |
| <b>Balance as of December 31, 2021</b> | <b>263,285</b> | <b>2,163,336</b>     | <b>3,110,336</b>                                  | <b>5,536,957</b>         |

|                                        | Software       | Concession agreement | Acquisition and development of renewable projects | Intangible Assets, total |
|----------------------------------------|----------------|----------------------|---------------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2020</b>   | 148,772        | 3,842,383            | 2,379,355                                         | <b>6,370,510</b>         |
| Additions                              | 158,773        | 126,574              | 881,415                                           | <b>1,166,762</b>         |
| Amortization                           | (110,235)      | (947,258)            | (27,802)                                          | <b>(1,085,295)</b>       |
| Translation effect                     | (2,157)        | (55,820)             | 27,130                                            | <b>(30,847)</b>          |
| <b>Balance as of December 31, 2020</b> | <b>195,153</b> | <b>2,965,879</b>     | <b>3,260,098</b>                                  | <b>6,421,130</b>         |

## 8.2 Concession Asset Ownership Restrictions

The Group has concessions on Alicurá, Cabra Corral, El Tunal and Ullum power plants.

According to their concession contracts, all the equipment of the concessionaire, including all elements, materials, machinery, and other goods of any nature that the Group, as concessionaire, uses for the performance of the concession, shall be transferred by operation of law to the Grantor at the expiration of the concession term.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



### 8.3 Concessions per Plant

Below is a detail of the recognized carrying amount of the concession contracts detailed for each hydroelectric power plant:

|                                   | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|-----------------------------------|-------------------|-------------------|-------------------|
| Alicurá Plant                     | 470,725           | 1,260,952         | 1,981,124         |
| Cabra Corral Plant                | 316,863           | 370,127           | 401,728           |
| El Tunal Plant                    | 149,915           | 169,368           | 211,440           |
| Ullum Plant                       | 315,661           | 362,889           | 371,587           |
| <b>Total Concession Contracts</b> | <b>1,253,164</b>  | <b>2,163,336</b>  | <b>2,965,879</b>  |

### NOTE 9 - INVENTORY

The detail of the inventory is as follows:

|                                     | Current           |                   |                   | Non-current       |                   |                   |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                     | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Coal                                | 11,574,001        | 7,718,996         | 878,725           | —                 | —                 | —                 |
| Gas Oil                             | 1,675             | 2,986             | 2,986             | —                 | —                 | —                 |
| Fuel Oil                            | 4,883             | 8,702             | 8,702             | —                 | —                 | —                 |
| Materials, spare parts and supplies | 1,303,009         | 1,107,055         | 555,893           | 1,968,215         | 1,968,215         | 2,448,704         |
| <b>Total</b>                        | <b>12,883,568</b> | <b>8,837,739</b>  | <b>1,446,306</b>  | <b>1,968,215</b>  | <b>1,968,215</b>  | <b>2,448,704</b>  |

The detail of recognized costs is shown in the following table:

|                     | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|---------------------|-------------------|-------------------|-------------------|
| Coal <sup>(1)</sup> | 32,037,047        | 20,920,661        | 7,840,848         |
| <b>Total</b>        | <b>32,037,047</b> | <b>20,920,661</b> | <b>7,840,848</b>  |

(1) The coal costs charged to income are included within fuels used for generation in Note 23.

### Coal supply

During the year ended December 31, 2021, the supply of coal was covered by the contracts with Interocean Coal Sales LLC and Glencore International AG. The Company received approximately 660,982, 813,853 and 408,973 metric tons in 2022, 2021 and 2020, respectively.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 10 - TAXES

### 10.1. Tax Assets and Liabilities (except for Deferred Income Taxes)

#### Tax assets

|                                         | Current           |                   |                   | Non-current       |                   |                   |
|-----------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                         | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Value Added Tax                         | 1,383,501         | 4,627,328         | 4,146,620         | —                 | 706,601           | 3,111,741         |
| Gross income tax                        | 5,493             | 102,750           | 58,752            | 135,690           | 20,078            | —                 |
| Income tax                              | 1,795,698         | 1,177,343         | 208,517           | 2,721,191         | —                 | —                 |
| Credit balance due to withholding taxes | 35,042            | 86,564            | —                 | —                 | —                 | —                 |
| Sundry                                  | 4,472             | 5,177             | 5,570             | —                 | —                 | —                 |
| <b>Total tax assets</b>                 | <b>3,224,206</b>  | <b>5,999,162</b>  | <b>4,419,459</b>  | <b>2,856,881</b>  | <b>726,679</b>    | <b>3,111,741</b>  |

#### Tax liabilities

|                              | Current           |                   |                   | Non-Current       |                   |                   |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                              | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Income tax                   | —                 | —                 | 651,821           | 299,135           | 695,457           | —                 |
| Value Added Tax              | —                 | —                 | —                 | —                 | —                 | 1,218,441         |
| Fees and royalties           | 116,927           | 60,834            | 141,971           | —                 | —                 | —                 |
| Personal property tax        | 50,978            | 117,402           | 56,928            | —                 | —                 | —                 |
| Safety and hygiene rate      | 143,224           | 117,866           | 111,657           | 79,729            | 92,005            | 125,781           |
| Gross income tax             | 3,422             | 2,931             | 21,126            | —                 | 2,341             | 3,198             |
| Sundry                       | 49,605            | 39,018            | 28,131            | 23,170            | 36,292            | 53,966            |
| <b>Total tax liabilities</b> | <b>364,156</b>    | <b>338,051</b>    | <b>1,011,634</b>  | <b>402,034</b>    | <b>826,095</b>    | <b>1,401,386</b>  |

### 10.2- Current Income Tax and Deferred Tax

The charge to income for income tax expense is as follows:

|                   | December 31, 2022 | December 31, 2021  | December 31, 2020  |
|-------------------|-------------------|--------------------|--------------------|
| Current tax       | (77,428)          | (4,123,576)        | (6,181,633)        |
| Deferred tax, net | 9,422,866         | 1,945,609          | 1,788,717          |
| <b>Total</b>      | <b>9,345,438</b>  | <b>(2,177,967)</b> | <b>(4,392,916)</b> |

The tax rate for the Group is 35% for December 2022 and 2021 (progressive) and 30% for December 2020.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

Tax Reform Law 27,430, as amended by Law 27,468, established certain requirements for the application of the tax inflation adjustment, with effect on fiscal years beginning on January 1, 2018. These consolidated financial statements meet these requirements.

The National Executive Branch, through Law 27,630 passed on June 16, 2021, established (i) new progressive Income Tax rates for fiscal years beginning on and after January 1, 2021 as follows: 25% on accumulated net income of up to five million Argentine pesos, 30% on accumulated net income from five million Argentine pesos to fifty million Argentine pesos and 35% on the amount of any such income exceeding fifty million Argentine pesos and (ii) a 7% withholding tax on the dividends distributed to individuals and beneficiaries abroad. The amounts for the fiscal years starting January 1st 2022 are the following:

| Net taxable profit |          | Will pay | Additional % | Over the surplus of |
|--------------------|----------|----------|--------------|---------------------|
| More than          | Up to    |          |              |                     |
| —                  | 7,605    | —        | 25%          | —                   |
| 7,605              | 76,050   | 1,901    | 30%          | 7,605               |
| 76,050             | And Over | 22,435   | 35%          | 76,050              |

The following is a reconciliation between the income tax charged to income and the income tax that would result from applying the current tax rate on income before taxes:

|                                                                                  | December 31,<br>2022 | December 31,<br>2021 | December 31,<br>2020 |
|----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
| Income before taxes                                                              | (7,058,537)          | 5,162,350            | 10,503,645           |
| Current tax rate                                                                 | 35 %                 | 35 %                 | 30 %                 |
| <b>Subtotal</b>                                                                  | <b>2,470,488</b>     | <b>(1,806,823)</b>   | <b>(3,151,094)</b>   |
| Effect of the adjustment for inflation                                           | 3,975,307            | —                    | —                    |
| Effect of change in tax rate                                                     | —                    | (1,998,946)          | —                    |
| Exchange gain (loss)                                                             | 3,665,140            | 2,321,046            | 3,503,250            |
| Difference for adjustment of property, plant and equipment and intangible assets | 1,889,110            | 3,964,779            | (1,186,179)          |
| Overall tax adjustment effect                                                    | (2,851,527)          | (4,175,559)          | (3,864,567)          |
| Accounting restatement effect                                                    | 160,965              | (641,621)            | 11,542               |
| Sundry                                                                           | 35,955               | 159,157              | 294,132              |
| <b>Total Income Tax</b>                                                          | <b>9,345,438</b>     | <b>(2,177,967)</b>   | <b>(4,392,916)</b>   |

The amount of the temporary differences associated with investments in CTGBSA and other companies has not been recognized.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The composition of the net deferred tax assets is as follows:

|                                                                                                               | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|---------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Difference between depreciable values and amortization of property, plant and equipment and intangible assets | 1,988,843         | 867,764           | (1,505,320)       |
| Overall tax adjustment                                                                                        | (1,071,375)       | (3,174,635)       | (2,182,693)       |
| Tax losses                                                                                                    | 4,053,580         | 2,914,993         | 4,388,729         |
| Others                                                                                                        | 29,799            | 10,521            | 48,573            |
| <b>Total deferred assets, net</b>                                                                             | <b>5,000,847</b>  | <b>618,643</b>    | <b>749,289</b>    |

The composition of the net deferred tax liabilities is as follows:

|                                                                                                               | December 31, 2022  | December 31, 2021  | December 31, 2020  |
|---------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| Non-taxable accounting income                                                                                 | (6,675,120)        | (7,613,861)        | (8,286,590)        |
| Difference between depreciable values and amortization of property, plant and equipment and intangible assets | 358,690            | 96,504             | (807,865)          |
| Overall tax adjustment                                                                                        | (257,567)          | (667,569)          | (956,569)          |
| Tax losses                                                                                                    | 2,602,345          | —                  | —                  |
| Allowance for doubtful receivables                                                                            | 1,910,199          | 1,099,113          | 900,686            |
| Others                                                                                                        | 1,043,333          | 656,373            | 661,995            |
| <b>Total deferred liability, net</b>                                                                          | <b>(1,018,120)</b> | <b>(6,429,440)</b> | <b>(8,488,343)</b> |

Pursuant to the provisions of art. 25 and related articles of the Income Tax Law (text organized in 2019) and the amendments introduced by Laws 27,430 and 27,468, Energética Argentina S.A. and Vientos Neuquinos I S.A. adjusted their tax losses for inflation, taking into account the variation in the Domestic Wholesale Price Index (IPIM), published by the National Institute of Statistics and Census, a decentralized agency of the Ministry of Finance, between the end of the fiscal year in which they arose and the month in which these financial statements were issued.

In this regard, it should be noted that with the amendment of Law 27,430, the mechanisms for tax adjustments for inflation established in the Income Tax Law have been reinstated for fiscal years beginning after its publication.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The evolution of the net deferred tax assets during the fiscal year is as follows:

|                                                                | Total            |
|----------------------------------------------------------------|------------------|
| <b>As of January 1, 2020</b>                                   | <b>405,553</b>   |
| Charged to the income statement - Income                       | 320,536          |
| Charged to other comprehensive income                          | (97)             |
| Charged to other comprehensive income - Translation Difference | 23,297           |
| <b>As of December 31, 2020</b>                                 | <b>749,289</b>   |
| Charged to the income statement - (loss)                       | (15,711)         |
| Charged to other comprehensive income                          | (657)            |
| Charged to other comprehensive income - Translation Difference | (114,278)        |
| <b>As of December 31, 2021</b>                                 | <b>618,643</b>   |
| Charged to the income statement - gain                         | 4,078,549        |
| Charged to other comprehensive income                          | (382)            |
| Charged to other comprehensive income - Translation Difference | 304,037          |
| <b>As of December 31, 2022</b>                                 | <b>5,000,847</b> |

The evolution of the net deferred tax liabilities during the year is as follows:

|                                                                | Total            |
|----------------------------------------------------------------|------------------|
| <b>As of January 1, 2020</b>                                   | <b>9,996,501</b> |
| Charged to the income statement - (Income)                     | (1,468,181)      |
| Charged to other comprehensive income - Derivative Instruments | 98,539           |
| Charged to other comprehensive income - Translation Difference | (138,516)        |
| <b>As of December 31, 2020</b>                                 | <b>8,488,343</b> |
| Charged to the income statement - Loss                         | (1,961,320)      |
| Charged to other comprehensive income - Derivative Instruments | (53,296)         |
| Charged to other comprehensive income - Translation Difference | (44,287)         |
| <b>As of December 31, 2021</b>                                 | <b>6,429,440</b> |
| Charged to the income statement - Loss                         | (5,344,317)      |
| Charged to other comprehensive income - Translation Difference | (28,971)         |
| <b>As of December 31, 2022</b>                                 | <b>1,018,120</b> |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



## NOTE 11 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The transactions between the Group and its related parties involve the usual operations regarding purpose and terms. The nature of the relationship with the Group as follows:

- Parent: Ultimate parent company.
- Shareholder, Subsidiary or associate directly related to the Group.
- Common parent: Subsidiary of the parent company not directly related to the Group.

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## 11.1 Balances and Transactions with Related Parties

a) The balances of accounts receivable between the Group and its related companies are as follows:

| Accounts receivable from related parties    |                |                                      |                        |          | Current           |                   |                   |
|---------------------------------------------|----------------|--------------------------------------|------------------------|----------|-------------------|-------------------|-------------------|
| Company                                     | Country        | Transaction description              | Nature of the relation | Currency | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| AES Electroinversora B.V.                   | Holland        | Loans granted                        | Common parent          | USD      | 42,027            | 45,568            | —                 |
| AES Electroinversora B.V.                   | Holland        | Payment on behalf and for account of | Common parent          | USD      | 28,063            | 31,690            | 39,1              |
| AES Energy Ltd. - Buenos Aires Branch       | Argentina      | Professional Services                | Common parent          | ARS      | —                 | 5,893             | 9,6               |
| AES Alicurá Holdings S.C.A.                 | Argentina      | Loans granted                        | Shareholder            | ARS      | —                 | 9,982             | —                 |
| Termoandes S.A.                             | Argentina      | Recovery of costs                    | Common parent          | ARS      | —                 | 13,791            | 1                 |
| AES Andes                                   | Chile          | Miscellaneous services               | Common parent          | USD      | 1,655             | 1,870             | 2,3               |
| AES Servicios América S.R.L.                | Argentina      | Recovery of costs                    | Common parent          | USD      | —                 | 960               | 1,1               |
| The AES Corporation                         | United States  | Miscellaneous services               | Parent                 | USD      | 499               | 1,168             | 6                 |
| Shazia S.R.L.                               | Argentina      | Recovery of costs                    | Shareholder            | ARS      | 45                | 88                | 1                 |
| AES Caracoles S.R.L.                        | Argentina      | Professional Services                | Common parent          | ARS      | —                 | —                 | 7,1               |
| AES Changuinola S.A.                        | Panamá         | Miscellaneous services               | Common parent          | USD      | —                 | —                 | 4,3               |
| Central Termoeléctrica Guillermo Brown S.A. | Argentina      | Recovery of costs                    | Subsidiary             | ARS      | —                 | 4,491             | —                 |
| AES Andres DR, S.A.                         | Dominican Rep. | Sales of assets                      | Common parent          | USD      | 3,261             | —                 | —                 |
| Sierras del Buendia S.A.                    | Argentina      | Payment on behalf and for account of | Subsidiary             | ARS      | 1,847             | —                 | —                 |
| AES Servicios América S.R.L.                | Argentina      | Professional Services                | Common parent          | ARS      | 1,020             | —                 | —                 |
| <b>Total</b>                                |                |                                      |                        |          | <b>78,417</b>     | <b>115,501</b>    | <b>64,7</b>       |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

b) The balances of accounts payable between the Group and its related companies are as follows:

| Accounts payable to related parties         |                |                         |                        |          | Current           |                   |                   |
|---------------------------------------------|----------------|-------------------------|------------------------|----------|-------------------|-------------------|-------------------|
| Company                                     | Country        | Transaction description | Nature of the relation | Currency | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| AES Andes S.A.                              | Chile          | Professional Services   | Common parent          | USD      | 913,096           | 552,352           | 1,391,631         |
| AES Laurel Mountain                         | United States  | Leased Assets           | Common parent          | USD      | 783,340           | 598,337           | 623,905           |
| AES Paraná Operations S.R.L.                | Argentina      | Professional Services   | Common parent          | ARS      | 298,345           | 377,862           | 347,245           |
| AES Globales B.V.                           | Holland        | Dividends payable       | Shareholder            | ARS      | 93,321            | 87,939            | 65,958            |
| AES Paraná Operations S.R.L.                | Argentina      | Recovery of costs       | Common parent          | ARS      | 92,091            | 111,105           | 138,070           |
| AES Servicios América S.R.L.                | Argentina      | Professional Services   | Common parent          | ARS      | 100,293           | 83,142            | 82,252            |
| The AES Corporation                         | United States  | Miscellaneous services  | Parent                 | USD      | 14,611            | —                 | 3,288             |
| Inversora de San Nicolás S.A.               | Argentina      | Miscellaneous services  | Shareholder            | USD      | 19,112            | 21,583            | 26,651            |
| Shazia S.R.L.                               | Argentina      | Dividends payable       | Shareholder            | ARS      | 9,172             | 17,891            | 27,298            |
| AES Alicura Holdings S.C.A.                 | Argentina      | Dividends payable       | Shareholder            | ARS      | —                 | —                 | 10,038            |
| AES Changuinola S.A.                        | Panamá         | Miscellaneous services  | Common parent          | USD      | —                 | —                 | 5,578             |
| Termoandes S.A.                             | Argentina      | Recovery of costs       | Common parent          | ARS      | 6,419             | —                 | —                 |
| AES Latin America                           | Panamá         | Recovery of costs       | Common parent          | USD      | —                 | —                 | 561               |
| AES Energy Ltd. - Buenos Aires Branch       | Argentina      | Professional Services   | Common parent          | ARS      | 2,730             | —                 | 33,045            |
| AES Panamá                                  | Panamá         | Miscellaneous services  | Common parent          | USD      | —                 | —                 | —                 |
| AES Paraná Gas S.A.                         | Argentina      | Professional Services   | Common parent          | ARS      | 1,896             | 286               | 167               |
| Central Termoeléctrica Guillermo Brown S.A. | Argentina      | Recovery of costs       | Subsidiary             | ARS      | 3,507             | —                 | —                 |
| Dominican Power Partners (Branch)           | Dominican Rep. | Miscellaneous services  | Common parent          | USD      | —                 | —                 | 43,934            |
| Inversora de San Nicolás S.A.               | Argentina      | Dividends payable       | Shareholder            | ARS      | —                 | —                 | 5,504             |
| Shazia S.R.L.                               | Argentina      | Recovery of costs       | Shareholder            | USD      | —                 | —                 | —                 |
| <b>Total</b>                                |                |                         |                        |          | <b>2,337,933</b>  | <b>1,850,497</b>  | <b>2,805,125</b>  |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



c) The effects on the income statement of transactions with non-consolidated related parties are as follows:

| Effect on income revenues/(expense)   |           |                                         |                        | For the            |
|---------------------------------------|-----------|-----------------------------------------|------------------------|--------------------|
| Company                               | Country   | Transaction description                 | Nature of the relation | December 31, 2022  |
| AES Alicura Holdings S.C.A.           | Argentina | Loans granted                           | Common parent          | 1,424              |
| AES Electroinversora BV               | Holland   | Loans granted                           | Common parent          | 1,676              |
| <b>Total Revenues</b>                 |           |                                         |                        | <b>3,100</b>       |
| AES Servicios América S.R.L.          | Argentina | Professional Services                   | Common parent          | (879,008)          |
| AES Servicios América S.R.L.          | Argentina | Loans received                          | Common parent          | (213,626)          |
| AES Andes S.A.                        | Chile     | Professional Services                   | Common parent          | (402,580)          |
| AES Paraná Operations S.R.L.          | Argentina | Professional Services                   | Common parent          | (203,440)          |
| AES Paraná Operations S.R.L.          | Argentina | Recovery of costs                       | Common parent          | (58,812)           |
| AES Energy Ltd. - Buenos Aires Branch | Argentina | Services                                | Common parent          | (32,430)           |
| AES Paraná Gas S.A.                   | Argentina | Provision of Services                   | Common parent          | (3,480)            |
| AES Alicurá Holdings S.C.A.           | Argentina | Personal Property Tax - Surrogate Payer | Shareholders           | (21,341)           |
| AES Globales B.V.                     | Holland   | Personal Property Tax - Surrogate Payer | Shareholders           | (13,754)           |
| Inversora de San Nicolás S.A.         | Argentina | Personal Property Tax - Surrogate Payer | Shareholders           | (8,929)            |
| Shazia S.R.L.                         | Argentina | Personal Property Tax - Surrogate Payer | Shareholders           | (139)              |
| <b>Total expense</b>                  |           |                                         |                        | <b>(1,837,539)</b> |

Moreover, AES Laurel Mountain billed 202,365, 257,370 and 281,358 for asset leases during the fiscal years ended December 31, 2022, 2021 and 2020, respectively.

Transactions with related companies in general consist of transactions inherent in the business of the Group.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## 11.2 Balances and Remuneration of the Board and Key Staff

Key Staff includes people with the authority and responsibility to plan, manage and control the activities of the Company, either directly or indirectly. The Group is managed by the members of the Senior Management and by a Board made up of five regular board members and five alternate board members for each of them, who are elected at the Annual General Shareholders' Meeting.

For fiscal years ended December 31, 2022, 2021 and 2020, the Group neither paid nor made a provision for fees payable to the Board members, given that all of them have waived their fees.

Key Staff accrued compensations with a cost for the Group of 196,576; 202,209 and 201,650 for the years ended December 31, 2022, 2021 and 2020, respectively.

Certain senior positions are centralized within the regional structure of AES, with headquarters in Santiago, Chile, which provides administrative, financial, commercial, human resources, and general administration services under the terms of an agreement effective as of December 31, 2022. By virtue of this agreement, the Group is required to pay an annual fee to AES Andes S.A. (Note 11.b & c)

The members of the Supervisory Committee waived their fees for their duties as statutory auditors for the years ended December 31, 2022, 2021 and 2020. Therefore, the Group has neither paid nor made a provision for fees payable to statutory auditors for their duties.

## NOTE 12 - OTHER FINANCIAL ASSETS

The detail related to other financial assets is as follows:

|                                | Current           |                   |                   | Non-current       |                   |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Restricted Cash                | 2,143,622         | —                 | 4,965,625         | —                 | 2,420,694         | —                 |
| Investments in other companies | —                 | —                 | —                 | 142,731           | 86,749            | —                 |
| <b>Total</b>                   | <b>2,143,622</b>  | <b>—</b>          | <b>4,965,625</b>  | <b>142,731</b>    | <b>2,507,443</b>  | <b>—</b>          |

The balance of restricted cash is related to the guarantee of the bank loan, under the pledge agreement entered into on February 12, 2020 with Goldman Sachs. See Note 19.1 (b).

## Investments in other companies

AES Argentina Generación has a participating interest in Termoeléctrica José de San Martín S.A. (TJSM) and

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

Termoeléctrica Manuel Belgrano S.A. (TMB), which are engaged in the operation and maintenance of thermal power plants. The shares of these Companies are encumbered in favor of the different trusts to guarantee operation and maintenance of the respective generation plants. Note 3.d.1 details the regulatory aspects and the incorporation of the National State as a shareholder of TJSM and TMB, as well as the accounting treatment that the Group adopts with respect to these investments.

On October 11, 2022, AES Argentina Generación acquired 10% of Green Valley Solar S.A.'s (GVS) shares through the payment of USD 650,000. This amount includes not only the purchase of shares but also the subscription of the capital increase of the investee. GVS' main activity is the development and marketing of energy generation and storage systems for agricultural irrigation through solar panels.

#### NOTE 13 - OTHER NON-FINANCIAL ASSETS

The details related to other non-financial assets is as follows:

|                                            | Current           |                   |                   | Non-Current       |                   |                   |
|--------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                            | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Advance Payments to Suppliers              | 146,914           | 223,062           | 2,849,939         | 298,550           | 376,711           | 146,634           |
| Insurance and other expenses to be accrued | 33,997            | 29,621            | 134,200           | —                 | —                 | —                 |
| Expenses paid in advance                   | 10,559            | 41,163            | 48,858            | —                 | —                 | —                 |
| Stamp tax to be recovered                  | 732               | 2,088             | 2,863             | 15,831            | 22,031            | 32,840            |
| Advance payment to employees               | 12,832            | 18,650            | 23,488            | —                 | —                 | —                 |
| Sundry                                     | 23,729            | 16,319            | 10,186            | —                 | 1,264             | 6,920             |
| <b>Total</b>                               | <b>228,763</b>    | <b>330,903</b>    | <b>3,069,534</b>  | <b>314,381</b>    | <b>400,006</b>    | <b>186,394</b>    |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 14 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

### 14.1 Composition of the Item

The balances of this item involve energy and power sale operations in the ordinary course of business of the Group. The components are:

|                                                        | Current           |                   |                   | Non-Current       |                   |                   |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                                        | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| CAMMESA trade receivables, gross (Note 14.2)           | 19,094,494        | 19,744,092        | 22,343,556        | 22,803,655        | 35,763,912        | 57,832,850        |
| Renovar contracts (Note 14.2)                          | 508,968           | 449,734           | 598,573           | —                 | —                 | —                 |
| MATER contracts                                        | 841,580           | 926,454           | 838,575           | —                 | —                 | —                 |
| Other trade receivables                                | 8,605             | 8,790             | 155,982           | 127,910           | 114,503           | 121,994           |
| Bad debt allowance (Note 14.3)                         | (3,124)           | (6,085)           | (9,171)           | (5,426,801)       | (3,150,199)       | (3,586,489)       |
| <b>Trade receivables and other accounts receivable</b> | <b>20,450,523</b> | <b>21,122,985</b> | <b>23,927,515</b> | <b>17,504,764</b> | <b>32,728,216</b> | <b>54,368,355</b> |

The fair values of trade receivables and other accounts receivable are not significantly different from their carrying values.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## 14.2 CAMMESA Trade Receivables

The composition of the credits with Cammesa is as follows:

|                                                                                  | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|----------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| <b>CAMMESA common receivables (Note 3.a.)</b>                                    | <b>11,421,492</b> | <b>11,163,504</b> | <b>11,603,235</b> |
| <b>Renovar contracts</b>                                                         | <b>508,968</b>    | <b>449,734</b>    | <b>598,573</b>    |
| <b>Receivable accrued interest from Generators Agreement (Note 3.f.2.)</b>       | <b>350,105</b>    | <b>304,834</b>    | <b>461,072</b>    |
| <b>Receivables under Generators Agreement (Note 3.f.2.)</b>                      | <b>24,827,649</b> | <b>36,488,982</b> | <b>55,420,157</b> |
| Update year 2009                                                                 | 235,537           | 266,044           | 328,560           |
| Update year 2010                                                                 | 2,834,177         | 3,200,505         | 3,952,219         |
| Receivables for LVFVD year 2011                                                  | —                 | —                 | 146,575           |
| Update year 2011                                                                 | 9,528,875         | 10,760,518        | 14,979,460        |
| Receivables for LVFVD year 2012                                                  | —                 | —                 | 29,635            |
| Update year 2012                                                                 | 6,301,478         | 7,118,562         | 9,126,269         |
| Receivables for LVFVD year 2013                                                  | —                 | —                 | 59,100            |
| Update year 2013                                                                 | 134,545           | 143,186           | 760,445           |
| Interests Generators Agreement - Rate LIBOR                                      | 1,140,786         | 2,872,085         | 5,074,259         |
| Interest updated                                                                 | 4,572,700         | 12,109,860        | 20,904,965        |
| Uncollected exchange difference                                                  | 79,551            | 18,222            | 58,670            |
| <b>Receivables for Trust Additional Remuneration (Note 3.f.3) <sup>(1)</sup></b> | <b>2,947,387</b>  | <b>4,199,886</b>  | <b>9,022,018</b>  |
| Receivables for LVFVD year 2013 Res 95/2013                                      | —                 | —                 | 410,778           |
| Receivables for LVFVD year 2014 Res 95/2013                                      | 59,780            | 116,428           | 407,734           |
| Receivables for LVFVD year 2015 Res 95/2013                                      | 157,906           | 307,539           | 463,580           |
| Receivables for LVFVD year 2016 Res 95/2013                                      | 125,231           | 243,901           | 367,652           |
| Receivables for LVFVD year 2017 Res 95/2013                                      | 10,538            | 20,524            | 30,939            |
| Interests Art 3° Resolution 406/03                                               | 2,593,932         | 3,511,494         | 7,341,335         |
| <b>Non-recurring maintenance receivables (Note 3.f.4.) <sup>(1)</sup></b>        | <b>2,351,516</b>  | <b>3,350,798</b>  | <b>3,669,924</b>  |
| Non-recurring maintenance receivables (Resolution 529/2014)                      | 343,898           | 669,780           | 1,010,525         |
| Interests Art 3° Resolution 406/03                                               | 2,007,618         | 2,681,018         | 2,659,399         |
| <b>Total CAMMESA receivables</b>                                                 | <b>42,407,117</b> | <b>55,957,738</b> | <b>80,774,979</b> |

<sup>(1)</sup> 100% accrued as of December 31, 2022.

The values associated with the Receivable for Trust Additional Remuneration Credit were partially offset against the entire loan with CAMMESA in 2021. See Note 3.d

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

### 14.3 Bad Debt Allowance

The application of IFRS 9 since its initial adoption was based on an Expected Credit Losses (ECL) model over the next 12 months in relation to short- and long-term Cammesa receivables.

The factors taken into consideration, among others, for the estimate as of the date of these financial statements, are the following (i) the 12-month period over which the ECLs were estimated upon adoption was extended to the entire life of assets due to a significant increase in counterparty credit risk, especially long-term trade receivables; (ii) the receivables held by the Company resulting from the Base Energy scheme have Cammesa as single counterparty, which is the electricity market management company that has received and continues to receive assistance from the National State to meet its obligations; and (iii) the risk of default of the National State.

Following the adoption of IFRS 9 and considering the factors mentioned in the previous paragraph the Group recorded bad debt allowances on certain receivables with Cammesa. The calculated ECLs are based on the difference between contractual cash flows and all the cash flows that the Company expects to receive; the difference is then discounted using an approximation of the effective interest rate of the original asset.

In September 2022 the Group adjusted the estimation of the ECL considering reasonable information which is relevant and without additional costs for the company to obtain it. The main aspect to take into consideration when determining the adjustment was the change in the macroeconomic variables and the behavior that Cammesa has had in relation to the payment scheme that the Company receives.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

Bad debt allowances concerning trade receivables are as follows:

|                                        | Balance          |
|----------------------------------------|------------------|
| <b>Balance as of January 1, 2020</b>   | <b>134,650</b>   |
| Year increases - commercial expenses   | 4,424,452        |
| Exchange gain (loss)                   | 3,067            |
| RECPAM                                 | (963,442)        |
| Translation difference                 | (3,067)          |
| <b>Balance as of December 31, 2020</b> | <b>3,595,660</b> |
| Year increases - commercial expenses   | 954,355          |
| Year recoveries - commercial expenses  | (193,102)        |
| RECPAM                                 | (1,200,629)      |
| <b>Balance as of December 31, 2021</b> | <b>3,156,284</b> |
| Year increases - commercial expenses   | 4,529,620        |
| Year recoveries - commercial expenses  | (93,544)         |
| RECPAM                                 | (2,162,435)      |
| <b>Balance as of December 31, 2022</b> | <b>5,429,925</b> |

#### NOTE 15 – CASH AND CASH EQUIVALENTS

|                             | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|-----------------------------|-------------------|-------------------|-------------------|
| Cash                        | 414               | 697               | 503               |
| Bank balances               | 302,252           | 421,779           | 1,475,134         |
| Short-term deposits         | 6,121,267         | 2,668,915         | 1,816,750         |
| Mutual funds <sup>(1)</sup> | 5,246,914         | 6,452,489         | 4,889,626         |
| <b>Total</b>                | <b>11,670,847</b> | <b>9,543,880</b>  | <b>8,182,013</b>  |

<sup>(1)</sup> Mutual funds are not considered as Cash for the preparation of the Statement of Cash Flows

The item of “Mutual Funds” includes mutual funds in local financial institutions, they are recorded at fair value as of the end date of the financial statements. “Term deposits” mean placements in financial institutions whose original due date is less than 90 days.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 16 - SHAREHOLDERS' EQUITY

### 16.1 Companies, Shareholders and Related Companies

The participating interest of our shareholders as of year-end are those mentioned in the following table, being the four companies members of The AES Corporation economic group, ultimate parent company, with registered office in 4300 Wilson Boulevard, 11th. floor Arlington, Virginia, USA.

| Name                          | Legal domicile                                                                  | Interest %  |
|-------------------------------|---------------------------------------------------------------------------------|-------------|
| AES Alicurá Holdings S.C.A.   | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 48.2204%    |
| AES Globales B.V.             | Claude Debussylaan 12, 1082MD Amsterdam, Netherlands                            | 31.0763%    |
| Inversora de San Nicolás S.A. | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 20.1743%    |
| Shazia S.R.L.                 | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 0.3139%     |
| Stock Ownership Plan          | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 0.0898%     |
| Other Shareholders            |                                                                                 | 0.1252%     |
| <b>Total</b>                  |                                                                                 | <b>100%</b> |

The Group received a communication from Banco Nación informing about the end of the Stock Ownership Plan of Hidroeléctrica Río Juramento S.A., holder of 14,434,698 Class C shares; therefore, the Shareholders' Meeting that approved the yearly Financial Statements ended December 31, 2020, decided to remove the pledge encumbering those shares and convert them into Class B shares, and to reflect those changes in stock ledger of the Group.

### 16.2 Capital Management

The shareholders' equity includes issued capital, irrevocable contributions, additional paid-in capital, reserves, and retained earnings. The main purpose of the capital management of the Group is to maintain a robust risk rating and sound capital indicators in order to support the business and maximize the value to the shareholders. The Group manages its capital structure and makes adjustments based on changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust dividend payments or capital returns to shareholders, or issue new shares.

No changes were made in the capital related goals, policies or procedures during the year ended December 31, 2022.

### 16.3 Subscribed and Paid-in Capital

As of December 31, 2022, 2021 and 2020, the capital stock of the Group is made up of 11,525,267,740 subscribed and paid in shares of face value 0.10 each and each entitled to one vote.

The subscribed, paid-in and registered capital as of December 31, 2022, 2021 and 2020 amounts to 1,152,527.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



#### 16.4 Dividend Policy, Restrictions on the Distribution of Retained Earnings and other Restrictions

In accordance with the provisions of the Business Companies Law 19,550, 5% of the net income for the fiscal year should be allocated to the legal reserve until it reaches twenty percent (20%) of the capital stock expressed in constant currency. The Company has reached the limit mentioned above.

In addition, in accordance with Article 11 of the Company's By-laws, a 0.5% of income from the year must be distributed as a Profit Sharing Bonus to employees, amount provided at the end of each reporting period.

Law No. 27,430 established a tax on distribution of dividends to local individuals or foreign beneficiaries, which the Company shall be required to withhold and pay to the Treasury as a single and final payment when dividends are paid. Due to the accounting results for 2018 and following years, the withholding rate on the distribution of dividends, as adjusted for inflation, will be 7% or 13% depending on the period in which such profits were generated. Law 27541 on "Social Solidarity and Productive Reactivation in the Framework of a Public Emergency" and its Decree 58/2019 suspends this change in rates and maintains the 7% rate, until the fiscal years starting from and including January 1, 2021. See Note 10.2 regarding the latest changes in tax rates.

Furthermore, the provisions of the fourth paragraph of Article 166 of Decree 862/2019 shall apply to future dividend distributions arising from the restatement of retained earnings as of December 31, 2017, i.e. these dividends may be distributed free of Equalization Tax and the withholding system established by Law 27340, as amended.

The impact of the inflation adjustment on retained earnings and optional reserves pending distribution is as follows:

| Distributable Income              | Profit or loss for the year <sup>(1)</sup> | Inflation Adjustment | Total distributable income <sup>(3)</sup> |
|-----------------------------------|--------------------------------------------|----------------------|-------------------------------------------|
| Before December 31, 2017          | —                                          | 18,483,138           | 18,483,138                                |
| Years 2018 to 2021 <sup>(2)</sup> | 5,397,105                                  | 15,266,570           | 20,663,675                                |
| Year 2022                         | 2,133,987                                  | —                    | 2,133,987                                 |
|                                   | <b>7,531,092</b>                           | <b>33,749,708</b>    | <b>41,280,800</b>                         |

<sup>(1)</sup> At year-end currency of each financial year

<sup>(2)</sup> Net of anticipated dividends

<sup>(3)</sup> Consisting of the balance of the optional reserve and retained earnings

The purpose of the General Shareholders' Meeting is to distribute, as a dividend among its shareholders, the profits generated subject to the results of the projections periodically conducted by the Group and the need to contribute their own resources to finance investment projects, among others.

On September 1, 2019, Decree of Necessity and Urgency (DNU) 609/2019 was published in the Official Gazette, under which it was set forth that any proceeds from export of goods and services shall be entered and/or negotiated in the exchange

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

market in the terms and conditions established by the Argentine Central Bank (“BCRA”). In addition, the DNU provided for that the BCRA will establish the assumptions in which access to the exchange market will require prior authorization, making a distinction between the situation of natural persons and legal persons, and also empowers the BCRA to establish regulations to avoid practices and operations aimed at circumventing, through public securities or other instruments, the measures established in the DNU.

In view of the above, the BCRA issued, as from September 01, 2019, Communication “A” 6770, “A” 7030 as amended by Communications “A” 7042, “A” 7052, “A” 7068, “A” 7079 and “A” 7080, where it set forth as follows: (i) for exports of goods and/or services, foreign currency shall be surrendered within 5 days as from date of collection, (ii) for the import of goods (in certain cases) and services, BCRA authorizations are required for payment, (iii) for the acquisition of foreign assets, prior approval of the BCRA is required, (iv) certain measures relating to foreign debt repayment and disbursements are established, (v) as regards the transfer of profits and dividends, prior approval from the BCRA shall be required, (vi) in every case where access to the foreign exchange market is required for the payment of financial or commercial debts, it must be proven that those debts were declared under the reporting system set forth by the BCRA in Communication “A” 6401, (vii) the ownership of available liquid external assets in the name of the resident must not exceed USD 100,000 to access the Single Free Foreign Exchange Market (MULC), (viii) that until June 30, 2020, the entity has an affidavit from the customer stating that the total amount of payments from the import of goods made through the foreign exchange market as of January 1, 2020, including the payment whose processing is being requested, does not exceed in more than the equivalent amount of USD 250,000 (US dollars two hundred and fifty thousand) the amount arising from considering the sum for which the importer would have access to the foreign exchange market when computing the import of goods in its name in the SEPAIMPO system and that were made official between January 1, 2020 and the day before the access to the foreign exchange market; (ix) cap of USD 250,000 for advance payments of import of goods; and (x) for access to the MULC, the applicant must prove that no securities purchase or sale transactions have been carried out with settlement in foreign currency within 90 days before the application for access to the MULC and must undertake not to make such transactions within 90 days following access to the MULC. See also Note 19.1.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## 16.5 Evolution of Other Reserves

|                                                                       | Reserve for Exchange Differences due to Translation     |                                      | Reserve for Cash Flow Hedges | Reserve for Defined Benefit Plans | Other variations | Total             |
|-----------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------|------------------------------|-----------------------------------|------------------|-------------------|
|                                                                       | Not to be reclassified to profit or loss <sup>(1)</sup> | To be reclassified to profit or loss |                              |                                   |                  |                   |
| <b>Balance as of January 1, 2020</b>                                  | <b>31,808,043</b>                                       | <b>(958,349)</b>                     | <b>—</b>                     | <b>(127,633)</b>                  | <b>—</b>         | <b>30,722,061</b> |
| Gain (loss) from derivative valuation differences                     | —                                                       | —                                    | 262,896                      | —                                 | —                | 262,896           |
| Income tax                                                            | —                                                       | —                                    | (78,869)                     | (19,770)                          | —                | (98,639)          |
| Actuarial gains (losses) from employee benefits                       | —                                                       | —                                    | —                            | 78,386                            | —                | 78,386            |
| Exchange difference due to translation                                | (1,314,537)                                             | —                                    | —                            | —                                 | —                | (1,314,537)       |
| Exchange difference due to translation of investments in subsidiaries | —                                                       | 507,915                              | —                            | —                                 | —                | 507,915           |
| <b>Balance as of December 31, 2020</b>                                | <b>30,493,506</b>                                       | <b>(450,434)</b>                     | <b>184,027</b>               | <b>(69,017)</b>                   | <b>—</b>         | <b>30,158,082</b> |
| Gain (loss) from derivative valuation differences                     | —                                                       | —                                    | (262,896)                    | —                                 | —                | (262,896)         |
| Income tax                                                            | —                                                       | —                                    | 76,442                       | —                                 | —                | 76,442            |
| Actuarial gains (losses) from employee benefits                       | —                                                       | —                                    | —                            | 12,356                            | —                | 12,356            |
| Exchange difference due to translation of investments in subsidiaries | —                                                       | (3,984,810)                          | —                            | —                                 | —                | (3,984,810)       |
| Proceeds from the sale of interest in subsidiaries                    | —                                                       | —                                    | —                            | —                                 | (82,501)         | (82,501)          |
| <b>Balance as of December 31, 2021</b>                                | <b>30,493,506</b>                                       | <b>(4,435,244)</b>                   | <b>(2,427)</b>               | <b>(56,661)</b>                   | <b>(82,501)</b>  | <b>25,916,673</b> |
| Income tax                                                            | —                                                       | —                                    | —                            | 38,032                            | —                | 38,032            |
| Actuarial gains (losses) from employee benefits                       | —                                                       | —                                    | —                            | (108,668)                         | —                | (108,668)         |
| Exchange difference due to translation of investments in subsidiaries | —                                                       | (1,976,511)                          | —                            | —                                 | —                | (1,976,511)       |
| <b>Balance as of December 31, 2022</b>                                | <b>30,493,506</b>                                       | <b>(6,411,755)</b>                   | <b>(2,427)</b>               | <b>(127,297)</b>                  | <b>(82,501)</b>  | <b>23,869,526</b> |

<sup>(1)</sup> Includes 193,204, 207,880 and 61,582 as of December 31, 2022, 2021 and 2020, respectively, attributable to non-controlling third parties.

## NOTE 17 - LIABILITIES FOR EMPLOYEE COMPENSATIONS AND BENEFITS

The Group grants different post-employment benefit plans to part of their active workers, according to the applicable collective bargaining agreements, which are benefits for years of service (granted to all employees upon completing a certain number of years in service), ordinary retirement benefits (granted to all employees upon obtaining the ordinary retirement pension granted by the Argentine Integrated Social Security System) and death benefits, which have been classified as defined benefit plans.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The components of the balance are:

|                                              | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|----------------------------------------------|-------------------|-------------------|-------------------|
| Seniority and retirement benefits            | 586,360           | 578,386           | 552,629           |
| Provisions for bonuses to staff and holidays | 10,537            | —                 | —                 |
| <b>Total non-current</b>                     | <b>596,897</b>    | <b>578,386</b>    | <b>552,629</b>    |
| Provisions for bonuses to staff and holidays | 1,335,673         | 1,398,794         | 1,483,016         |
| Remunerations                                | 153,555           | 125,487           | 147,738           |
| Seniority and retirement benefits            | 43,053            | 41,417            | 55,106            |
| Social security contributions payable        | 41,513            | 43,586            | 50,057            |
| <b>Total current</b>                         | <b>1,573,794</b>  | <b>1,609,284</b>  | <b>1,735,917</b>  |
| <b>Total</b>                                 | <b>2,170,691</b>  | <b>2,187,670</b>  | <b>2,288,546</b>  |

## 17.1 Present Value of the Obligations under Long-Term Benefits

The variation of the obligations under defined benefit plans is as follows:

|                                                  | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|--------------------------------------------------|-------------------|-------------------|-------------------|
| <b>Balance at the beginning of the year</b>      | <b>619,803</b>    | <b>607,734</b>    | <b>584,050</b>    |
| Current service cost (*)                         | 44,118            | 48,369            | 48,883            |
| Interest cost(**)                                | 246,600           | 263,747           | 239,393           |
| Actuarial Losses (Gains) - Financial Assumptions | 107,576           | (14,543)          | (78,397)          |
| Contributions paid                               | (3,473)           | (5,426)           | (6,834)           |
| Exchange gain (loss)                             | —                 | 2,135             | 3,217             |
| Translation difference                           | (1,040)           | (6,223)           | (2,188)           |
| RECPAM                                           | (384,171)         | (275,990)         | (180,390)         |
| <b>Balance at the end of the year</b>            | <b>629,413</b>    | <b>619,803</b>    | <b>607,734</b>    |

(\*) Charged to “cost of sales” or “administrative expenses,” as appropriate, in the comprehensive income statement.

(\*\*) Charged to “financial result” in the comprehensive income statement.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## 17.2 Other Disclosures

### (a) Actuarial Assumptions:

The following are the assumptions used in the actuarial calculation:

| Main actuarial assumptions used                        | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|--------------------------------------------------------|-------------------|-------------------|-------------------|
| Nominal discount rate used                             | 57.41%            | 57.41%            | 57.09%            |
| Average job turnover rate                              |                   |                   |                   |
| Staff covered by a collective bargaining agreement     | 0.29%             | 0.29%             | 0.29%             |
| Staff not covered by a collective bargaining agreement | 3.80%             | 3.80%             | 3.80%             |
| Expected rate of salary increases in actual terms      | 1.00%             | 1.00%             | 1.00%             |
| Mortality table                                        |                   | 80% CSO '80 ANB   |                   |

### (b) Other relevant aspects:

The actuarial criteria are as follows:

| Relevant data of staff                 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|----------------------------------------|-------------------|-------------------|-------------------|
| Average age of employees               | 44                | 44                | 43                |
| Average years of service               | 14                | 14                | 13                |
| Average expected life of plans (years) | 15                | 15                | 16                |

### (c) Sensitivity:

As of December 31, 2022, the sensitivity of the total value of post-employment obligations generates the following effects:

| Effect on defined benefits obligations | 1% Decrease | 1% Increase |
|----------------------------------------|-------------|-------------|
| Discount rate sensitivity              | 28,911      | (26,756)    |
| Salary increase sensitivity            | (28,041)    | 30,090      |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 18 - PROVISIONS

The balances of provisions are as follows:

| Non-Current                | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|----------------------------|-------------------|-------------------|-------------------|
| Provision for legal claims | 299,616           | 432,325           | 439,463           |
| Dismantling costs          | 128,596           | 55,540            | 81,909            |
| Other provisions           | 1,772             | 2,000             | —                 |
| <b>Total</b>               | <b>429,984</b>    | <b>489,865</b>    | <b>521,372</b>    |

### Movements in provisions

|                                        |                |
|----------------------------------------|----------------|
| <b>Balance as of January 1, 2020</b>   | <b>435,114</b> |
| Increase for the fiscal year (*)       | 221,505        |
| Other transactions                     | (2,777)        |
| Translation difference                 | 24,926         |
| RECPAM                                 | (157,396)      |
| <b>Balance as of December 31, 2020</b> | <b>521,372</b> |
| Increase for the fiscal year (*)       | 179,777        |
| Other transactions                     | 2,000          |
| Translation difference                 | (38,852)       |
| RECPAM                                 | (174,432)      |
| <b>Balance as of December 31, 2021</b> | <b>489,865</b> |
| Increase for the fiscal year (*)       | 125,269        |
| Other transactions                     | 947            |
| Translation difference                 | 64,191         |
| RECPAM                                 | (250,288)      |
| <b>Balance as of December 31, 2022</b> | <b>429,984</b> |

(\*) Charged to “Other income and expenses” in the consolidated statement of comprehensive income.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 19 - FINANCIAL LIABILITIES

### 19.1 Composition of the Item

Balances are as follows:

|                                  | Current              |                      |                      | Non-current          |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | December 31,<br>2022 | December 31,<br>2021 | December 31,<br>2020 | December 31,<br>2022 | December 31,<br>2021 | December 31,<br>2020 |
| Notes <sup>(a)</sup>             | 1,570,357            | 1,793,681            | 2,393,267            | 48,461,097           | 55,211,710           | 73,690,369           |
| Bank loans <sup>(b)</sup>        | 5,692,696            | 4,254,465            | 12,351,854           | —                    | 6,266,429            | 9,858,692            |
| Loan with CAMMESA <sup>(c)</sup> | —                    | —                    | —                    | —                    | —                    | 4,823,562            |
| Derivative instruments           | —                    | —                    | 185,504              | —                    | —                    | —                    |
| Financial leases (Note 7.1)      | 8,357                | 8,913                | 9,711                | —                    | —                    | —                    |
| <b>Total</b>                     | <b>7,271,410</b>     | <b>6,057,059</b>     | <b>14,940,336</b>    | <b>48,461,097</b>    | <b>61,478,139</b>    | <b>88,372,623</b>    |

On September 15, 2020, the BCRA issued Communication “A” 7106, where it provided that those who have principal maturities scheduled between October 15, 2020, and March 31, 2021, for financial indebtedness abroad of the private non-financial sector, as the Group, with a creditor who is other than a counterparty related to debtor, or debt securities publicly registered in the country denominated in foreign currency, must submit before the BCRA a detail of the Refinancing Plan following the criteria established in such Communication. These measures affected the financial loans with Citibank New York and Goldman Sachs, with principal maturities as of such date for USD 26,666,667 million until March 31, 2021, and USD 20,000,000 which were fully secured by funds deposited in a dollar account in New York, under a pledge agreement granted in favor of Goldman Sachs. On November 16, 2020, the Group executed an Addendum to the Loan Agreement with Citibank New York to adapt the maturities of the next 2 installments to the reference standards. An addendum was executed on February 9, 2021 which restructured the payment of the loan with Goldman Sachs in two installments, the first due on February 12, 2021 (repaid on such date) for USD 8 million and the remaining USD 12 million due on February 12, 2023. Through Communication “A” 7230 issued by the BCRA on February 25, 2021, it was established that the provisions of paragraph 7 of the aforementioned Communication “A” 7106 are extended to those who have principal maturities scheduled between April 1, 2021 and December 31, 2021 for the debts detailed in such communication (then postponed until June 30, 2022). For this reason, on April 6, 2021, Citibank New York accepted the second addendum to the Loan to accommodate the maturities from April 1, 2021 onwards, thus complying with the new reference regulations. This Loan was totally repaid on June 1, 2022.

#### (a) Notes

Under the scope of our program of notes, on January 26, 2017 AAG placed Class A Notes due on February 2, 2024 at a fixed rate of 7.75% for a nominal value of USD 300,000,000 with payment of interest on a semiannual basis on February 2 and August 2 of each year. The principal of the Notes will be amortized in a single payment on the due date. See a detail of the financial commitments assumed in Note 27.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

On October 24, 2022, the Group obtained the approval of the National Values Commission (Comisión Nacional de Valores “CNV”) for the creation of a program of notes (not convertible into shares) for up to USD 500,000,000 (or its equivalent in other currencies and/or units of measure or value) for a period of five years.

During the year 2021, the Group repurchased its notes in the local market for a nominal value of USD 22,500,000 and another USD 3,000,000 were repurchased in February and March 2022.

| Series  | Currency | Annual nominal rate | Maturity year | Current           |                   |                   | Non-Current       |                   |                   |
|---------|----------|---------------------|---------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|         |          |                     |               | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Class A | USD      | 7.75%               | 2024          | 1,570,357         | 1,793,681         | 2,393,267         | 48,461,097        | 55,211,710        | 73,690,369        |
|         |          |                     |               | <u>1,570,357</u>  | <u>1,793,681</u>  | <u>2,393,267</u>  | <u>48,461,097</u> | <u>55,211,710</u> | <u>73,690,369</u> |

(b) Bank Loans

|                                     | Currency | Nominal / Effective Annual Rate | Current           |                   |                   | Non-Current       |                   |                   |
|-------------------------------------|----------|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                     |          |                                 | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Citibank New York <sup>(1)</sup>    | USD      | 5.60%                           | —                 | 1,317,923         | 3,897,510         | —                 | —                 | 1,604,890         |
| ICBC Argentina <sup>(2)</sup>       | USD      | 9.22%                           | 3,497,370         | 2,910,769         | 3,500,256         | —                 | 3,870,655         | 8,253,802         |
| Goldman Sachs <sup>(3)</sup>        | USD      | 6.36%                           | 2,141,074         | 6,223             | 4,954,088         | —                 | 2,395,774         | —                 |
| Current account overdraft agreement | ARS      | 69.73%                          | 54,252            | 19,550            | —                 | —                 | —                 | —                 |
| <b>Total</b>                        |          |                                 | <u>5,692,696</u>  | <u>4,254,465</u>  | <u>12,351,854</u> | <u>—</u>          | <u>6,266,429</u>  | <u>9,858,692</u>  |

<sup>(1)</sup> The loan was canceled on June 1, 2022.

<sup>(2)</sup> The loan consists of 1 outstanding increasing installments payable on a quarterly basis. 3-Month LIBOR rate plus spread of 5.50%.

<sup>(3)</sup> Loan with original maturity on August 12, 2020 at 3-Month LIBOR plus a spread of 1.75%. On August 3, 2020, the USD 40,000 fee required to extend the maturity term for another six months was paid on February 12, 2021. An addendum was executed on February 9, 2021 which restructured the payment of the loan in two installments, the first due on February 12, 2021 for USD 8 million (repaid on such date) and the remaining USD 12 million due on February 12, 2023. The rate after the restructuring is variable (Adjusted Eurodollar Rate) + a margin of 1.75%.

(c) Loan with CAMMESA

|                                             | Currency | Nominal / Effective Annual Rate | Non-current       |                   |                   |
|---------------------------------------------|----------|---------------------------------|-------------------|-------------------|-------------------|
|                                             |          |                                 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Increase of thermal generation availability | ARS      | 33.11%                          | —                 | —                 | 4,823,562         |
| <b>Total</b>                                |          |                                 | <u>—</u>          | <u>—</u>          | <u>4,823,562</u>  |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



The Loan with CAMMESA was offset in its entirety against part of the receivables associated with the Trust Additional Remuneration. See Note 3.d

## 19.2 Evolution of interest-bearing debts and derivative instruments

|                   | At the beginning of the year | Cash outflow <sup>(2)</sup> | Cash inflow <sup>(3)</sup> | Changes other than cash |                  |                                             | At the end of the year |
|-------------------|------------------------------|-----------------------------|----------------------------|-------------------------|------------------|---------------------------------------------|------------------------|
|                   |                              |                             |                            | Others <sup>(1)</sup>   | Accrued interest | Translation/ Exchange gain or loss / RECPAM |                        |
| Non-current       |                              |                             |                            |                         |                  |                                             |                        |
| Notes             | 55,211,710                   | (923,291)                   | —                          | 366,082                 | 126,487          | (6,319,891)                                 | 48,461,097             |
| Bank loans        | 6,266,429                    | —                           | —                          | (6,025,537)             | —                | (240,892)                                   | —                      |
| Total non-current | 61,478,139                   | (923,291)                   | —                          | (5,659,455)             | 126,487          | (6,560,783)                                 | 48,461,097             |
| Current           |                              |                             |                            |                         |                  |                                             |                        |
| Notes             | 1,793,681                    | (4,287,291)                 | —                          | —                       | 3,769,588        | 294,379                                     | 1,570,357              |
| Financial Leases  | 8,913                        | (9,054)                     | —                          | 8,156                   | 479              | (137)                                       | 8,357                  |
| Bank loans        | 4,254,465                    | (27,930,212)                | 25,051,395                 | 6,025,537               | 3,869,618        | (5,578,107)                                 | 5,692,696              |
| Total current     | 6,057,059                    | (32,226,557)                | 25,051,395                 | 6,033,693               | 7,639,685        | (5,283,865)                                 | 7,271,410              |
| 2022 Total        | 67,535,198                   | (33,149,848)                | 25,051,395                 | 374,238                 | 7,766,172        | (11,844,648)                                | 55,732,507             |
| 2021 Total        | 103,312,963                  | (31,256,170)                | 7,744,364                  | 172,038                 | 8,459,676        | (20,122,409)                                | 68,310,462             |
| 2020 Total        | 97,891,580                   | (35,400,790)                | 29,401,506                 | 751,325                 | 10,417,824       | 240,966                                     | 103,302,411            |

<sup>(1)</sup> Includes changes due to reclassifications from non-current to current (net), offsetting of the non-current CAMMESA Loan, Hedging derivatives of 2020 and results due to partial early repayment of Notes.

<sup>(2)</sup> Includes cash outflows for hedges classified as operating activities.

<sup>(3)</sup> Includes cash inflows from bank overdrafts during the year ended December 31, 2021. Includes the cash inflows in February 2020 for class B, C and D Notes, which were repaid in November 2020, and the loan with Goldman Sachs borrowed in February 2020.

## NOTE 20 - TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

The components of balances are as follows:

|                | Current           |                   |                   |
|----------------|-------------------|-------------------|-------------------|
|                | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Trade payables | 4,652,911         | 4,583,367         | 2,735,279         |
| Sundry         | 2,411             | 2,425             | 10,126            |
| <b>Total</b>   | <b>4,655,322</b>  | <b>4,585,792</b>  | <b>2,745,405</b>  |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 21 - FINANCIAL INSTRUMENTS

### 21.1 Financial Instruments by Category

The classification of financial assets is as follows:

| December 31, 2022                                              | Cash and Cash Equivalents | Financial Assets at amortized cost | Assets at fair value through profit or loss<br>Level 1 | Total             |
|----------------------------------------------------------------|---------------------------|------------------------------------|--------------------------------------------------------|-------------------|
| Accounts receivable from related parties                       | —                         | 86,931                             | —                                                      | 86,931            |
| Other financial assets                                         | —                         | 2,286,353                          | —                                                      | 2,286,353         |
| Trade receivables and other accounts receivable <sup>(1)</sup> | —                         | 37,955,287                         | —                                                      | 37,955,287        |
| Cash and Cash Equivalents                                      | 302,666                   | 6,121,267                          | 5,246,914                                              | 11,670,847        |
| <b>Total</b>                                                   | <b>302,666</b>            | <b>46,449,838</b>                  | <b>5,246,914</b>                                       | <b>51,999,418</b> |

<sup>(1)</sup> Includes bad debt allowance

| December 31, 2021                                              | Cash and Cash Equivalents | Financial Assets at amortized cost | Assets at fair value through profit or loss<br>Level 1 | Total             |
|----------------------------------------------------------------|---------------------------|------------------------------------|--------------------------------------------------------|-------------------|
| Accounts receivable from related parties                       | —                         | 126,885                            | —                                                      | 126,885           |
| Other financial assets                                         | —                         | 2,507,443                          | —                                                      | 2,507,443         |
| Trade receivables and other accounts receivable <sup>(1)</sup> | —                         | 53,851,201                         | —                                                      | 53,851,201        |
| Cash and Cash Equivalents                                      | 422,476                   | 2,668,915                          | 6,452,489                                              | 9,543,880         |
| <b>Total</b>                                                   | <b>422,476</b>            | <b>59,154,444</b>                  | <b>6,452,489</b>                                       | <b>66,029,409</b> |

<sup>(1)</sup> Includes bad debt allowance

| December 31, 2020                                              | Cash and Cash Equivalents | Financial Assets at amortized cost | Assets at fair value through profit or loss<br>Level 1 | Total             |
|----------------------------------------------------------------|---------------------------|------------------------------------|--------------------------------------------------------|-------------------|
| Accounts receivable from related parties                       | —                         | 74,531                             | —                                                      | 74,531            |
| Other financial assets                                         | —                         | 4,965,625                          | —                                                      | 4,965,625         |
| Trade receivables and other accounts receivable <sup>(1)</sup> | —                         | 78,295,870                         | —                                                      | 78,295,870        |
| Cash and Cash Equivalents                                      | 1,475,637                 | 1,816,750                          | 4,889,626                                              | 8,182,013         |
| <b>Total</b>                                                   | <b>1,475,637</b>          | <b>85,152,776</b>                  | <b>4,889,626</b>                                       | <b>91,518,039</b> |

<sup>(1)</sup> Includes bad debt allowance

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The classification of financial liabilities is detailed below:

| December 31, 2022                          | Financial liabilities at amortized cost | Total             |
|--------------------------------------------|-----------------------------------------|-------------------|
| Accounts payable to related parties        | 2,618,828                               | 2,618,828         |
| Financial Liabilities                      | 55,732,507                              | 55,732,507        |
| Trade creditors and other accounts payable | 4,655,322                               | 4,655,322         |
| <b>Total</b>                               | <b>63,006,657</b>                       | <b>63,006,657</b> |

| December 31, 2021                          | Financial liabilities at amortized cost | Total             |
|--------------------------------------------|-----------------------------------------|-------------------|
| Accounts payable to related parties        | 1,919,645                               | 1,919,645         |
| Financial Liabilities                      | 67,535,198                              | 67,535,198        |
| Trade creditors and other accounts payable | 4,585,792                               | 4,585,792         |
| <b>Total</b>                               | <b>74,040,635</b>                       | <b>74,040,635</b> |

| December 31, 2020                          | Financial liabilities at amortized cost | Hedging derivatives | Total              |
|--------------------------------------------|-----------------------------------------|---------------------|--------------------|
|                                            |                                         | Level 3             |                    |
| Accounts payable to related parties        | 2,896,160                               | —                   | 2,896,160          |
| Financial Liabilities                      | 103,127,455                             | 185,504             | 103,312,959        |
| Trade creditors and other accounts payable | 2,745,405                               | —                   | 2,745,405          |
| <b>Total</b>                               | <b>108,769,020</b>                      | <b>185,504</b>      | <b>108,954,524</b> |

## 21.2 Fair Value

### 1. Hierarchy of Fair Value of Financial Instruments

The Group uses the following hierarchy to determine and disclose the fair value of financial instruments, according to valuation technique applied:

- Level 1: Prices quoted (not adjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which data and variables with a significant effect on the determination of the reported fair value are directly or indirectly observable.
- Level 3: Valuation techniques for which data and variables with a significant effect on the definition of the reported fair value are not based on observable market information.

In order to estimate the fair values, the following methods and assumptions have been used:

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

- Fair values of cash and short-term placements, trade receivables and other accounts receivable, accounts receivable from and payable to related parties, trade payables and other current liabilities approximate their carrying amounts mostly due to the short-term maturities of these instruments.
- The fair value of the mutual funds and listed securities and bonds is based on quoted prices as of the end date of the reporting period (Level 1).
- The financial instruments recorded in Financial Liabilities, involving Interest-bearing loans, show significant differences between the carrying value and fair value mainly due to the fluctuations of the exchange rate (US dollar) and market interest rates.

The calculation methodology is the present value of future debt flows discounted using a yield curve. Certain assumptions such as currency of debt, credit rating of the instrument, credit rating of the Group, are used to calculate the present value. The assumptions used as of December 31, 2022 fall into Level 2 of the Fair Value Hierarchy.

The following table shows the carrying value and fair value of the interest-bearing loans:

|                   | Book Value | Fair Value |
|-------------------|------------|------------|
| December 31, 2022 | 55,724,150 | 43,562,843 |
| December 31, 2021 | 67,526,285 | 57,687,473 |
| December 31, 2020 | 52,945,760 | 79,387,396 |

### 21.3 Derivative Instruments

Financial derivatives of AES Argentina Generación mainly involved operations entered into to hedge the volatility of the Argentine peso due to the fact that the operations are in such currency and certain liabilities in US dollars.

The Group, following its risk management policy, enters into foreign exchange forwards to reduce the expected variability of the future cash flows of the hedged underlying asset.

As of December 31, 2022 and 2021, the Group has no balances for derivative instruments.

#### Valuation of Derivative Instruments

The Group works with the FIS Treasury and Risk Manager system - Quantum to calculate the fair value of the foreign exchange rate forwards. The main assumptions used in the valuation models for derivative instruments are as follows:

- Market assumptions such as spot prices and other price projections, credit risk (own and counterpart) and rates.
- Discount rates such as risk-free rates, sovereign and counterparty spread (based on risk profiles and information available in the market).
- Moreover, the following variables are incorporated in the model: volatility, correlations, regression formulas and market spread, among others, using observable market information and techniques commonly used by the market participants.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## Foreign Exchange Forward

Observable market forward prices are used and then cash flows are discounted according to a representative interest rate to calculate the fair value of the foreign exchange forwards.

### Portfolio of derivative instruments.

#### (a) Instruments for Cash Flow Hedge Accounting

##### (a.1) Foreign Exchange Forwards

| Liabilities              |                         |                 | Current           |                   |                   |
|--------------------------|-------------------------|-----------------|-------------------|-------------------|-------------------|
| Derivative Instruments   | Counterparty Bank       | Classification  | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Foreign Exchange Forward | ICBC / Itaú / Patagonia | Cash flow hedge | —                 | —                 | 185,504           |

In May, June and July 2020, the Group entered into foreign exchange forwards with Industrial and Commercial Bank of China S.A., Banco Itaú Argentina S.A. and Banco Patagonia, for a total nominal amount of 3,399, 3,095 and 266 million pesos, respectively. As of December 31, 2021, such contracts have expired, and no new contracts of this nature have been entered into.

As of December 31, 2022, 2021 and 2020 the Group had no ineffectiveness due to cash flow hedge; therefore, the total effect of the variation in the fair value of derivatives is charged to the Statement of Comprehensive Income.

## 21.4 Netting

As of December 31, 2022, 2021 and 2020 the Group has no derivative instruments that are subject to Master Netting Agreements where there has been a contractual right to offset the assets and liabilities under these financial instruments.

## NOTE 22 - INCOME FROM ORDINARY ACTIVITIES

|                                                              | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|
| Remuneration for energy <sup>(1)</sup>                       | 45,431,592        | 38,418,811        | 24,619,351        |
| Remuneration for capacity <sup>(1)</sup>                     | 16,322,371        | 18,955,510        | 22,658,310        |
| Sales of energy and capacity under agreements <sup>(2)</sup> | 7,966,789         | 9,112,634         | 6,451,249         |
| Other income                                                 | 405,479           | 565,216           | 811,613           |
| <b>Total</b>                                                 | <b>70,126,231</b> | <b>67,052,171</b> | <b>54,540,523</b> |

<sup>(1)</sup> Includes the notion of generated and operated energy pursuant to the remuneration provided for by Resolutions 826/2022, 238/2022, 1037/2021, 440/2021, 31/2020, and 1/2019, as applicable, as well as other notions established by other current prior resolutions.

<sup>(2)</sup> Includes sales of renewable energy under Renovar contract with CAMMESA and Forward Market contracts (industrial customers).

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 23 – COMPOSITION OF RELEVANT RESULTS

### 23.1 Expenses by nature

The following is a detail of the main operating costs and expenses classified in the following items the statement of comprehensive income: “Cost of sales”, “Selling expenses” and “Administrative expenses.”

The details for the fiscal year ended December 31, 2022 are as follows:

|                                                                       | December 31, 2022 |                         |                  |                   |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses | Total             |
| Fuels used for generation, net                                        | 32,160,774        | —                       | —                | 32,160,774        |
| Depreciation of property plant and equipment                          | 6,263,463         | 363,780                 | —                | 6,627,243         |
| Operation and maintenance expenditures                                | 4,890,627         | —                       | —                | 4,890,627         |
| Remunerations, social security contributions and other staff expenses | 3,904,200         | 652,674                 | 245,084          | 4,801,958         |
| Insurance                                                             | 3,589,247         | —                       | —                | 3,589,247         |
| Amortization of intangible assets                                     | 1,124,124         | —                       | —                | 1,124,124         |
| Fees and royalties                                                    | 376,134           | —                       | —                | 376,134           |
| Professional services from related parties                            | 217,611           | 1,370,515               | —                | 1,588,126         |
| Other market charges                                                  | 218,116           | —                       | —                | 218,116           |
| Frequency regulation                                                  | 155,509           | —                       | —                | 155,509           |
| Materials and other supplies                                          | 137,060           | —                       | —                | 137,060           |
| Transmission costs                                                    | 163,706           | —                       | —                | 163,706           |
| Safety and security services                                          | 137,222           | —                       | —                | 137,222           |
| Use of fields                                                         | 95,610            | —                       | —                | 95,610            |
| Travel, mobility and transport expenses                               | 126,725           | 20,834                  | 2,895            | 150,454           |
| Purchase of energy and capacity                                       | 362,549           | —                       | —                | 362,549           |
| Fees and remunerations to third parties                               | 74,289            | 556,284                 | 37,050           | 667,623           |
| Cleaning expenses                                                     | 87,593            | —                       | —                | 87,593            |
| Office and communications expenses                                    | 9,086             | 106,029                 | —                | 115,115           |
| Taxes, rates and contributions                                        | —                 | 928,513                 | 1,041,772        | 1,970,285         |
| Bad debts                                                             | —                 | —                       | 4,436,076        | 4,436,076         |
| Sundry                                                                | 92,367            | 92,224                  | 1,041            | 185,632           |
| <b>Total</b>                                                          | <b>54,186,012</b> | <b>4,090,853</b>        | <b>5,763,918</b> | <b>64,040,783</b> |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The details for the fiscal year ended December 31, 2021 are as follows:

|                                                                       | December 31, 2021 |                         |                  | Total             |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses |                   |
| Fuels used for generation, net                                        | 21,038,894        | —                       | —                | 21,038,894        |
| Depreciation of property plant and equipment                          | 7,519,954         | 366,406                 | —                | 7,886,360         |
| Operation and maintenance expenditures                                | 4,971,365         | —                       | —                | 4,971,365         |
| Remunerations, social security contributions and other staff expenses | 3,738,303         | 630,613                 | 232,660          | 4,601,576         |
| Insurance                                                             | 4,310,505         | —                       | —                | 4,310,505         |
| Amortization of intangible assets                                     | 950,629           | —                       | —                | 950,629           |
| Fees and royalties                                                    | 380,292           | —                       | —                | 380,292           |
| Professional services from related parties                            | 291,929           | 1,380,977               | —                | 1,672,906         |
| Other market charges                                                  | 189,170           | —                       | —                | 189,170           |
| Frequency regulation                                                  | 56,679            | —                       | —                | 56,679            |
| Materials and other supplies                                          | 220,818           | —                       | —                | 220,818           |
| Transmission costs                                                    | 171,734           | —                       | —                | 171,734           |
| Safety and security services                                          | 134,418           | —                       | —                | 134,418           |
| Use of fields                                                         | 90,324            | —                       | —                | 90,324            |
| Travel, mobility and transport expenses                               | 53,086            | 15,203                  | 972              | 69,261            |
| Purchase of energy and capacity                                       | 136,381           | —                       | —                | 136,381           |
| Fees and remunerations to third parties                               | 75,505            | 692,867                 | 37,764           | 806,136           |
| Cleaning expenses                                                     | 27,537            | —                       | —                | 27,537            |
| Office and communications expenses                                    | 6,154             | 78,588                  | 12               | 84,754            |
| Taxes, rates and contributions                                        | —                 | 1,015,780               | 902,481          | 1,918,261         |
| Bad debts                                                             | —                 | —                       | 761,253          | 761,253           |
| Sundry                                                                | 65,560            | 53,402                  | 20               | 118,982           |
| <b>Total</b>                                                          | <b>44,429,237</b> | <b>4,233,836</b>        | <b>1,935,162</b> | <b>50,598,235</b> |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

The details for the fiscal year ended December 31, 2020 are as follows:

|                                                                       | December 31, 2020 |                         |                  |                   |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses | Total             |
| Fuels used for generation                                             | 7,928,516         | —                       | —                | 7,928,516         |
| Depreciation of property plant and equipment                          | 7,278,910         | 411,220                 | —                | 7,690,130         |
| Remunerations, social security contributions and other staff expenses | 3,649,188         | 740,414                 | 285,158          | 4,674,760         |
| Insurance                                                             | 3,231,322         | —                       | —                | 3,231,322         |
| Bad debts                                                             | —                 | —                       | 4,424,452        | 4,424,452         |
| Operation and maintenance expenditures                                | 3,473,338         | —                       | —                | 3,473,338         |
| Taxes, rates and contributions                                        | —                 | 1,000,544               | 982,172          | 1,982,716         |
| Amortization of intangible assets                                     | 1,085,295         | —                       | —                | 1,085,295         |
| Fees and royalties                                                    | 705,008           | —                       | —                | 705,008           |
| Professional services from related parties                            | 359,681           | 1,254,435               | —                | 1,614,116         |
| Fees and remunerations to third parties                               | 203,899           | 896,692                 | 26,117           | 1,126,708         |
| Transmission costs                                                    | 268,137           | —                       | —                | 268,137           |
| Safety and security services                                          | 171,207           | —                       | —                | 171,207           |
| Purchase of energy and capacity                                       | 169,372           | —                       | —                | 169,372           |
| Other market charges                                                  | 160,000           | —                       | —                | 160,000           |
| Materials and other supplies                                          | 127,921           | —                       | —                | 127,921           |
| Office and communications expenses                                    | 11,255            | 67,865                  | —                | 79,120            |
| Travel, mobility and transport expenses                               | 42,359            | 30,348                  | 3,837            | 76,544            |
| Frequency regulation                                                  | 49,107            | —                       | —                | 49,107            |
| Cleaning expenses                                                     | 28,542            | —                       | —                | 28,542            |
| Use of fields                                                         | 40,234            | —                       | —                | 40,234            |
| Sundry                                                                | 115,924           | 51,184                  | 26               | 167,134           |
| <b>Total</b>                                                          | <b>29,099,215</b> | <b>4,452,702</b>        | <b>5,721,762</b> | <b>39,273,679</b> |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



## 23.2 Remunerations, social security contributions and staff expenses

|                                             | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|---------------------------------------------|-------------------|-------------------|-------------------|
| Wages and salaries <sup>(1)</sup>           | 3,890,940         | 3,608,699         | 3,521,764         |
| Short-term employee benefits <sup>(1)</sup> | 663,428           | 735,587           | 938,156           |
| Employment termination benefits             | 75,359            | 78,648            | 34,455            |
| Other long-term benefits                    | 43,263            | 39,836            | 50,075            |
| Other staff costs                           | 128,968           | 138,806           | 130,309           |
| <b>Total</b>                                | <b>4,801,958</b>  | <b>4,601,576</b>  | <b>4,674,759</b>  |

<sup>(1)</sup> Includes social security contributions.

## NOTE 24 – FINANCIAL RESULTS

|                                                   | December 31, 2022   | December 31, 2021   | December 31, 2020   |
|---------------------------------------------------|---------------------|---------------------|---------------------|
| Interest from financial assets                    | 7,406,657           | 8,145,143           | 8,117,526           |
| Interest earned with related parties              | 3,100               | 2,540               | —                   |
| Other financial income                            | 4,314,679           | 2,808,595           | 1,867,194           |
| <b>Total financial income</b>                     | <b>11,724,436</b>   | <b>10,956,278</b>   | <b>9,984,720</b>    |
| Interest on financial debts                       | (7,803,002)         | (8,380,029)         | (10,007,501)        |
| Interest on tax debts                             | (3,904)             | (28,301)            | (155,879)           |
| Interest on trade payables                        | (11,712)            | (44,850)            | (45,634)            |
| Interest on related parties                       | (213,626)           | —                   | —                   |
| Loss on partial repurchase of notes               | (366,083)           | (3,559,405)         | —                   |
| Cost of interest on long-term benefit obligations | (246,600)           | (263,747)           | (239,393)           |
| <b>Total Financial Expenses</b>                   | <b>(8,644,927)</b>  | <b>(12,276,332)</b> | <b>(10,448,407)</b> |
| Exchange differences from assets                  | 27,361,204          | 16,304,706          | 33,433,008          |
| Exchange differences from liabilities             | (29,176,670)        | (13,933,922)        | (30,729,675)        |
| Financial derivative instruments                  | —                   | (357,542)           | (1,885,819)         |
| <b>Total of exchange differences</b>              | <b>(1,815,466)</b>  | <b>2,013,242</b>    | <b>817,514</b>      |
| RECPAM                                            | (14,419,671)        | (11,989,612)        | (5,820,494)         |
| <b>Total financial profit (loss)</b>              | <b>(13,155,628)</b> | <b>(11,296,424)</b> | <b>(5,466,667)</b>  |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 25 – OTHER INCOME AND EXPENSES

| Income (loss)                                         | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|-------------------------------------------------------|-------------------|-------------------|-------------------|
| Debt cancellation                                     | —                 | —                 | 295,151           |
| Income from settlement agreements                     | 53,032            | 89,325            | 163,952           |
| Proceeds from the sale of assets                      | 33,662            | 442               | 169,645           |
| Technical advise                                      | 42,136            | —                 | —                 |
| Results from disposal of property plant and equipment | (33,902)          | (40,857)          | (4,633)           |
| Surrogate payers on personal property                 | (44,258)          | (147,863)         | (66,277)          |
| Net charge for provision of legal claims              | (116,404)         | (167,294)         | (212,132)         |
| Sundry                                                | (383)             | 99,896            | 133,375           |
| <b>Total</b>                                          | <b>(66,117)</b>   | <b>(166,351)</b>  | <b>479,081</b>    |

## NOTE 26 – EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the Group's shareholders by the weighted average number of ordinary shares in issue during the year, excluding, if any, any ordinary shares acquired by the Company and held as treasury stock.

|                                                                                | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|--------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Net income for the year attributable to holders of ordinary equity instruments | 2,133,987         | 2,997,630         | 6,111,877         |
| <b>Available profit or loss for ordinary shareholders, basic</b>               | <b>2,133,987</b>  | <b>2,997,630</b>  | <b>6,111,877</b>  |
| Weighted average number of shares, basic                                       | 11,525,267,740    | 11,525,267,740    | 11,525,267,740    |
| <b>Basic and diluted earnings per share in pesos</b>                           | <b>0.185</b>      | <b>0.260</b>      | <b>0.530</b>      |

There are no transactions or items generating dilutive effect.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 27 – CONTINGENCIES AND COMMITMENTS

### 27.1 Financial Commitments

#### Issue of Notes both Locally and under Rule 144A

In January 2017, AES Argentina completed the issue of 7.75% Notes due February 2024 for a total of US\$ 300,000,000. The issue was carried out to repay the EPC debt to Sojitz Corporation, pay out financial loans, meet the needs for working capital and make investments in physical assets in Argentina. Pursuant to the obligations established under the price supplement of the issue, each quarter the Company is required to meet certain limitations on incurring additional indebtedness, paying dividends or making other distributions or capital reductions, granting loans, making investments, and selling assets, except if certain indicators are available once these transactions are effective.

In the case of an event of default, the unpaid principal amount and accrued and unpaid interest shall become immediately due and payable with no need of further declaration or any other act to be performed by the holders, except as explained below, where a written notice to the Company shall be required from the Trustee or the Holders of at least 25% of the outstanding notes.

#### Events of Default:

- Failure to pay the principal upon expiration in any note, including failure to make the required payment to buy the notes being offered, according to an optional refund, an offer of a change of control or an offer of sale of assets.
- Failure to comply with the payment of interest or additional amounts if such failure to pay continues for a period of 30 days;
- Failure to make or comply with any of the provisions related to certain covenants due to Merger, Consolidation and Sale of Assets;
- The fact that the Company or any subsidiary fails to comply with any other covenant, understanding or obligation contained in the Notes, for 60 days or more after written notice is given upon the Company by the Trustee or the Holders of at least 25% of the outstanding notes;
- Breach of the Company or any subsidiary under any Indebtedness;
- With respect to the Company or any subsidiary, any final judgment or final order for the payment of money of more than US\$25 million is paid by the Company and such final judgment or final order remains unfulfilled for a period of 60 days after that judgment is final and non-appealable;
- Bankruptcy events affecting the Company or one of its subsidiaries;

As of December 31, 2022, AES Argentina Generación complies with the limitations and conditions described in the notes credit agreement.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## 27.2 Contingencies

### Labor lawsuits and claims

The Group is subject to different laws, regulations and commercial practices. In the regular course of business, the Group is subject to certain contingent liabilities with respect to claims, lawsuits and other existing or future procedures, including those involving tax, labor, social security, administrative, civil law and others matters. The Group recognizes the liabilities when it is likely to incur in future costs and such costs can be reasonably estimated. The Group bases its estimates on the progress made in the affairs, estimated result of disputes and experience in legal advice on disputes, lawsuits, and settlements. As more certainty is obtained with respect to these liabilities or there is more information available, the Group may need to change its estimated future disbursements, which may have a material effect on the results of its operations and its financial condition or liquidity.

Moreover, the Group is party to different court proceedings, including tax, labor, civil, administrative and other lawsuits. In certain cases, the Group has made no provision based on the information assessed as of the date hereof. In the opinion of the management, the final resolution of any pending or possible dispute, whether at an individual or collective level, shall have no adverse effect on the financial situation and results of the operations of the Group. None of these pending issues is considered to be significant for the Group.

## 27.3 Other relevant covenants and contracts

### a- Power Supply Agreements with Renewable Energy Sources

The Group entered into power supply agreements with renewable energy source, which came into effect in 2020 for an annual contract demand of 543 GWh/year and which are supplied with the generation of renewable source from the projects of the subsidiaries EASA and VN. These agreements establish penalties in the event of breaches, which must be claimed by customers as applicable. To date, no significant claims have arisen in relation to these matters.

### b - Covenants for the loan borrowed by Vientos Neuquinos from Industrial and Commercial Bank of China Argentina ("ICBC")

Below there is a list of the most important covenants, including their status of compliance as of the end of the fiscal year.

- The guarantor (AAG) undertakes to maintain a minimum equity of 7,500 million during the whole life of the loan.
- The guarantor (AAG) undertakes to maintain a consolidated adjusted EBITDA Ratio (LTM) over the entire life of the loan on consolidated financial interest greater than 3. As of the end of this fiscal year, the calculated ratio amounts to 3,04.
- The guarantor (AAG) undertakes to maintain for the entire life of the loan a Consolidated Financial Debt Ratio over Consolidated Adjusted EBITDA less than or equal to 3 through June 2020 and 2,75 onwards. As of the end of this fiscal year, the calculated ratio amounts to 1.69.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

According to contractual provisions, the EBITDA to be computed is calculated based on the 12-month period immediately prior to the date of the financial statements and in US dollars considering the average exchange rates published by the Bank of the Argentine Nation.

The covenants described in a, b and c were met as of the closing date of these financial statements.

#### **c - Covenants for the loan borrowed by AES Argentina Generación from Citibank**

The loan with Citibank ended June 1st 2022. There are no covenants left for this matter.

### **NOTE 28 - GUARANTEES**

#### **Guarantees granted**

##### **A. Guarantees of the Contract for the Expansion of Liquid Fuels Storage Capacity**

As guarantee for the fulfillment of its obligation to allocate the funds provided by CAMMESA to the execution of the works described, the Company shall irrevocably assign to CAMMESA its present and future receivables, either accrued or to be accrued as a result of the operations carried out and to be carried out by the Company in the MEM up to the funding amount. This assignment shall not include the current and future receivables already accrued and to be accrued in favor of the Company corresponding to the AES Paraná Plant.

The above guarantee shall become automatically ineffective once the legal operation license of such works is obtained through an Executive Decree in such regard. As of the date of issuance of these financial statements, this license has not been obtained yet. Nevertheless, the conditions to operate the dock were met adequate and the Company has a provisional operating license issued by the Undersecretary of Ports and Waterways, which shall be valid until the appropriate legal license is granted.

##### **B. Guarantees for the loan granted to Vientos Neuquinos**

AES Argentina Generación has granted a corporate guarantee to ICBC to assume, in case of non-compliance, the guaranteed obligations arising from the loan contract dated May 3, 2019 for US\$50 million entered into by the subsidiary Vientos Neuquinos I S.A.

##### **C. Guarantees for the loan with Goldman Sachs**

As of the date of approval of these financial statements, AES Argentina Generación holds the sum of USD 12 million as collateral for the loan granted by such institution.

Signed for identification purposes with  
our report dated March 28, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

**NOTE 29 – ASSETS AND LIABILITIES IN CURRENCY OTHER THAN PESO OR WITH ADJUSTMENT CLAUSE**

| Item                                                | Foreign Currency/<br>Adjustment Clause |         | Foreign<br>exchange<br>rate | December 31,<br>2022 | December 31,<br>2021 | December 31,<br>2020 |
|-----------------------------------------------------|----------------------------------------|---------|-----------------------------|----------------------|----------------------|----------------------|
|                                                     | Detail                                 | Amount  |                             |                      |                      |                      |
| FONINVEMEM credits and generators' agreement        | (1)                                    | 98,017  | 177.16                      | 17,364,712           | 27,827,627           | 44,389,537           |
| Accounts receivable from related parties            | USD                                    | 17,600  | 177.16                      | 3,118                | 3,521                | —                    |
| Other financial assets                              | USD                                    | —       | 177.16                      | —                    | 2,420,694            | —                    |
| <b>Total Non-Current Assets</b>                     |                                        |         |                             | <b>17,367,830</b>    | <b>30,251,842</b>    | <b>44,389,537</b>    |
| FONINVEMEM credits and generators' agreement        | (1)                                    | 40,559  | 177.16                      | 7,185,398            | 8,144,672            | 10,050,462           |
| Interest on FONINVEMEM and generators agreement     | USD                                    | 1,976   | 177.16                      | 350,105              | 304,834              | 461,074              |
| Renovar receivables                                 | USD                                    | 2,873   | 177.16                      | 508,968              | 449,735              | 598,573              |
| Accounts receivable from related parties            | USD                                    | 426     | 177.16                      | 75,505               | 81,256               | 47,674               |
| Trade receivables and other accounts receivable     | USD                                    | 5,044   | 177.16                      | 893,539              | 929,894              | 1,005,974            |
|                                                     | EUR                                    | 121     | 189.92                      | 22,980               | —                    | —                    |
| Other financial assets                              | USD                                    | 12,100  | 177.16                      | 2,143,622            | —                    | 4,965,624            |
| Cash and Cash Equivalents                           | USD                                    | 243     | 177.16                      | 43,115               | 368,990              | 5,418,579            |
| <b>Total Current Assets</b>                         |                                        |         |                             | <b>11,223,232</b>    | <b>10,279,381</b>    | <b>22,547,960</b>    |
| <b>Total Assets</b>                                 |                                        |         |                             | <b>28,591,062</b>    | <b>40,531,223</b>    | <b>66,937,497</b>    |
| Provisions                                          | USD                                    | 736     | 177.16                      | 130,368              | 57,540               | 81,909               |
| Accounts payable to related parties                 | USD                                    | 1,582   | 177.16                      | 280,317              | 68,497               | 90,230               |
| Financial Liabilities                               | USD                                    | 274,500 | 177.16                      | 48,630,420           | 61,787,622           | 84,014,898           |
| Liabilities for employee compensations and benefits | USD                                    | 46      | 177.16                      | 8,221                | —                    | —                    |
| <b>Total Non-Current Liabilities</b>                |                                        |         |                             | <b>49,049,326</b>    | <b>61,913,659</b>    | <b>84,187,037</b>    |
| Liabilities for employee compensations and benefits | USD                                    | 27      | 177.16                      | 4,783                | —                    | 526                  |
| Financial Liabilities                               | USD                                    | 40,694  | 177.16                      | 7,209,287            | 6,009,808            | 14,745,121           |
| Trade creditors and other accounts payable          | USD                                    | 32,691  | 177.16                      | 5,791,555            | 4,330,043            | 1,317,446            |
|                                                     | EUR                                    | 27      | 189.92                      | 5,171                | 74,103               | 9,372                |
| Accounts payable to related parties                 | USD                                    | 9,766   | 177.16                      | 1,730,159            | 1,172,272            | 2,128,593            |
| <b>Total Current Liabilities</b>                    |                                        |         |                             | <b>14,740,955</b>    | <b>11,586,226</b>    | <b>18,201,058</b>    |
| <b>Total Liabilities</b>                            |                                        |         |                             | <b>63,790,281</b>    | <b>73,499,885</b>    | <b>102,388,095</b>   |

<sup>(1)</sup> The credits from Generators' Agreement are adjusted based on changes in the US dollar rate.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

**NOTE 30 – CREDITS AND DEBTS REPAYMENT DEADLINES**

|                                                     | Expired   | Without caducity | Up to 3 months | From 3 to 6 months | From 6 to 9 months | From 9 to 12 months | More than a year | Total             |
|-----------------------------------------------------|-----------|------------------|----------------|--------------------|--------------------|---------------------|------------------|-------------------|
| <b>NON-CURRENT ASSETS</b>                           |           |                  |                |                    |                    |                     |                  |                   |
| Accounts receivable from related parties            | —         | —                | —              | —                  | —                  | —                   | 8,514            | <b>8,514</b>      |
| Other financial assets                              | —         | —                | —              | —                  | —                  | —                   | 142,731          | <b>142,731</b>    |
| Trade receivables and other accounts receivable     | —         | —                | —              | —                  | —                  | —                   | 17,504,764       | <b>17,504,764</b> |
| Tax assets                                          | —         | —                | —              | —                  | —                  | —                   | 2,856,881        | <b>2,856,881</b>  |
| <b>CURRENT ASSETS</b>                               |           |                  |                |                    |                    |                     |                  |                   |
| Accounts receivable from related parties            | —         | —                | 34,543         | 42,027             | —                  | 1,847               | —                | <b>78,417</b>     |
| Other financial assets                              | —         | —                | —              | 2,143,622          | —                  | —                   | —                | <b>2,143,622</b>  |
| Tax assets                                          | —         | —                | 1,480,289      | 274,780            | 1,370,492          | 98,645              | —                | <b>3,224,206</b>  |
| Trade receivables and other accounts receivable     | 1,458,411 | —                | 13,559,601     | 1,810,837          | 1,810,837          | 1,810,837           | —                | <b>20,450,523</b> |
| <b>NON-CURRENT LIABILITIES</b>                      |           |                  |                |                    |                    |                     |                  |                   |
| Liabilities for employee compensations and benefits | —         | —                | —              | —                  | —                  | —                   | 596,897          | <b>596,897</b>    |
| Tax liabilities                                     | —         | —                | —              | —                  | —                  | —                   | 402,034          | <b>402,034</b>    |
| Provisions                                          | —         | —                | —              | —                  | —                  | —                   | 429,984          | <b>429,984</b>    |
| Accounts payable to related parties                 | —         | —                | —              | —                  | —                  | —                   | 280,895          | <b>280,895</b>    |
| Financial Liabilities                               | —         | —                | —              | —                  | —                  | —                   | 48,461,097       | <b>48,461,097</b> |
| <b>CURRENT LIABILITIES</b>                          |           |                  |                |                    |                    |                     |                  |                   |
| Liabilities for employee compensations and benefits | —         | —                | 1,185,888      | 129,302            | 129,302            | 129,302             | —                | <b>1,573,794</b>  |
| Tax liabilities                                     | —         | —                | 313,178        | —                  | 50,978             | —                   | —                | <b>364,156</b>    |
| Accounts payable to related parties                 | 1,043,307 | 400,318          | 786,863        | 35,815             | 35,815             | 35,815              | —                | <b>2,337,933</b>  |
| Financial liabilities                               | —         | —                | 7,265,223      | 2,234              | 2,300              | 1,653               | —                | <b>7,271,410</b>  |
| Trade creditors and other accounts payable          | 44,364    | —                | 4,610,958      | —                  | —                  | —                   | —                | <b>4,655,322</b>  |

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency

## NOTE 31 – ACCOUNTING BOOKS AND OTHER SUPPORTING DOCUMENTATION

Due to administrative reasons, as of the date of issuance of the financial statements, AES Argentina Generación S.A. has not transcribed the financial statements and other relevant documentation for the fiscal year ended December 31, 2022 in the Inventories and Balance Sheets' Book of the Company. The accounting records for the months of October, November and December 2022 are in the process of being generated by optical means.

Pursuant to the current CNV standards (RG 629), we have informed that the corporate books (Shareholders' Meeting Minutes Book, Board Minutes book, Registry of Attendance to Shareholders' Meetings, Registry of Shares, and Supervisory Committee Minutes Book) as well as the statutory accounting records (Journal and Ledgers, kept through optical means, and Inventories and Balance Sheets' Book) for the fiscal years ended December 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2022, are kept in the registered office of the Group, located in the Román A. Subiza (ex Rivadavia) 1960 - San Nicolas de los Arroyos - Buenos Aires Province.

## NOTE 32 – SUBSEQUENT EVENTS

### Resolution No. 59/2023

On February 7, 2023 the Secretariat of Energy published Resolution 59/2023 which dollarizes part of the remuneration of combined cycle plants with a PPA for up to 5 years, to be paid in Argentine pesos at the official exchange rate. This resolution establishes a voluntary adhesion plan, where the companies have up to 90 days to sign the agreement with the market administrator CAMMESA and a commitment of 85% availability of the unit is required. The updated electricity prices are USD 2000 + 65% of the R826 electricity price in winter and summer, and USD 2000 + 85% of the R826 electricity price in spring and fall. The price of electricity generated by gas is increased to USD 3.5/MWh and by diesel to USD 6.1/MWh.

### Loan with Goldman Sachs

On February 10, 2023, the Company entered into an addendum with Goldman Sachs under which Goldman Sachs agreed to extend the payment date of the 12 million dollars balance due on February 12, 2023 to August 12, 2023, with the possibility of a further extension to January 12, 2024 upon the Company's request.

Signed for identification purposes with  
our report dated March 28, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Ivan Diego Durontó  
Titular Director  
in exercise of the Presidency



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors of  
**AES Argentina Generación S.A.**

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of AES Argentina Generación S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2022, 2021 and 2020 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, which includes a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Group's consolidated financial position as of December 31, 2022, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with the International Financial Reporting Standards (IFRS).

#### Basis of opinion

We have conducted our audits in accordance with the International Audit Standards (ISAs) as issued by the International Audit and Assurance Standards Board (IAASB). Our responsibilities under these standards are described later in the section "Auditor's responsibilities in relation to auditing consolidated financial statements" of our report. We are independent of the Group in accordance with the "International Code of Ethics for Accounting Professionals (including International Standards of Independence)" of the International Ethics Standards Council for Accountants (IESBA Code), and we have fulfilled the other ethical responsibilities in accordance with the IESBA Code. We consider that the evidence we have obtained provide a sufficient and appropriate basis for our opinion.

#### Key audit matters

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the current period matter included below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



## Assessment of impairment indicators in property, plant and equipment and intangible assets

### Key matter description

As of December 31, 2022, the carrying amount of property, plant and equipment and intangible assets held by the Group stands at ARS 76.36 billion and ARS 4.53 billion, respectively. Under IFRS, Management assesses whether there are any indicators that property, plant and equipment and intangible assets may have been impaired as of year-end, and if such indicators exist, it estimates the recoverable value thereof. As stated in note 7.2 to the accompanying consolidated financial statements, during the fiscal year ended December 31, 2022, Management has identified no impairment indicators and therefore, it did not perform a recoverability test. The audit of this area is particularly complex because the process for identifying impairment indicators in the value of property, plant and equipment and intangible assets involves judgment, and therefore subjectivity, on a series of considerations and judgments regarding several items of information provided by both, internal and external sources. In addition, when impairment indicators are verified, this gives rise to a process which may have a significant effect on the consolidated financial statements.

### *How our audit addressed the key audit matter*

Our audit procedures included, among others, obtaining an understanding of the process followed by Management in determining that there were no indicators of impairment of the recoverable value during the fiscal year ended December 31, 2022 and assessing both, internal and external sources by analyzing their appropriateness and significance. We also assessed the completeness of the disclosures related to this matter in the consolidated financial statements.

### Responsibilities of Management for the consolidated financial statements

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

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

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance whether the consolidated financial statements as a whole are free of 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 consolidated financial statements.



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

- Identify and assess the risks of material misstatement of the consolidated 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 due to 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the use, by Management, 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence in relation to financial information from entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with Management related to, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant internal control deficiencies that we identify during our audit.

We also provide the Management a statement that we have complied with relevant ethics requirements related to 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.



Of the matters communicated to the Management, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, consequently, 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 reasonable be expected to outweigh the public interest benefits of such communication.

Buenos Aires Province,  
March 28<sup>th</sup>, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.



GERMÁN E. CANTALUPI  
Partner  
Certified Public Accountant (U.B.A.)

Any questions regarding procedures for tendering Old Notes or requests for additional copies of this Exchange Offer Memorandum should be directed to the Information and Exchange Agent. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer. Copies of this Exchange Offer Memorandum are available for Eligible Holders at the following web address:  
<https://projects.morrowsodali.com/AES>.

#### **ISSUER**

##### **AES ARGENTINA GENERACIÓN S.A.**

Román Subiza 1960  
San Nicolas de los Arroyos, C2900  
Provincia de Buenos Aires  
Argentina

#### **INFORMATION AND EXCHANGE AGENT**

##### **Morrow Sodali International LLC**

Offer Website: <https://projects.morrowsodali.com/AES>

E-mail: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com)

##### *In Stamford:*

333 Ludlow Street, South Tower, 5th Floor  
Stamford, CT 06902  
United States  
Telephone: +1 203 609 4910

##### *In London:*

103 Wigmore Street  
W1U 1QS, London  
United Kingdom  
Telephone: +44 20 4513 6933

#### **DEALER MANAGERS**

| <b>Citigroup Global Markets Inc.</b>                                                                                                                                                                    | <b>HSBC Securities (USA) Inc.</b>                                                                                                                            | <b>J.P. Morgan Securities LLC</b>                                                                                                                                | <b>Santander US Capital Markets LLC</b>                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 388 Greenwich Street,<br>4 <sup>th</sup> Floor<br>New York, New York 10013<br>United States<br>Attention: Liability<br>Management Group<br>Call Collect: (212) 723-6106<br>US Toll-Free: (800) 558-3745 | 452 Fifth Avenue<br>New York, New York 10018<br>Attention: Global Liability<br>Management Group<br>U.S. Toll-Free: (888) HSBC-4LM<br>Collect: (212) 525-5552 | 383 Madison Avenue<br>New York, New York 10179<br>Attn: Latin America Debt<br>Capital Markets<br>U.S. Toll-free: +1 (866) 846-2874<br>Collect: +1 (212) 834-7279 | 437 Madison Avenue<br>New York, New York 10022<br>United States<br>Attention: Liability<br>Management<br>Collect: +1 (212) 940-1442<br>Toll Free: +1 (855) 404-3636 |

#### **TRUSTEE, REGISTRAR, PAYING AGENT AND TRANSFER AGENT**

##### **Citibank, N.A.**

388 Greenwich Street, 14th Floor  
New York, New York 10013  
Attention: Agency & Trust  
Telephone: (212) 723-2523  
Email: [Peter1.Lopez@citi.com](mailto:Peter1.Lopez@citi.com)

#### **REPRESENTATIVE OF THE TRUSTEE IN ARGENTINA, ARGENTINE REGISTRAR AND TRANSFER AGENT AND ARGENTINE PAYING AGENT**

##### **La Sucursal de Citibank, N.A. establecida en la República Argentina**

Bartolome Mitre 530  
C1036AAJ Ciudad de Buenos Aires  
Argentina

#### **LEGAL ADVISORS**

*To the Company  
as to United States law*

*To the Dealer Managers  
as to United States law*

**Davis Polk & Wardwell LLP**

450 Lexington Avenue  
New York, NY 10017  
United States of America

*To the Company  
as to Argentine law*

**Bruchou & Funes de Rioja**

Ing. Butty 275 – 12th Floor  
Ciudad de Buenos Aires  
Argentina

**Linklaters LLP**

1290 Avenue of the Americas  
New York, NY 10104  
United States of America

*To the Dealer Managers  
as to Argentine law*

**Salaverri, Burgio & Wetzler Malbrán**

Av. Del Libertador 602, 3rd Floor  
Ciudad de Buenos Aires  
Argentina

**LUXEMBOURG LISTING AGENT**

**Banque Internationale à Luxembourg S.A.**

69, route d'Esch  
L-2953 Luxembourg  
Luxembourg

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**Pistrelli, Henry Martin y Asociados S.R.L.**

25 de mayo 487  
Ciudad de Buenos Aires  
Argentina



## **AES Argentina Generación S.A.**

### **Offer to Exchange any and all of our outstanding 7.750% Senior Notes due 2024 (the “Old Notes”) for the applicable amount of 9.50% Notes due 2027 (the “New Notes”) and Cash (as applicable)**

This Supplement (this “Supplement”) supplements the information contained in the exchange offer memorandum dated July 13, 2023 (the “Exchange Offer Memorandum”) with respect to the offer by AES Argentina Generación S.A. (“AES Argentina”, the “Company” or the “Issuer”), a corporation (*sociedad anónima*) organized under the laws of Argentina, to exchange any and all of the Issuer’s outstanding 7.750% Senior Notes due 2024 (the “Old Notes”) for its newly issued 9.50% Notes due 2027 (the “New Notes”) and the applicable cash consideration (the “Exchange Offer” or the “Offer”), on the terms and subject to the conditions described in the Exchange Offer Memorandum, as supplemented and amended by this Supplement and the press release issued by the Company on July 26, 2023 (the “Press Release”), extending the Early Participation Date.

**The Exchange Offer will expire at 5:00 p.m. (New York City time) on August 10, 2023 (such date and time, as the same may be extended, the “Expiration Date”).**

Capitalized terms used but not defined in this Supplement shall have the respective meanings given to them in the Exchange Offer Memorandum. Except as described in this Supplement and the Press Release, all other information contained in the Exchange Offer Memorandum remains unmodified.

The purpose of this Supplement is to correct an inconsistency with respect to the regular record dates of the New Notes and to supplement the sections “Summary Consolidated Financial Information,” “Selected Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the Exchange Offer Memorandum with the Company’s unaudited interim condensed consolidated financial statements as of and for the six-month period ended on June 30, 2023.

Eligible Holders that have previously tendered their Old Notes pursuant to the procedures set forth in the Exchange Offer Memorandum are not required to take any further action or re-tender their Old Notes on account of this Supplement. Withdrawal rights under the Exchange Offer expired at 5:00 p.m. New York City time on July 26, 2023.

You should read this Supplement together with the Exchange Offer Memorandum and the Press Release, including the section of the Exchange Offer Memorandum entitled “Risk Factors.” However, to the extent that any information in the Exchange Offer Memorandum is inconsistent with the information set forth in this Supplement, you should rely on the information in this Supplement and not on the information in the Exchange Offer Memorandum.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”); and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by



Regulation (EU) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore otherwise offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

We have not registered the New Notes under the Securities Act of 1933, as amended (the “Securities Act”), or any state securities law. The New Notes are being offered for exchange only (1) to holders of Old Notes that are “qualified institutional buyers” as defined in Rule 144A under the Securities Act (“QIBs”), in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (2) outside the United States, to holders of Old Notes other than “U.S. persons” (as defined in Rule 902 under the Securities Act, “U.S. Persons”) and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in reliance on Regulation S under the Securities Act. **Only holders of beneficial interests in the Old Notes who have electronically submitted a duly completed Eligibility Letter certifying that they are within one of the categories described in the immediately preceding sentence are authorized to receive and review the Exchange Offer Memorandum, including this Supplement, and to participate in the Exchange Offer (such holders, “Eligible Holders”).**

This Supplement is a confidential document that is being provided for informational use solely in connection with the consideration for the Exchange Offer and an investment in the New Notes only (i) to holders of Old Notes that are QIBs, in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (ii) outside the United States, to holders of Old Notes other than U.S. persons and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in reliance on Regulation S under the Securities Act, and who are Non-U.S. qualified offerees (as defined under “Transfer Restrictions”), *provided, however* that in Argentina, the Argentine Offering Memorandum will be published and available in our website, the CNV’s, BYMA’s and MAE’s website. For a description of certain restrictions on resale and transfer of the New Notes, see “Transfer Restrictions” in the Exchange Offer Memorandum.

*The Dealer Managers are:*

**Citigroup**

**HSBC**

**J.P. Morgan**

**Santander**

The date of this Supplement to the Exchange Offer Memorandum is August 8, 2023.



## TABLE OF CONTENTS

---

### PAGE

|                                                                                                |     |
|------------------------------------------------------------------------------------------------|-----|
| MODIFICATION TO DESCRIPTION OF THE NEW NOTES .....                                             | 1   |
| SELECTED CONSOLIDATED FINANCIAL INFORMATION .....                                              | 2   |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION<br>AND RESULTS OF OPERATIONS ..... | 6   |
| INDEX TO FINANCIAL STATEMENTS .....                                                            | F-1 |

## MODIFICATION TO DESCRIPTION OF THE NEW NOTES

*The following modifications are made to the third paragraph of the “Description of the New Notes – Principal, Maturity and Interest” section on page 169 of the Exchange Offer Memorandum. Bold italic text denotes additions while strike-through text indicates deletions:*

“Interest on the new notes will accrue at the rate of 9.50% per annum and will be payable semi-annually in arrears on each February 16 and August 16, commencing on February 16, 2024. Payments will be made to the persons who are registered Holders at the close of business on each February ~~15~~ and August ~~15~~, respectively, immediately preceding the applicable interest payment date.”

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables present our selected consolidated financial data for each of the periods indicated. You should read this information in conjunction with our unaudited interim condensed consolidated financial statements as of and for the six-month period ended June 30, 2023 (the “unaudited June Interim Condensed Consolidated Financial Statements”) included in this Supplement and the Annual Consolidated Financial Statements and unaudited Interim Condensed Consolidated Financial Statements included in the Exchange Offer Memorandum and related notes, and the information under “Presentation of Financial and Other Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this Supplement and the Exchange Offer Memorandum.

The financial consolidated information included herein is prepared and presented in accordance with IFRS, as issued by IASB. Our unaudited June Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 (Interim Financial Reporting).

Inflation was 115.6% for the twelve-month period ended June 30, 2023, and 50.7% for the six-month period ended June 30, 2023.

We have derived our selected financial data as of and for the six-month periods ended June 30, 2023 and 2022 from our unaudited June Interim Condensed Consolidated Financial Statements included in this Supplement.

The financial information derived from our unaudited June Interim Condensed Consolidated Financial Statements are expressed in constant currency as of June 30, 2023 and, thus, are not directly comparable with the financial information included in the Exchange Offer Memorandum. See “Presentation of Financial and Other Information” in the Exchange Offer Memorandum for further detail.

### Exchange Rate

Solely for the convenience of the reader, certain amounts included herein have been converted from pesos into U.S. dollars using the June 30, 2023 seller exchange rate quoted by *Banco de la Nación Argentina* (the “BNA”), which was Ps.256.7 per U.S.\$1.00.

These conversions should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate.

### Consolidated Statement of Comprehensive Income

|                                                                              |        | Six-Month Period Ended June 30,<br>(unaudited)                       |                   |                   |
|------------------------------------------------------------------------------|--------|----------------------------------------------------------------------|-------------------|-------------------|
|                                                                              |        | 2023                                                                 | 2023              | 2022              |
|                                                                              |        | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |                   |                   |
|                                                                              |        | (in thousands of U.S.\$)(1)                                          |                   |                   |
| Income from ordinary activities .....                                        | U.S.\$ | 184,018                                                              | Ps. 47,237,342    | Ps. 58,517,268    |
| Cost of sales .....                                                          |        | (136,286)                                                            | (34,984,727)      | (44,947,324)      |
| <b>Gross profit .....</b>                                                    |        | <b>47,731</b>                                                        | <b>12,252,615</b> | <b>13,569,944</b> |
| Administrative expenses .....                                                |        | (12,084)                                                             | (3,101,932)       | (2,876,014)       |
| Selling expenses .....                                                       |        | (5,020)                                                              | (1,288,742)       | (813,601)         |
| Other income and expenses .....                                              |        | (437)                                                                | (112,302)         | (68,617)          |
| <b>Operating income .....</b>                                                |        | <b>30,189</b>                                                        | <b>7,749,639</b>  | <b>9,811,712</b>  |
| Financial income .....                                                       |        | 49,088                                                               | 12,600,818        | 7,896,550         |
| Financial expenses .....                                                     |        | (26,097)                                                             | (6,699,116)       | (5,924,615)       |
| Exchange (loss) .....                                                        |        | (9,214)                                                              | (2,365,148)       | (657,444)         |
| Loss on net monetary position (“RECPAM” for its acronym<br>in Spanish) ..... |        | (47,396)                                                             | (12,166,680)      | (11,882,813)      |
| Income from investments in other companies .....                             |        | 458                                                                  | 117,455           | 93,932            |
| <b>Loss before tax .....</b>                                                 |        | <b>(2,972)</b>                                                       | <b>(763,032)</b>  | <b>(662,678)</b>  |
| Income tax .....                                                             |        | 6,900                                                                | 1,771,226         | 1,886,919         |
| <b>Net income for the period .....</b>                                       |        | <b>3,928</b>                                                         | <b>1,008,194</b>  | <b>1,224,241</b>  |
| <b>Income attributable to:</b>                                               |        |                                                                      |                   |                   |
| Owners of parent company .....                                               |        | 3,898                                                                | 1,000,539         | 1,219,116         |
| Non-controlling interest .....                                               |        | 30                                                                   | 7,655             | 5,125             |
| <b>Net income for the period .....</b>                                       |        | <b>3,928</b>                                                         | <b>1,008,194</b>  | <b>1,224,241</b>  |

|                                                                                                                | Six-Month Period Ended June 30,<br>(unaudited) |                                                                      |                    |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------|--------------------|
|                                                                                                                | 2023                                           | 2023                                                                 | 2022               |
|                                                                                                                | (in thousands of U.S.\$)(1)                    | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |                    |
| <b>Net earnings per share for the period:</b>                                                                  |                                                |                                                                      |                    |
| Basic and diluted, net earnings for the period attributable to<br>holders of ordinary equity instruments ..... | —                                              | 0.087                                                                | 0.106              |
| <b>Net income for the period .....</b>                                                                         | <b>3,928</b>                                   | <b>1,008,194</b>                                                     | <b>1,224,241</b>   |
| <b>Other comprehensive income that shall not be<br/>reclassified to income in subsequent periods</b>           |                                                |                                                                      |                    |
| Reserves for defined benefit plans .....                                                                       | 67                                             | 17,248                                                               | —                  |
| <b>Other comprehensive income that shall be reclassified to<br/>income in subsequent years</b>                 |                                                |                                                                      |                    |
| Exchange difference due to translation of investments in<br>subsidiaries .....                                 | (6,510)                                        | (1,670,995)                                                          | (3,137,905)        |
| <b>Other comprehensive income for the period .....</b>                                                         | <b>(6,442)</b>                                 | <b>(1,653,747)</b>                                                   | <b>(3,137,905)</b> |
| <b>Net comprehensive income for the period .....</b>                                                           | <b>(2,515)</b>                                 | <b>(645,553)</b>                                                     | <b>(1,913,664)</b> |
| <b>Other comprehensive income attributable to:</b>                                                             |                                                |                                                                      |                    |
| Owners of parent company .....                                                                                 | (6,347)                                        | (1,629,199)                                                          | (3,103,318)        |
| Non-controlling interest .....                                                                                 | (96)                                           | (24,548)                                                             | (34,587)           |
| <b>Other comprehensive income for the period .....</b>                                                         | <b>(6,442)</b>                                 | <b>(1,653,747)</b>                                                   | <b>(3,137,905)</b> |
| <b>Net comprehensive income attributable to:</b>                                                               |                                                |                                                                      |                    |
| Owners of parent company .....                                                                                 | (2,449)                                        | (628,660)                                                            | (1,884,202)        |
| Non-controlling interest .....                                                                                 | (66)                                           | (16,893)                                                             | (29,462)           |
| <b>Net comprehensive income for the period .....</b>                                                           | <b>(2,515)</b>                                 | <b>(645,553)</b>                                                     | <b>(1,913,664)</b> |

- (1) Solely for the convenience of the reader, we have translated peso amounts into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.256.7 per U.S.\$1.00 as of June 30, 2023. We make no representation that the Argentine peso or U.S. dollar amounts actually represent, could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.

## Consolidated Statement of Financial Position

|                                                          | As of June 30,<br>(unaudited)  |                                                                         | As of December 31,             |                                                                            |
|----------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------|
|                                                          | 2023                           | 2023                                                                    | 2022                           | 2022                                                                       |
|                                                          | (in thousands of<br>U.S.\$)(1) | (in thousands of pesos,<br>in constant currency as<br>of June 30, 2023) | (in thousands of<br>U.S.\$)(1) | (in thousands of pesos,<br>in constant currency<br>as of June 30, 2023)(2) |
| <b>NON-CURRENT ASSETS</b>                                |                                |                                                                         |                                |                                                                            |
| Investments in Subsidiaries .....                        | U.S.\$ 1,468                   | Ps. 376,930                                                             | U.S.\$ 1,766                   | Ps. 453,282                                                                |
| Property, plant and equipment .....                      | 422,534                        | 108,464,476                                                             | 448,420                        | 115,109,091                                                                |
| Intangible assets .....                                  | 23,700                         | 6,083,903                                                               | 26,614                         | 6,831,850                                                                  |
| Inventories .....                                        | 11,558                         | 2,966,915                                                               | 11,558                         | 2,966,915                                                                  |
| Accounts receivable from related parties .....           | 47                             | 12,017                                                                  | 50                             | 12,835                                                                     |
| Other financial assets .....                             | 556                            | 142,731                                                                 | 838                            | 215,155                                                                    |
| Tax assets .....                                         | 7,418                          | 1,904,224                                                               | 16,776                         | 4,306,502                                                                  |
| Other non-financial assets .....                         | 928                            | 238,159                                                                 | 1,846                          | 473,900                                                                    |
| Trade receivables and other accounts<br>receivable ..... | 78,172                         | 20,066,756                                                              | 102,793                        | 26,386,926                                                                 |
| Deferred tax assets .....                                | 33,577                         | 8,619,218                                                               | 29,366                         | 7,538,347                                                                  |
| <b>Total non-current assets .....</b>                    | <b>579,958</b>                 | <b>148,875,329</b>                                                      | <b>640,027</b>                 | <b>164,294,803</b>                                                         |
| <b>CURRENT ASSETS</b>                                    |                                |                                                                         |                                |                                                                            |
| Inventories .....                                        | 82,954                         | 21,294,464                                                              | 75,657                         | 19,420,870                                                                 |
| Accounts receivable from related parties .....           | 868                            | 222,791                                                                 | 460                            | 118,207                                                                    |
| Tax assets .....                                         | 7,979                          | 2,048,279                                                               | 18,933                         | 4,860,213                                                                  |
| Other financial assets .....                             | 12,100                         | 3,106,050                                                               | 12,589                         | 3,231,326                                                                  |
| Other non-financial assets .....                         | 10,187                         | 2,615,058                                                               | 1,343                          | 344,843                                                                    |
| Trade receivables and other accounts<br>receivable ..... | 120,497                        | 30,931,467                                                              | 120,091                        | 30,827,405                                                                 |
| Cash and Cash Equivalents .....                          | 77,083                         | 19,787,105                                                              | 68,534                         | 17,592,799                                                                 |
| <b>Total current assets .....</b>                        | <b>311,668</b>                 | <b>80,005,214</b>                                                       | <b>297,607</b>                 | <b>76,395,663</b>                                                          |
| <b>TOTAL ASSETS .....</b>                                | <b>891,627</b>                 | <b>228,880,543</b>                                                      | <b>937,634</b>                 | <b>240,690,466</b>                                                         |
| <b>SHAREHOLDERS' EQUITY</b>                              |                                |                                                                         |                                |                                                                            |
| Issued Capital .....                                     | 4,490                          | 1,152,527                                                               | 4,490                          | 1,152,527                                                                  |
| Capital adjustment .....                                 | 71,531                         | 18,361,944                                                              | 71,531                         | 18,361,944                                                                 |
| Irrevocable contributions .....                          | 1,888                          | 484,566                                                                 | 1,888                          | 484,566                                                                    |

|                                                                                    | As of June 30,<br>(unaudited)  |                                                                         | As of December 31,             |                                                                            |
|------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------|
|                                                                                    | 2023                           | 2023                                                                    | 2022                           | 2022                                                                       |
|                                                                                    | (in thousands of<br>U.S.\$)(1) | (in thousands of pesos,<br>in constant currency as<br>of June 30, 2023) | (in thousands of<br>U.S.\$)(1) | (in thousands of pesos,<br>in constant currency<br>as of June 30, 2023)(2) |
| Additional paid-in capital.....                                                    | 18,315                         | 4,701,401                                                               | 18,315                         | 4,701,401                                                                  |
| Legal Reserve .....                                                                | 18,867                         | 4,843,176                                                               | 18,867                         | 4,843,176                                                                  |
| IFRS Special Reserve.....                                                          | 43,427                         | 11,147,616                                                              | 43,427                         | 11,147,616                                                                 |
| Optional reserve.....                                                              | 241,597                        | 62,018,146                                                              | 229,880                        | 59,010,454                                                                 |
| Other reserves.....                                                                | 132,686                        | 34,060,821                                                              | 139,034                        | 35,690,020                                                                 |
| Retained earnings .....                                                            | 3,898                          | 1,000,539                                                               | 12,531                         | 3,216,802                                                                  |
| <b>Shareholders' Equity Attributable to<br/>Controlling Group .....</b>            | <b>536,699</b>                 | <b>137,770,736</b>                                                      | <b>539,963</b>                 | <b>138,608,506</b>                                                         |
| <b>Shareholders' Equity Attributable to<br/>Non-Controlling Third Parties.....</b> | <b>1,862</b>                   | <b>477,961</b>                                                          | <b>1,928</b>                   | <b>494,854</b>                                                             |
| <b>TOTAL SHAREHOLDERS' EQUITY .....</b>                                            | <b>538,561</b>                 | <b>138,248,697</b>                                                      | <b>541,891</b>                 | <b>139,103,360</b>                                                         |
| <b>NON-CURRENT LIABILITIES</b>                                                     |                                |                                                                         |                                |                                                                            |
| Liabilities for employee compensations and<br>benefits .....                       | 3,741                          | 960,423                                                                 | 3,505                          | 899,771                                                                    |
| Tax liabilities.....                                                               | 1,581                          | 405,765                                                                 | 2,361                          | 606,032                                                                    |
| Deferred tax liabilities .....                                                     | 4,108                          | 1,054,615                                                               | 5,980                          | 1,534,730                                                                  |
| Provisions .....                                                                   | 2,338                          | 600,180                                                                 | 2,525                          | 648,163                                                                    |
| Accounts payable to related parties.....                                           | 1,156                          | 296,623                                                                 | 1,649                          | 423,425                                                                    |
| Financial Liabilities.....                                                         | —                              | —                                                                       | 284,577                        | 73,050,936                                                                 |
| <b>Total non-current liabilities.....</b>                                          | <b>12,924</b>                  | <b>3,317,606</b>                                                        | <b>300,597</b>                 | <b>77,163,057</b>                                                          |
| <b>CURRENT LIABILITIES</b>                                                         |                                |                                                                         |                                |                                                                            |
| Liabilities for employee compensations and<br>benefits .....                       | 6,430                          | 1,650,549                                                               | 29,242                         | 2,372,359                                                                  |
| Tax liabilities.....                                                               | 3,759                          | 964,893                                                                 | 2,138                          | 548,934                                                                    |
| Accounts payable to related parties.....                                           | 14,635                         | 3,756,724                                                               | 13,729                         | 3,524,233                                                                  |
| Financial Liabilities.....                                                         | 295,616                        | 75,884,576                                                              | 42,700                         | 10,961,025                                                                 |
| Trade creditors and other accounts payable ..                                      | 19,702                         | 5,057,498                                                               | 27,337                         | 7,017,498                                                                  |
| <b>Total current liabilities .....</b>                                             | <b>340,141</b>                 | <b>87,314,240</b>                                                       | <b>95,146</b>                  | <b>24,424,049</b>                                                          |
| <b>TOTAL LIABILITIES .....</b>                                                     | <b>353,065</b>                 | <b>90,631,846</b>                                                       | <b>395,743</b>                 | <b>101,587,106</b>                                                         |
| <b>TOTAL SHAREHOLDERS' EQUITY<br/>AND LIABILITIES</b>                              | <b>891,626</b>                 | <b>228,880,543</b>                                                      | <b>937,634</b>                 | <b>240,690,466</b>                                                         |

- (1) Solely for the convenience of the reader, we have translated peso amounts into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.256.7 per U.S.\$1.00 as of June 30, 2023. We make no representation that the Argentine peso or U.S. dollar amounts actually represent, could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.
- (2) Financial information from the Annual Consolidated Financial Statements for the years ended December 31, 2022, 2021 and 2020, after being re-expressed to constant currency as of June 30, 2023.

## Non-IFRS Information

The following table reconciles our Adjusted EBITDA with our net income under IFRS for the periods indicated:

|                                                 | Six-Month Period Ended June 30, |                                                                   |                   |
|-------------------------------------------------|---------------------------------|-------------------------------------------------------------------|-------------------|
|                                                 | (unaudited)                     |                                                                   |                   |
|                                                 | 2023                            | 2023(1)                                                           | 2022(1)           |
|                                                 | (in thousands of U.S.\$)(2)     | (in thousands of pesos, in constant currency as of June 30, 2023) |                   |
| <b>Net income for the period</b>                | <b>3,928</b>                    | <b>1,008,194</b>                                                  | <b>1,224,241</b>  |
| Income tax.....                                 | (6,900)                         | (1,771,226)                                                       | (1,886,919)       |
| Other income and expenses .....                 | 437                             | 112,302                                                           | 68,617            |
| Income from investments in other companies..... | (458)                           | (117,455)                                                         | (93,932)          |
| Financial income.....                           | (49,088)                        | (12,600,818)                                                      | (7,896,550)       |
| Financial expenses .....                        | 26,097                          | 6,699,116                                                         | 5,924,615         |
| Exchange gain (loss).....                       | 9,214                           | 2,365,148                                                         | 657,444           |
| RECPAM .....                                    | 47,396                          | 12,166,680                                                        | 11,882,813        |
| Depreciation and amortization.....              | 21,908                          | 5,623,824                                                         | 6,348,495         |
| <b>Adjusted EBITDA(3) .....</b>                 | <b>52,534</b>                   | <b>13,485,765</b>                                                 | <b>16,228,824</b> |

- (1) Income information for the six-month period ended June 30, 2023 and 2022 has been extracted from the unaudited June Interim Condensed Consolidated Financial Statements (expressed in constant currency as of June 30, 2023).
- (2) Solely for the convenience of the reader, we have translated peso amounts into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.256.7 per U.S.\$1.00 as of June 30, 2023. We make no representation that the Argentine peso or U.S. dollar amounts actually represent, could have been or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.
- (3) Adjusted EBITDA is a non-IFRS measure, which we calculate as “Net income for the period/year” plus “income tax”, “Other income and expenses”, “Income from investment in other companies”, “Financial income”, “Financial Expenses”, “exchange gain (loss)”, “RECPAM” and “depreciation and amortization”. Our Adjusted EBITDA presented here does not match the definition of Adjusted EBITDA for purposes of the Description of the New Notes and the New Notes Indenture, which also includes our collection of FONINVEMEM receivables during the relevant period.

## Ratios

|                                                                                                | Six-Month Period Ended<br>June 30, 2023, (1) (unaudited) |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Adjusted EBITDA /Income from ordinary activities(2) .....                                      | 0.29                                                     |
| Adjusted EBITDA to financial expenses ratio(3) .....                                           | 2.01                                                     |
| Liquidity ratio (Current assets /Current liabilities) .....                                    | 0.92                                                     |
| Solvency ratio (Shareholders' equity / Total liabilities) .....                                | 1.53                                                     |
| Immobilization of capital (Non-current assets / Total Assets).....                             | 0.65                                                     |
| Profitability ratio (net-income (loss) for the period / average equity for the period)(4)..... | 0.01                                                     |

- (1) Calculated based on financial and earnings information from the unaudited June Interim Condensed Consolidated Financial Statements (expressed in constant currency as of June 30, 2023).
- (2) Calculated as Adjusted EBITDA divided by Income from ordinary activities.
- (3) Calculated as Adjusted EBITDA divided by financial expense.
- (4) Calculated as profitability ratio (net-income (loss) for the period/year divided by the average equity for the period/year) (average is calculated considering current period/year and previous year/period).

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations is based on and should be read in conjunction with our unaudited June Interim Condensed Consolidated Financial Statements included in this Supplement and our Annual Consolidated Financial Statements and unaudited Interim Condensed Consolidated Financial Statements included in the Exchange Offer Memorandum and in conjunction with the description of our business. The unaudited June Interim Condensed Consolidated Financial Statements, Annual Consolidated Financial Statements and unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with IFRS, as issued by IASB. The unaudited June Interim Condensed Consolidated Financial Statements as of and for the six-month period ended on June 30, 2023, have been prepared in accordance with IAS 34. See "Presentation of Financial Information" in the Exchange Offer Memorandum. This discussion supplements the "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the Exchange Offer Memorandum and should be read together with the information presented therein.

This discussion contains forward-looking statements that involve certain risks, uncertainties and assumptions. Forward-looking statements may also be identified by words such as "may," "will," "believe," "expect," "anticipate," "project," "intend," "should," "seek," "estimate," "future" or similar expressions. These statements discuss future expectations, contain projections of results of operations or of financial conditions or state other forward-looking information. Forward-looking statements are subject to various risks and uncertainties. Our actual results may differ materially from those identified in these forward-looking statements. For more information on forward-looking statements, see "Forward-Looking Statements," and for a discussion of some of the risks that could cause our actual results to differ, see "Risk Factors" in the Exchange Offer Memorandum.

Certain amounts shown in the discussion below are subject to rounding. Accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregate of the other figures contained in such tables.

### Results of Operations

#### *Six-Month Period Ended June 30, 2023 Compared to Six-Month Period Ended June 30, 2022*

The following table is derived from our unaudited June Interim Condensed Consolidated Financial Statements and sets forth the results of our operations for the six-month periods ended June 30, 2023 and 2022 (both in constant currency as of June 30, 2023):

|                                                                                 | Six-Month Period Ended June 30,<br>(unaudited)                       |                   | Change<br>June 30, |
|---------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------|--------------------|
|                                                                                 | 2023                                                                 | 2022              | 2023/2022          |
|                                                                                 | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |                   |                    |
| Income from ordinary activities .....                                           | 47,237,342                                                           | 58,517,268        | (19.3)%            |
| Cost of sales.....                                                              | (34,984,727)                                                         | (44,947,324)      | (22.2)%            |
| <b>Gross profit</b> .....                                                       | <b>12,252,615</b>                                                    | <b>13,569,944</b> | (9.7)%             |
| Administrative expenses.....                                                    | (3,101,932)                                                          | (2,876,014)       | 7.9%               |
| Selling expenses .....                                                          | (1,288,742)                                                          | (813,601)         | 58.4%              |
| Other income and expenses .....                                                 | (112,302)                                                            | (68,617)          | 63.7%              |
| <b>Operating income</b> .....                                                   | <b>7,749,639</b>                                                     | <b>9,811,712</b>  | (21.0)%            |
| Financial income .....                                                          | 12,600,818                                                           | 7,896,550         | 59.6%              |
| Financial expenses.....                                                         | (6,699,116)                                                          | (5,924,615)       | 13.1%              |
| Exchange loss .....                                                             | (2,365,148)                                                          | (657,444)         | 259.7%             |
| Loss on net monetary position<br>("RECPAM" for its acronym in<br>Spanish) ..... | (12,166,680)                                                         | (11,882,813)      | 2.4%               |
| Income from investments in other<br>companies .....                             | 117,455                                                              | 93,932            | 25.0%              |
| <b>Loss before tax</b> .....                                                    | <b>(763,032)</b>                                                     | <b>(662,678)</b>  | 15.1%              |
| Income tax .....                                                                | 1,771,226                                                            | 1,886,919         | (6.1)%             |
| <b>Net income for the period</b> .....                                          | <b>1,008,194</b>                                                     | <b>1,224,241</b>  | (17.6)%            |

### *Income from Ordinary Activities*

The following table sets forth the breakdown of our income from ordinary activities by type of charge for the six-month periods ended June 30, 2023 and 2022 (both in constant currency as of June 30, 2023):

|                                                           | Six-Month Period Ended June 30,<br>(unaudited)                       |                   | Change June 30, |
|-----------------------------------------------------------|----------------------------------------------------------------------|-------------------|-----------------|
|                                                           | 2023                                                                 | 2022              | 2023/2022       |
|                                                           | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |                   |                 |
| Remuneration for energy(1) .....                          | 30,274,122                                                           | 39,515,530        | (23.4)%         |
| Remuneration for capacity(1).....                         | 11,772,800                                                           | 12,545,404        | (6.2)%          |
| Sales of energy and capacity under<br>agreements(2) ..... | 4,854,844                                                            | 6,171,240         | (21.3)%         |
| Other income .....                                        | 335,576                                                              | 285,094           | 17.7%           |
| <b>Total income from ordinary<br/>activities .....</b>    | <b>47,237,342</b>                                                    | <b>58,517,268</b> | <b>(19.3)%</b>  |

- (1) Includes the notions of energy and capacity pursuant to the remuneration provided for by Resolutions 59/2023, 826/2022, 238/2022, 1037/2021, 440/2021, 31/2020, 1/2019 and 19/2017, as applicable, as well as other notions established by other current prior resolutions.
- (2) Includes sales of renewable energy under Renovar contract with CAMMESA and forward market contracts (industrial customers).

Our income from ordinary activities for the six-month period ended June 30, 2023 totaled Ps.47,237,342 thousand, a 19.3% decrease as compared to the six-month period ended June 30, 2022. This decrease was primarily attributable to lower dispatch in CTSN and Paraná, both related to a decrease in the energy demand in 2023.

### *Cost of Sales*

The following table sets forth our cost of sales for the six-month periods ended June 30, 2023 and 2022 (both in constant currency as of June 30, 2023):

|                                                                                | Six-month Period Ended June 30,<br>(unaudited)                       |            | Change June 30, |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------|------------|-----------------|
|                                                                                | 2023                                                                 | 2022       | 2023/2022       |
|                                                                                | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |            |                 |
| Fuel used for generation, net .....                                            | 19,146,741                                                           | 27,509,652 | (30.4)%         |
| Depreciation of property, plant and<br>equipment .....                         | 4,459,173                                                            | 5,156,301  | (13.5)%         |
| Remunerations, social security<br>contributions and other staff expenses ..... | 3,074,636                                                            | 2,868,385  | 7.2%            |
| Insurance .....                                                                | 2,987,045                                                            | 2,792,853  | 7.0%            |
| Operation and maintenance expenditures....                                     | 2,769,502                                                            | 4,174,152  | (33.7)%         |
| Professional services from related parties ...                                 | 170,143                                                              | 201,944    | (15.7)%         |
| Amortization of intangible assets .....                                        | 811,523                                                              | 940,381    | (13.7)%         |
| Fees and remunerations to third parties .....                                  | 49,247                                                               | 66,285     | (25.7)%         |
| Purchase of energy and capacity .....                                          | 196,807                                                              | 72,218     | 172.5%          |
| Transmission costs .....                                                       | 188,697                                                              | 137,037    | 37.7%           |
| Other market charges.....                                                      | 176,761                                                              | 166,963    | 5.9%            |
| Fees and royalties .....                                                       | 168,345                                                              | 202,762    | (17.0)%         |
| Travel, mobility and transport expenses.....                                   | 104,152                                                              | 73,210     | 42.3%           |
| Cleaning expenses .....                                                        | 134,865                                                              | 30,206     | 346.5%          |
| Frequency regulation.....                                                      | 117,538                                                              | 153,960    | (23.7)%         |
| Materials and other supplies.....                                              | 109,593                                                              | 143,869    | (23.8)%         |



|                                          | Six-month Period Ended June 30,<br>(unaudited)                       |                   | Change June 30, |
|------------------------------------------|----------------------------------------------------------------------|-------------------|-----------------|
|                                          | 2023                                                                 | 2022              | 2023/2022       |
|                                          | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |                   |                 |
| Safety and security services .....       | 92,938                                                               | 118,966           | (21.9)%         |
| Use of fields .....                      | 70,410                                                               | 80,981            | (13.1)%         |
| Office and communications expenses ..... | 4,118                                                                | 6,155             | (33.1)%         |
| Sundry .....                             | 152,493                                                              | 51,044            | 198.7%          |
| <b>Total cost of sales .....</b>         | <b>34,984,727</b>                                                    | <b>44,947,324</b> | <b>(22.2)%</b>  |

Cost of sales for the six-month period ended June 30, 2023 totaled Ps.34,984,727 thousand, a 22.2% decrease as compared to the six-month period ended June 30, 2022, which totaled Ps.44,947,324. This decrease was primarily due to lower fuel costs resulting from lower generation due to lower energy demand, as well as lower operating and maintenance expenditures in 2023.

#### *Gross Profit*

Gross profit for the six-month period ended June 30, 2023 totaled Ps.12,252,615 thousand, a 9.7% decrease as compared to the six-month period ended June 30, 2022, which totaled Ps.13,569,944 thousand. This decrease was primarily due to lower sales partially offset by lower cost of fuel used in generation.

#### *Administrative Expenses*

The following table sets forth a breakdown of our administrative expenses for the six-month periods ended June 30, 2023 and 2022 (both in constant currency as of June 30, 2023):

|                                                                                | Six-month Period Ended June 30,<br>(unaudited)                       |                  | Change June 30, |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------|-----------------|
|                                                                                | 2023                                                                 | 2022             | 2023/2022       |
|                                                                                | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |                  |                 |
| Depreciation of property plant and equipment .....                             | 353,128                                                              | 251,813          | 40.2%           |
| Remunerations, social security contributions and<br>other staff expenses ..... | 529,652                                                              | 462,819          | 14.4%           |
| Taxes, rates and contributions .....                                           | 693,323                                                              | 794,190          | (12.7)%         |
| Professional services from related parties .....                               | 1,037,532                                                            | 974,547          | 6.5%            |
| Fees and remunerations to third parties .....                                  | 361,578                                                              | 278,474          | 29.8%           |
| Travel, mobility and transport expenses .....                                  | 33,790                                                               | 10,455           | 223.2%          |
| Office and communications expenses .....                                       | 50,864                                                               | 44,324           | 14.8%           |
| Sundry .....                                                                   | 42,065                                                               | 59,392           | (29.2)%         |
| <b>Total administrative expenses .....</b>                                     | <b>3,101,932</b>                                                     | <b>2,876,014</b> | <b>7.9%</b>     |

Administrative expenses for the six-month period ended June 30, 2023 totaled Ps.3,101,932 thousand, a 7.9% increase as compared to the six-month period ended June 30, 2022, which totaled Ps.2,876,014 thousand. This increase was primarily the result of:

- an increase in the cost of depreciation of plant and equipment of 40.2%, equivalent to Ps.101,315 thousand,
- an increase in fees and remuneration to third parties of 29.8% equivalent to Ps.83,104 thousand, mainly due to higher legal services cost,
- an increase in remunerations, social security contributions and other staff expenses of 14.4% equivalent to Ps.66,833 thousand, mainly due to an increase in bonuses; and
- a 6.5% increase in costs for professional services with related entities of Ps.62,985 thousand.

These impacts were partially offset by:

- a decrease in expenses for taxes, rates and contributions of 12.7%, equivalent to Ps.100,867 thousand, mainly due to lower taxes on bank debit/credit offset by other internal taxes on insurance policies; and
- a decrease in sundry of 29.2% equivalent to Ps.17,327 thousand.

#### *Selling Expenses*

The following table sets forth a breakdown of our selling expenses for the six-month periods ended June 30, 2023 and 2022 (both in constant currency as of June 30, 2023):

|                                                                                | Six-month Period Ended June 30,<br>(unaudited)                      |                | Change June 30, |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------|----------------|-----------------|
|                                                                                | 2023                                                                | 2022           | 2023/2022       |
|                                                                                | (in thousands of pesos in constant<br>currency as of June 30, 2023) |                |                 |
| Remunerations, social security contributions and<br>other staff expenses ..... | 198,093                                                             | 182,939        | 8.3%            |
| Taxes, rates and contributions .....                                           | 999,279                                                             | 703,127        | 42.1%           |
| Fees and remunerations to third parties .....                                  | 37,089                                                              | 28,822         | 28.7%           |
| Travel, mobility and transport expenses .....                                  | 1,833                                                               | 2,027          | (9.6)%          |
| Bad debts .....                                                                | 52,448                                                              | (104,885)      | (150.0)%        |
| Sundry .....                                                                   | —                                                                   | 1,571          | (100.00)%       |
| <b>Total selling expenses .....</b>                                            | <b>1,288,742</b>                                                    | <b>813,601</b> | <b>58.4%</b>    |

Selling expenses for the six-month period ended June 30, 2023, totaled Ps.1,288,742 thousand, a 58.4% increase as compared to the six-month period ended June 30, 2022, which totaled Ps.813,601 thousand. This increase was primarily the result of:

- an increase in taxes, fees, and contributions of Ps.296,152 thousand or 42.1%, mainly from higher taxes due to an increase in interest; and
- A decrease in the provision for bad debt of Ps.157,333 thousand driven by the adjustment on the estimation of the expected credit losses due to changes in the factors taken into consideration in the expected credit losses calculations.

#### *Other Income and Expenses*

The following table sets forth the breakdown of other income and expenses for the six-month periods ended June 30, 2023 and 2022 (both in constant currency as of June 30, 2023):

|                                                                | Six-month Period Ended June 30,<br>(unaudited)                       |                 | Change June 30, |
|----------------------------------------------------------------|----------------------------------------------------------------------|-----------------|-----------------|
|                                                                | 2023                                                                 | 2022            | 2023/2022       |
|                                                                | (in thousands of pesos, in constant<br>currency as of June 30, 2023) |                 |                 |
| Net charge for provision of legal claims .....                 | (101,184)                                                            | (156,284)       | 35.3%           |
| Surrogate payers on personal property .....                    | (55,081)                                                             | (19,642)        | 180.4%          |
| Results from disposal of property plant and<br>equipment ..... | (5,386)                                                              | (10,265)        | (47.5)%         |
| Technical advice .....                                         | —                                                                    | 20,597          | (100.0)%        |
| Proceeds from the sale of assets .....                         | —                                                                    | 41,822          | (100.0)%        |
| Income from settlement agreements .....                        | 35,360                                                               | 52,101          | (32.1)%         |
| Sundry .....                                                   | 13,989                                                               | 3,054           | 358.1%          |
| <b>Total other income and expenses .....</b>                   | <b>(112,302)</b>                                                     | <b>(68,617)</b> | <b>63.7%</b>    |

Other income and expenses for the six-month period ended June 30, 2023, totaled a loss of Ps.112,302 thousand, a 63.7% increase as compared to the six-month period ended June 30, 2022, which totaled a loss of Ps.68,617 thousand. This increase was primarily the result of the lack of income from sales of fixed assets and technical advice in the first half of 2023, higher cost for surrogate payers on personal property and lower income for settlements agreements, partially offset by lower cost in provision of legal claims.

#### *Financial Results*

The following table sets forth a breakdown of financial income and expense for the six-month periods ended June 30, 2023 and 2022 (both in constant currency as of June 30, 2023):

|                                                        | Six-month Period Ended June 30,<br>(unaudited)                       |                     | Change June 30, |
|--------------------------------------------------------|----------------------------------------------------------------------|---------------------|-----------------|
|                                                        | 2023                                                                 | 2022                | 2023/2022       |
|                                                        | (in thousands of pesos, in constant<br>currency as of June 30, 2023) |                     |                 |
| Interest from financial assets .....                   | 6,753,390                                                            | 5,175,835           | 30.5%           |
| Interest earned with related parties .....             | 3,012                                                                | 2,796               | 7.7%            |
| Other financial income .....                           | 5,844,416                                                            | 2,717,919           | 115.0%          |
| <b>Total financial income .....</b>                    | <b>12,600,818</b>                                                    | <b>7,896,550</b>    | <b>59.6%</b>    |
| Interest on financial debts.....                       | (6,249,708)                                                          | (5,114,343)         | 22.2%           |
| Interest on tax debts.....                             | (62)                                                                 | (5,217)             | (98.8)%         |
| Interest on trade payables .....                       | (78,107)                                                             | (7,360)             | 961.2%          |
| Loss on partial repurchase of notes .....              | —                                                                    | (551,822)           | 100%            |
| Cost of interest on long-term benefit obligations .... | (371,239)                                                            | (245,873)           | 51.0%           |
| <b>Total Financial Expenses.....</b>                   | <b>(6,699,116)</b>                                                   | <b>(5,924,615)</b>  | <b>13.1%</b>    |
| Exchange differences from assets .....                 | 24,825,721                                                           | 16,120,711          | 54.0%           |
| Exchange differences from liabilities .....            | (27,190,869)                                                         | (16,778,155)        | 62.1%           |
| <b>Total of exchange differences.....</b>              | <b>(2,365,148)</b>                                                   | <b>(657,444)</b>    | <b>259.7%</b>   |
| RECPAM .....                                           | (12,166,680)                                                         | (11,882,813)        | 2.4%            |
| <b>Total financial profit (loss).....</b>              | <b>(8,630,126)</b>                                                   | <b>(10,568,322)</b> | <b>(18.3)%</b>  |

Total financial profit (loss) for the six-month period ended June 30, 2023 totaled a loss of Ps.8,630,126 thousand, an 18.3% decrease as compared to the six-month period ended June 30, 2022, which totaled a loss of Ps.10,568,322 thousand. This decrease was primarily the result of an increase of 59.6% in interest earned on investments and interest earned on bank deposits equivalent to Ps. 4,704,268 thousand, partially offset by an increase of 259.7% in exchange differences losses mainly due to a higher monetary position of assets and liabilities in foreign currency of Ps. 1,707,704 thousand and an increase in financial expenses of 13.1%, equivalent to Ps. 774,501 thousand mainly due to higher interest on financial debts.

#### *Income from Investments in Other Companies*

The following table sets forth a breakdown of income from investments in other companies for the six-month periods ended June 30, 2023 and 2022 (both in constant currency as of June 30, 2023):

|                                                                  | Six-month Period Ended June 30,<br>(unaudited)                       |                | Change June 30, |
|------------------------------------------------------------------|----------------------------------------------------------------------|----------------|-----------------|
|                                                                  | 2023                                                                 | 2022           | 2023/2022       |
|                                                                  | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |                |                 |
| <b>Income from investments in other companies</b>                |                                                                      |                |                 |
| TGB .....                                                        | 376,151                                                              | 408,097        | (7.8)%          |
| Sierras del Buendía .....                                        | 779                                                                  | 3,238          | (75.9)%         |
| <b>Total income from investments in other<br/>companies.....</b> | <b>376,930</b>                                                       | <b>411,335</b> | <b>(8.4)%</b>   |

Income from investments in other companies for the six-month period ended June 30, 2023, totaled Ps.376,930 thousand, an 8.4% decrease as compared to the six-month period ended June 30, 2022, which totaled Ps.411,335 thousand. This increase was primarily the result of the higher result recognized in our investment in TGB.

#### *Income Tax*

Income tax for the six-month period ended June 30, 2023 totaled Ps.1,771,226 thousand in recorded income, a decrease of 6.1% compared to the six-month period ended June 30, 2022, which totaled Ps.1,886,919 thousand. This decrease was driven by a decrease in the difference from the revaluation of property, plant and equipment and intangible assets and accounting inflation effect, partially offset by the positive effect of the inflation adjustment on the tax losses recorded in the first half of 2023 and exchange rate of difference of our subsidiaries.

#### *Net Income*

As a result of the factors described above, our net income for the six-months ended June 30, 2023 totaled Ps.1,008,194 thousand, a 17.6% decrease as compared to the six-months ended June 30, 2022, which totaled Ps.1,224,241 thousand.

### **Liquidity and Capital Resources**

As of June 30, 2023 and 2022, we had cash and cash equivalents of Ps.19,787,105 thousand and Ps.17,592,799 thousand, respectively.

Our primary sources of liquidity have been cash from operations and debt borrowings.

Our primary working capital requirements have been in connection with cost of sales, capital expenditures and debt repayments. In the future, we may have increased working capital requirements as a result of rises in fuel prices and/or delays in collections from CAMMESA.

On April 28, 2023, our shareholders approved a dividend distribution of Ps.183 million based on our retained earnings. This dividend payment will be permitted under the New Notes Indenture.

We believe that our sources of liquidity, will be sufficient to meet our working capital, debt service and capital expenditure requirements for the foreseeable future.

#### **Cash Flows**

The following table sets forth our cash flows from our operating, investing and financing activities for the periods indicated:

|                                                                                                                                                               | Six-month Period Ended June 30,<br>(unaudited)                       |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------|
|                                                                                                                                                               | 2023                                                                 | 2022             |
|                                                                                                                                                               | (in thousands of pesos, in constant currency<br>as of June 30, 2023) |                  |
| Cash flows resulting from/(used in) operating activities .....                                                                                                | 10,828,729                                                           | (6,666,882)      |
| Cash flows (used in)/resulting from investing activities .....                                                                                                | (3,611,936)                                                          | 5,397,137        |
| Cash flows (used in)/resulting from financing activities .....                                                                                                | (7,512,378)                                                          | 1,008,147        |
| <b>Total of applied</b> .....                                                                                                                                 | <b>(295,585)</b>                                                     | <b>(261,598)</b> |
| Effect of exchange difference and losses on exposure to the<br>changes in the purchasing power of the currency (RECPAM)<br>on cash and cash equivalents ..... | (3,128,884)                                                          | (201,346)        |
| <b>Decrease in cash and cash equivalents, net</b> .....                                                                                                       | <b>(3,424,469)</b>                                                   | <b>(462,944)</b> |

#### *Net Cash Resulting from/(Used in) Operating Activities*

Net cash resulting from operating activities was Ps.10,828,729 thousand for the six-month period ended June 30, 2023, as compared to the six months ended June 30, 2022, which had net cash used in operating activities of Ps.6,666,882 thousand. This positive trend was primarily driven by a decrease on the trade receivables due to the timing of collections from CAMMESA and lower tax payments during 2023.

#### *Net Cash (Used in)/ Resulting from Investing Activities*

Net cash used in investing activities was Ps.3,611,936 thousand for the six months ended June 30, 2023, as compared to net cash resulting from investment activities of Ps.5,397,137 thousand for the six months ended June 30, 2022. This decrease was due to the net decrease of mutual funds held, offset by higher interest received.

#### *Net Cash (Used in)/ Resulting from Financing Activities*

Net cash used in financing activities was Ps.7,512,378 thousand for the six-month period ended June 30, 2023, as compared to net cash resulting from financing activities of Ps.1,008,147 thousand for the six-month period ended June 30, 2022, mainly driven by higher principal paid due to third-party loans in 2023 and lower third-party loans obtained in 2023.

#### ***Off-Balance Sheet Arrangements***

As of June 30, 2023, we had no off-balance sheet arrangements.

#### ***Capital Expenditures***

The following table sets forth our capital expenditures for the six-month periods ended June 30, 2023 and 2022:

| Main Item                                       | Six-month Period Ended June 30,<br>(unaudited)                    |                    |
|-------------------------------------------------|-------------------------------------------------------------------|--------------------|
|                                                 | 2023                                                              | 2022               |
|                                                 | (in thousands of pesos, in constant currency as of June 30, 2023) |                    |
| Purchase of property, plant and equipment ..... | (2,827,998)                                                       | (3,051,169)        |
| Purchase of intangible assets .....             | (89,176)                                                          | (122,052)          |
| <b>Total</b> .....                              | <b>(2,917,174)</b>                                                | <b>(3,173,221)</b> |

#### ***Indebtedness and Contractual Obligations***

As of June 30, 2023, our total indebtedness was Ps.75,884,576 thousand, of which 99.8% was denominated in U.S. dollars, and the remainder denominated in pesos. The following table shows our indebtedness as of such date:

|                                              | Outstanding as of<br>June 30, 2023 <sup>(1)</sup><br>(unaudited)        | Interest rate | Currency | Issue Date        | Maturity Date    |
|----------------------------------------------|-------------------------------------------------------------------------|---------------|----------|-------------------|------------------|
|                                              | (in thousands of pesos,<br>in constant currency<br>as of June 30, 2023) | (%)           |          |                   |                  |
| <b>Credit Agreements</b>                     |                                                                         |               |          |                   |                  |
| Goldman Sachs .....                          | 3,106,863                                                               | 6.84%         | U.S.\$   | February 10, 2023 | January 12, 2024 |
| <b>Subtotal</b> .....                        | <b>3,106,863</b>                                                        |               |          |                   |                  |
| <b>Other Debt</b> .....                      |                                                                         |               |          |                   |                  |
| Current account<br>overdraft agreement ..... | 172,866                                                                 | -             | Ps.      |                   |                  |
| <b>Subtotal</b> .....                        | <b>3,279,729</b>                                                        |               |          |                   |                  |
| <b>Notes</b>                                 |                                                                         |               |          |                   |                  |
| Old Notes .....                              | 72,599,182                                                              | 7.75%         | U.S.\$   | February 2, 2017  | February 2, 2024 |
| <b>Subtotal</b> .....                        | <b>72,599,182</b>                                                       |               |          |                   |                  |
| <b>Financial leases</b> .....                | <b>5,665</b>                                                            |               |          |                   |                  |
| <b>Total</b> .....                           | <b>75,884,576</b>                                                       |               |          |                   |                  |

- 
- (1) This table does not include the U.S.\$30,513,915 aggregate principal amount of Argentine Series 1 Notes issued on July 14, 2023 under the Program. See “Summary—Recent Developments” in the Exchange Offer Memorandum. We have incurred no additional indebtedness since June 30, 2023 (other than the Argentine Series 1 Notes).
- (2) The loan agreement with Banco Industrial and Commercial Bank of China (Argentina) S.A.U. was repaid in full on February 8, 2023.

The following sets forth our debt maturity profile as of June 30, 2023:

|                        | <u>Total</u>      | <u>2023</u> | <u>2024</u>       | <u>2025</u> | <u>2026</u> | <u>2027 and<br/>beyond</u> |
|------------------------|-------------------|-------------|-------------------|-------------|-------------|----------------------------|
| Total payments Ps. .   | 172,866           | 172,866     | -                 | -           | -           | -                          |
| <b>Total payments</b>  |                   |             |                   |             |             |                            |
| <b>U.S.\$(1) .....</b> | <u>75,706,045</u> | <u>-</u>    | <u>75,706,045</u> | <u>-</u>    | <u>-</u>    | <u>-</u>                   |

- (1) Peso amounts have been converted into U.S. dollars at the seller exchange rate quoted by the BNA, which was Ps.256.7 per U.S.\$1.00 as of June 30, 2023.

## **INDEX TO FINANCIAL STATEMENTS**

### **AES ARGENTINA GENERACIÓN S.A.**

**Unaudited Interim Condensed Consolidated Financial Statements as of June 30, 2023 and 2022 and for the six-month periods then ended.**

|                                                                        | <b>Page</b> |
|------------------------------------------------------------------------|-------------|
| Interim Condensed Consolidated Statement of Comprehensive Income.....  | F-6         |
| Interim Condensed Consolidated Statement of Financial Position .....   | F-8         |
| Interim Condensed Consolidated Statement of Changes in Equity .....    | F-10        |
| Interim Condensed Consolidated Statement of Cash Flows .....           | F-11        |
| Notes to the Interim Condensed Consolidated Financial Statements ..... | F-13        |
| Report on Review of Interim Financial Information .....                | F-70        |



**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**AES Argentina Generación S.A. and  
Subsidiaries**

**For the six-month period ended June 30, 2023**



**AES ARGENTINA GENERACIÓN S.A.****MEMBERS OF THE BOARD OF DIRECTORS**

|                                 |                                                                                                                               |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>CHAIRMAN:</b>                | Martín Genesio                                                                                                                |
| <b>VICE-CHAIRMAN:</b>           | Vicente Javier Giorgio                                                                                                        |
| <b>REGULAR BOARD MEMBERS:</b>   | Iván Diego Durontó<br>Fabián Carlos Giammaría<br>Luis Bernabé Casas                                                           |
| <b>ALTERNATE BOARD MEMBERS:</b> | Guillermo Daniel Paponi<br>Diego Andrés Parodi<br>Rubén Néstor Zaia<br>Adriana Beatriz Brambilla<br>Diego Gabriel Baldassarre |

**SUPERVISORY COMMITTEE**

|                                      |                                                                           |
|--------------------------------------|---------------------------------------------------------------------------|
| <b>REGULAR STATUTORY AUDITORS:</b>   | Andrés Leonardo Vittone<br>Patricio Richards<br>Manuel Goyenechea y Zarza |
| <b>ALTERNATE STATUTORY AUDITORS:</b> | Pablo Javier Viboud<br>Juan Manuel Carassale<br>Facundo Gladstein         |

**Table of Contents of the Interim Condensed Consolidated Financial Statements**

|                                                                                          |    |
|------------------------------------------------------------------------------------------|----|
| Legal Information                                                                        | 1  |
| Interim Condensed Consolidated Statement of Comprehensive Income                         | 2  |
| Interim Condensed Consolidated Statement of Financial Position                           | 4  |
| Interim Condensed Consolidated Statement of Changes in Equity                            | 6  |
| Interim Condensed Consolidated Statement of Cash Flows                                   | 7  |
| Notes to the Interim Condensed Consolidated Financial Statements                         | 9  |
| NOTE 1 - Overview                                                                        | 9  |
| NOTE 2 - Basis of Preparation of the Interim Condensed Consolidated Financial Statements | 10 |
| NOTE 3 - Regulatory Aspects and Current Agreements                                       | 17 |
| NOTE 4 - Financial Risk Management                                                       | 21 |
| NOTE 5 - Operating Segments                                                              | 24 |
| NOTE 6 - Investments in Subsidiary and other Companies                                   | 25 |
| NOTE 7 - Property, Plant and Equipment                                                   | 27 |
| NOTE 8 - Intangible Assets                                                               | 30 |
| NOTE 9 - Inventory                                                                       | 32 |
| NOTE 10 - Taxes                                                                          | 33 |
| NOTE 11 - Balances and Transactions with Related Parties                                 | 37 |
| NOTE 12 - Other Financial Assets                                                         | 41 |
| NOTE 13 - Other Non-Financial Assets                                                     | 42 |
| NOTE 14 - Trade Receivables and Other Accounts Receivable                                | 42 |
| NOTE 15 - Cash and Cash Equivalents                                                      | 44 |
| NOTE 16 - Shareholders' Equity                                                           | 44 |
| NOTE 17 - Liabilities for Employee Compensations and Benefits                            | 47 |
| NOTE 18 - Provisions                                                                     | 49 |
| NOTE 19 - Financial Liabilities                                                          | 50 |
| NOTE 20 - Trade Payables and Other Accounts Payable                                      | 52 |
| NOTE 21 - Financial Instruments                                                          | 52 |
| NOTE 22 - Income from Ordinary Activities                                                | 54 |
| NOTE 23 - Composition of Relevant Results                                                | 54 |
| NOTE 24 - Financial Results                                                              | 59 |
| NOTE 25 - Other Income and Expenses                                                      | 60 |
| NOTE 26 - Earnings Per Share                                                             | 60 |
| NOTE 27 - Contingencies and Commitments                                                  | 61 |
| NOTE 28 - Guarantees                                                                     | 61 |
| NOTE 29 - Assets and Liabilities in Currency other than Pesos or with Adjustment Clause  | 62 |
| NOTE 30 - Credits and Debts Repayment Deadlines                                          | 63 |
| NOTE 31 - Accounting Books and other Supporting Documentation                            | 64 |
| NOTE 32 - Subsequent events                                                              | 64 |

## AES ARGENTINA GENERACIÓN S.A.

Registered address: Román A. Subiza 1960 - San Nicolás de los Arroyos - Buenos Aires Province  
Taxpayer Identification (CUIT) No.: 30-66346111-3

**FISCAL YEAR No. 31 BEGINNING ON JANUARY 1, 2023**

### **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX AND THREE-MONTH PERIODS ENDED AS OF JUNE 30, 2023**

**Main business of the Group:**

Production and block commercialization of electricity.

**Date of Registration in the Provincial Board of Legal Persons:**

Bylaws: May 04, 2006

Last amendment: October 22, 2010

**Registration number in the Provincial Board of Legal Persons:**

File N°: 137,419

**Expiration Date of the Articles of Incorporation:**

July 05, 2092

**Parent Companies:**

Note 16

### **OWNERSHIP STRUCTURE**

(Figures stated in thousands of pesos - Note 2.2.2 and Note 16)

| Characteristics                                                       | Class of shares | Subscribed, Paid in and Registered (Note 16) |
|-----------------------------------------------------------------------|-----------------|----------------------------------------------|
| Book-entry shares each of nominal value 0.10 and entitled to one vote | A               | 587,789                                      |
|                                                                       | B               | 555,079                                      |
|                                                                       | C               | 9,659                                        |
| Total                                                                 |                 | 1,152,527                                    |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Comprehensive Income**

for the six and three-month periods ended June 30, 2023 and 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                                                              | Note | For the six-month period ended<br>June 30 |                   | For the three-month period ended<br>June 30 |                  |
|--------------------------------------------------------------------------------------------------------------|------|-------------------------------------------|-------------------|---------------------------------------------|------------------|
|                                                                                                              |      | 2023                                      | 2022              | 2023                                        | 2022             |
| Income from ordinary activities                                                                              | 22   | 47,237,342                                | 58,517,268        | 16,469,178                                  | 31,970,506       |
| Cost of sales                                                                                                | 23   | (34,984,727)                              | (44,947,324)      | (13,067,823)                                | (25,846,386)     |
| <b>Gross profit</b>                                                                                          |      | <b>12,252,615</b>                         | <b>13,569,944</b> | <b>3,401,355</b>                            | <b>6,124,120</b> |
| Administrative Expenses                                                                                      | 23   | (3,101,932)                               | (2,876,014)       | (1,666,641)                                 | (1,441,762)      |
| Selling expenses                                                                                             | 23   | (1,288,742)                               | (813,601)         | (715,474)                                   | (376,421)        |
| Other income and expenses                                                                                    | 25   | (112,302)                                 | (68,617)          | (76,073)                                    | (34,413)         |
| <b>Operating income</b>                                                                                      |      | <b>7,749,639</b>                          | <b>9,811,712</b>  | <b>943,167</b>                              | <b>4,271,524</b> |
| Financial income                                                                                             | 24   | 12,600,818                                | 7,896,550         | 7,757,810                                   | 3,990,829        |
| Financial expenses                                                                                           | 24   | (6,699,116)                               | (5,924,615)       | (3,266,259)                                 | (2,623,801)      |
| Exchange (loss)                                                                                              | 24   | (2,365,148)                               | (657,444)         | (700,712)                                   | (471,496)        |
| Loss on net monetary position<br>("RECPAM" for its acronym in Spanish)                                       | 24   | (12,166,680)                              | (11,882,813)      | (6,100,146)                                 | (5,726,104)      |
| Income from investments in other companies                                                                   | 6    | 117,455                                   | 93,932            | 61,449                                      | (60,569)         |
| <b>Loss before tax</b>                                                                                       |      | <b>(763,032)</b>                          | <b>(662,678)</b>  | <b>(1,304,691)</b>                          | <b>(619,617)</b> |
| Income tax                                                                                                   | 10.2 | 1,771,226                                 | 1,886,919         | 1,212,703                                   | 363,001          |
| <b>Net income (loss) for the period</b>                                                                      |      | <b>1,008,194</b>                          | <b>1,224,241</b>  | <b>(91,988)</b>                             | <b>(256,616)</b> |
| <b>Income (Loss) attributable to</b>                                                                         |      |                                           |                   |                                             |                  |
| Owners of parent company                                                                                     |      | 1,000,539                                 | 1,219,116         | (89,709)                                    | (251,283)        |
| Non-controlling interest                                                                                     |      | 7,655                                     | 5,125             | (2,279)                                     | (5,333)          |
| <b>Net income (loss) for the period</b>                                                                      |      | <b>1,008,194</b>                          | <b>1,224,241</b>  | <b>(91,988)</b>                             | <b>(256,616)</b> |
| <b>Net earnings (loss) per share for the period:</b>                                                         |      |                                           |                   |                                             |                  |
| Basic and diluted, net earnings (loss) for the period attributable to holders of ordinary equity instruments | 26   | 0.087                                     | 0.106             | (0.008)                                     | (0.022)          |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Comprehensive Income (continued)**

for the six and three-month periods ended June 30, 2023 and 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                                                  | Note         | For the six-month period ended<br>June 30 |                    | For the three-month period<br>ended June 30 |                    |
|--------------------------------------------------------------------------------------------------|--------------|-------------------------------------------|--------------------|---------------------------------------------|--------------------|
|                                                                                                  |              | 2023                                      | 2022               | 2023                                        | 2022               |
| <b>Net income (loss) for the period</b>                                                          |              | <b>1,008,194</b>                          | <b>1,224,241</b>   | <b>(91,988)</b>                             | <b>(256,616)</b>   |
| <b>Other comprehensive income that not shall be reclassified to income in subsequent periods</b> |              |                                           |                    |                                             |                    |
| Reserves for defined benefit plans                                                               | 16.5         | 17,248                                    | —                  | 2,774                                       | —                  |
| <b>Other comprehensive income that shall be reclassified to income in subsequent years</b>       |              |                                           |                    |                                             |                    |
| Exchange difference due to translation of investments in subsidiaries                            | 2.2.2 / 16.5 | (1,670,995)                               | (3,137,905)        | (563,221)                                   | (1,142,501)        |
| <b>Other comprehensive income for the period</b>                                                 |              | <b>(1,653,747)</b>                        | <b>(3,137,905)</b> | <b>(560,447)</b>                            | <b>(1,142,501)</b> |
| <b>Net comprehensive income for the period</b>                                                   |              | <b>(645,553)</b>                          | <b>(1,913,664)</b> | <b>(652,435)</b>                            | <b>(1,399,117)</b> |
| <b>Other comprehensive income attributable to:</b>                                               |              |                                           |                    |                                             |                    |
| Owners of parent company                                                                         |              | (1,629,199)                               | (3,103,318)        | (554,179)                                   | (1,125,094)        |
| Non-controlling interest                                                                         |              | (24,548)                                  | (34,587)           | (6,268)                                     | (17,407)           |
| <b>Other comprehensive income for the period</b>                                                 |              | <b>(1,653,747)</b>                        | <b>(3,137,905)</b> | <b>(560,447)</b>                            | <b>(1,142,501)</b> |
| <b>Net comprehensive income attributable to:</b>                                                 |              |                                           |                    |                                             |                    |
| Owners of parent company                                                                         |              | (628,660)                                 | (1,884,202)        | (643,888)                                   | (1,376,377)        |
| Non-controlling interest                                                                         |              | (16,893)                                  | (29,462)           | (8,547)                                     | (22,740)           |
| <b>Net comprehensive income for the period</b>                                                   |              | <b>(645,553)</b>                          | <b>(1,913,664)</b> | <b>(652,435)</b>                            | <b>(1,399,117)</b> |

The accompanying notes are integral part of these interim condensed consolidated financial statements.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI,

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Financial Position**

As of June 30, 2023 and December 31, 2022.

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                 | <b>Note</b> | <b>June 30, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------------------------|-------------|----------------------|--------------------------|
| <b>NON-CURRENT ASSETS</b>                       |             |                      |                          |
| Investments in Subsidiaries                     | 6           | 376,930              | 453,282                  |
| Property, plant and equipment                   | 7           | 108,464,476          | 115,109,091              |
| Intangible assets                               | 8           | 6,083,903            | 6,831,850                |
| Inventories                                     | 9           | 2,966,915            | 2,966,915                |
| Accounts receivable from related parties        | 11          | 12,017               | 12,835                   |
| Other financial assets                          | 12          | 142,731              | 215,155                  |
| Tax assets                                      | 10.1        | 1,904,224            | 4,306,502                |
| Other non-financial assets                      | 13          | 238,159              | 473,900                  |
| Trade receivables and other accounts receivable | 14          | 20,066,756           | 26,386,926               |
| Deferred tax assets                             | 10.2        | 8,619,218            | 7,538,347                |
| <b>Total non-current assets</b>                 |             | <b>148,875,329</b>   | <b>164,294,803</b>       |
| <b>CURRENT ASSETS</b>                           |             |                      |                          |
| Inventories                                     | 9           | 21,294,464           | 19,420,870               |
| Accounts receivable from related parties        | 11          | 222,791              | 118,207                  |
| Tax assets                                      | 10.1        | 2,048,279            | 4,860,213                |
| Other financial assets                          | 12          | 3,106,050            | 3,231,326                |
| Other non-financial assets                      | 13          | 2,615,058            | 344,843                  |
| Trade receivables and other accounts receivable | 14          | 30,931,467           | 30,827,405               |
| Cash and Cash Equivalents                       | 15          | 19,787,105           | 17,592,799               |
| <b>Total current assets</b>                     |             | <b>80,005,214</b>    | <b>76,395,663</b>        |
| <b>TOTAL ASSETS</b>                             |             | <b>228,880,543</b>   | <b>240,690,466</b>       |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Financial Position (continued)**

As of June 30, 2023 and December 31, 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                           | <b>Note</b> | <b>June 30, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------------------------------------|-------------|----------------------|--------------------------|
| <b>SHAREHOLDERS' EQUITY</b>                                               |             |                      |                          |
| Issued Capital                                                            | 16          | 1,152,527            | 1,152,527                |
| Capital adjustment                                                        |             | 18,361,944           | 18,361,944               |
| Irrevocable contributions                                                 |             | 484,566              | 484,566                  |
| Additional paid-in capital                                                |             | 4,701,401            | 4,701,401                |
| Legal Reserve                                                             |             | 4,843,176            | 4,843,176                |
| IFRS Special Reserve                                                      |             | 11,147,616           | 11,147,616               |
| Optional reserve                                                          |             | 62,018,146           | 59,010,454               |
| Other reserves                                                            |             | 34,060,821           | 35,690,020               |
| Retained earnings                                                         |             | 1,000,539            | 3,216,802                |
| <b>Shareholders' Equity Attributable to Controlling Group</b>             |             | <b>137,770,736</b>   | <b>138,608,506</b>       |
| <b>Shareholders' Equity Attributable to Non-Controlling third Parties</b> |             | <b>477,961</b>       | <b>494,854</b>           |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                                         |             | <b>138,248,697</b>   | <b>139,103,360</b>       |
| <b>NON-CURRENT LIABILITIES</b>                                            |             |                      |                          |
| Liabilities for employee compensations and benefits                       | 17          | 960,423              | 899,771                  |
| Tax liabilities                                                           | 10.1        | 405,765              | 606,032                  |
| Deferred tax liabilities                                                  | 10.2        | 1,054,615            | 1,534,730                |
| Provisions                                                                | 18          | 600,180              | 648,163                  |
| Accounts payable to related parties                                       | 11          | 296,623              | 423,425                  |
| Financial Liabilities                                                     | 19          | —                    | 73,050,936               |
| <b>Total non-current liabilities</b>                                      |             | <b>3,317,606</b>     | <b>77,163,057</b>        |
| <b>CURRENT LIABILITIES</b>                                                |             |                      |                          |
| Liabilities for employee compensations and benefits                       | 17          | 1,650,549            | 2,372,359                |
| Tax liabilities                                                           | 10.1        | 964,893              | 548,934                  |
| Accounts payable to related parties                                       | 11          | 3,756,724            | 3,524,233                |
| Financial Liabilities                                                     | 19          | 75,884,576           | 10,961,025               |
| Trade creditors and other accounts payable                                | 20          | 5,057,498            | 7,017,498                |
| <b>Total current liabilities</b>                                          |             | <b>87,314,240</b>    | <b>24,424,049</b>        |
| <b>TOTAL LIABILITIES</b>                                                  |             | <b>90,631,846</b>    | <b>101,587,106</b>       |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                         |             | <b>228,880,543</b>   | <b>240,690,466</b>       |

The accompanying notes are integral part of these interim condensed consolidated financial statements.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Changes in Equity**

For the six-month period ended June 30, 2023 and 2022.

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

| Detail                                 | Contributions of Shareholders |                    |                           |                            | Reserves         |                      |                   |                               | Total reserves     | Retained earnings |
|----------------------------------------|-------------------------------|--------------------|---------------------------|----------------------------|------------------|----------------------|-------------------|-------------------------------|--------------------|-------------------|
|                                        | Issued capital                | Capital adjustment | Irrevocable contributions | Additional paid-in capital | Legal reserve    | IFRS Special Reserve | Optional reserve  | Other reserves <sup>(1)</sup> |                    |                   |
| <b>Balance as of December 31, 2021</b> | <b>1,152,527</b>              | <b>18,361,944</b>  | <b>484,566</b>            | <b>4,701,401</b>           | <b>4,843,176</b> | <b>11,147,616</b>    | <b>54,861,642</b> | <b>38,753,795</b>             | <b>109,606,229</b> | <b>4,518,616</b>  |
| Net income for the period              | —                             | —                  | —                         | —                          | —                | —                    | —                 | —                             | —                  | 1,219,116         |
| Other comprehensive income             | —                             | —                  | —                         | —                          | —                | —                    | —                 | (3,103,318)                   | (3,103,318)        | —                 |
| Creation of an optional reserve        | —                             | —                  | —                         | —                          | —                | —                    | 4,518,467         | —                             | 4,518,467          | (4,518,467)       |
| Dividend distribution                  | —                             | —                  | —                         | —                          | —                | —                    | (369,681)         | —                             | (369,681)          | —                 |
| <b>Balance as of June 30, 2022</b>     | <b>1,152,527</b>              | <b>18,361,944</b>  | <b>484,566</b>            | <b>4,701,401</b>           | <b>4,843,176</b> | <b>11,147,616</b>    | <b>59,010,428</b> | <b>35,650,477</b>             | <b>110,651,697</b> | <b>1,219,365</b>  |
| <b>Balance as of December 31, 2022</b> | <b>1,152,527</b>              | <b>18,361,944</b>  | <b>484,566</b>            | <b>4,701,401</b>           | <b>4,843,176</b> | <b>11,147,616</b>    | <b>59,010,454</b> | <b>35,690,020</b>             | <b>110,691,266</b> | <b>3,216,802</b>  |
| Net income for the period              | —                             | —                  | —                         | —                          | —                | —                    | —                 | —                             | —                  | 1,000,516         |
| Other comprehensive income             | —                             | —                  | —                         | —                          | —                | —                    | —                 | (1,629,199)                   | (1,629,199)        | —                 |
| Creation of an optional reserve        | —                             | —                  | —                         | —                          | —                | —                    | 3,216,802         | —                             | 3,216,802          | (3,216,802)       |
| Dividend distribution                  | —                             | —                  | —                         | —                          | —                | —                    | (209,110)         | —                             | (209,110)          | —                 |
| <b>Balance as of June 30, 2023</b>     | <b>1,152,527</b>              | <b>18,361,944</b>  | <b>484,566</b>            | <b>4,701,401</b>           | <b>4,843,176</b> | <b>11,147,616</b>    | <b>62,018,146</b> | <b>34,060,821</b>             | <b>112,069,759</b> | <b>1,000,516</b>  |

<sup>(1)</sup> See structure and evolution in Note 16.5.

The accompanying notes are integral part of these interim condensed consolidated financial statements.

Signed for identification purposes with  
our report dated August 8, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Cash Flows**

for the six-month period ended June 30, 2023 and 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                              |         | June 30      |              |
|--------------------------------------------------------------|---------|--------------|--------------|
|                                                              | Note    | 2023         | 2022         |
| Operating Activities                                         |         |              |              |
| Net income for the period                                    |         | 1,008,194    | 1,224,241    |
| Adjustments for reconciliation of results                    |         |              |              |
| Depreciation and amortization expenses                       | 7 and 8 | 5,623,824    | 6,348,495    |
| Loss for withdrawals of property, plant and equipment        | 25      | 5,386        | 10,265       |
| Exchange loss on net monetary position (RECPAM)              |         | 14,586,816   | 10,366,339   |
| Interest and other financial income                          | 24      | (12,600,818) | (7,896,550)  |
| Loss on partial repurchase of notes                          | 24      | —            | 551,822      |
| Income from investments in other companies                   | 6       | (117,455)    | (93,932)     |
| Income tax loss                                              | 10.2    | (1,771,226)  | (1,886,919)  |
| Cost of provisions for legal claims                          | 25      | 101,184      | 156,284      |
| Accrued interest expenses                                    | 24      | 6,302,315    | 5,168,934    |
| Bad debt allowance                                           | 23      | 52,448       | (104,885)    |
| Expenses for pension plans                                   | 17.1    | 418,249      | 288,733      |
| Adjustments for changes in Balance sheet accounts            |         |              |              |
| Inventories                                                  |         | (1,873,435)  | (1,417,621)  |
| Trade receivables and other accounts receivable              |         | (4,024,574)  | (11,137,795) |
| Accounts receivable from related parties                     |         | (2,284,366)  | (686,935)    |
| Other non-financial assets                                   |         | (1,901,472)  | (2,726,037)  |
| Trade creditors and other accounts payable                   |         | 2,618,117    | 911,266      |
| Accounts payable to related parties                          |         | 449,276      | (699,791)    |
| Other liabilities and provisions                             |         | 11,142       | (32,948)     |
| Tax assets                                                   |         | 718,575      | 577,020      |
| Other tax liabilities                                        |         | 1,108,372    | (3,266,735)  |
| Liabilities for employee compensations and benefits          |         | (44,242)     | (231,016)    |
| Income tax paid                                              |         | 968,956      | (3,260,520)  |
| Interest income from trade receivables                       |         | 1,473,463    | 1,171,403    |
| Net cash flows resulting from (used in) operating activities |         | 10,828,729   | (6,666,882)  |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

**AES Argentina Generación S.A.**
**Interim Condensed Consolidated Statement of Cash Flow (continued)**

for the six-month period ended June 30, 2023 and 2022

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

|                                                                         |          | June 30      |              |
|-------------------------------------------------------------------------|----------|--------------|--------------|
|                                                                         | Note     | 2023         | 2022         |
| Investment Activities                                                   |          |              |              |
| Purchase of property, plant and equipment                               |          | (2,827,998)  | (3,051,169)  |
| Purchase of intangible assets                                           |          | (89,176)     | (122,052)    |
| Interest received                                                       |          | 5,844,416    | 3,244,251    |
| Dividends received                                                      | 6        | 176,542      | 59,174       |
| Capital contribution in a subsidiary                                    |          | (450)        | —            |
| Net (increase) decrease of mutual funds                                 |          | (6,680,270)  | 5,254,279    |
| Loans to related parties                                                |          | (35,000)     | —            |
| Collection of loans to related entities                                 |          | —            | 12,654       |
| Net cash flows (used in) resulting from investing activities            |          | (3,611,936)  | 5,397,137    |
| Financing Activities                                                    |          |              |              |
| Amounts from third-party loans                                          | 19.2     | 12,569,185   | 17,247,553   |
| Principal paid due to third-party loans                                 | 19.2     | (14,208,624) | (10,784,717) |
| Interests paid due to third-party loans                                 | 19.2     | (5,739,223)  | (5,217,165)  |
| Dividends paid                                                          |          | (126,930)    | (230,473)    |
| Payments of lease liabilities                                           | 7.1/19.2 | (6,786)      | (7,051)      |
| Net cash flows (used in) resulting from financing activities            |          | (7,512,378)  | 1,008,147    |
| Effect of exchange difference and RECPAM on cash and cash equivalents   |          | (3,128,884)  | (201,346)    |
| (Decrease) in cash and cash equivalents, net                            |          | (3,424,469)  | (462,944)    |
| Cash and cash equivalents at the beginning of the period <sup>(1)</sup> | 15       | 9,683,527    | 4,659,796    |
| Cash and cash equivalents at the end of the period <sup>(1)</sup>       | 15       | 6,259,058    | 4,196,852    |

<sup>(1)</sup> See note 15 regarding cash and cash equivalents at the beginning and end of the period.

The accompanying notes are integral part of these interim condensed consolidated financial statements.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

## Notes to the interim condensed consolidated financial statements for the six-month period ended June 30, 2023

(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

### NOTE 1 - OVERVIEW

AES Argentina Generación S.A (www.aesargentina.com.ar) (hereinafter referred to as the “Company”, “AES Argentina Generación” or “AAG”), together with its subsidiaries (hereinafter, the “Group”) belong to The AES Corporation (“AES Group”) whose purpose is the production and block commercialization of electric power, the exploitation of its own or third-party electric power plants, and the provision of services for them.

The Group’s business is included in the Electricity Regulatory Framework established in 1992 by Law 24065, which established the guidelines for the structuring and operation of the sector. This law established four types of players: Generators, Transporters, Distributors and Large Users, and created the Wholesale Electricity Market (MEM, for its acronym in Spanish). To administer the MEM, it created Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA) with the involvement of different market players and the Secretary of Energy (SE) that reports to the National Government. Then, the national authorities made a significant amendment to this regulatory framework, as described in Note 3.

As a result of the acquisition of concessions and interests, different merging processes, and the investment in power plants, the Group currently has 9 productive sites, 4 hydroelectric power plants, 3 thermal power plants, and 2 wind power plants, located in the Provinces of Buenos Aires, Salta, San Juan and Neuquén, with a total installed capacity of 2,985 MW:

1. Alicura Power Plant (Alicura): Hydroelectric power plant located in the Province of Neuquén with an installed capacity of 1,050 MW.
2. Cabra Corral Power Plant: Hydroelectric power plant located in the Province of Salta with an installed capacity of 102 MW.
3. El Tunal Power Plant: Hydroelectric power plant located in the Province of Salta with an installed capacity of 10 MW.
4. Ullum Power Plant: Hydroelectric power plant located in the Province of San Juan with an installed capacity of 45 MW.
5. Paraná Thermal Power Plant (AES Paraná): Combined cycle thermal power plant located in the Province of Buenos Aires with an installed capacity of 845 MW, together with a gas turbine with an installed capacity of 25 MW.
6. San Nicolás Thermal Power Plant (CTSN): Thermal power plant located in the Province of Buenos Aires with an installed capacity of 675 MW.
7. Sarmiento Thermal Power Plant: Thermal power plant located in the Province of San Juan with an installed capacity of MW 33.
8. Vientos Bonaerenses Wind Plant: Wind power plant located in the Province of Buenos Aires with an installed capacity of 100 MW.
9. Vientos Neuquinos Wind Plant: Wind power plant located in the Province of Neuquén with an installed capacity of 100 MW.

On May 26, 2022 AAG executed the purchase option of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW wind plant, such as environmental impact study, land use rights, easement agreements, etc. Likewise, it is registered in the Registro de Proyectos de Energía Renovable and is able to participate in future tenders.

The Company was admitted to the Notes public offering system by Resolution 18389 of the National Securities Commission (“CNV”), dated December 1, 2016.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

At the end of the six months ended June 30, 2023, the Company has negative working capital. For this reason, the Company's management is evaluating different action plans to correct such a situation, within which, AAG has launched an exchange offer process in relation to the 144/A bond maturing in February 2024, see further details in Note 32.

## NOTE 2 - BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 2.1. - Professional Accounting Standards

The Group prepares its consolidated financial statements (hereinafter the “consolidated financial statements”) in accordance with the current provisions of the National Securities Commission (CNV), which approved General Resolution (RG) 562 and adopted Technical Resolution (RT) 26 (as amended by RT 29) issued by the *Federación Argentina de Consejos Profesionales de Ciencias Económicas* (Argentine Federation of Economic Sciences Professional Councils - FACPCE), which establishes that the issuers of shares and/or notes, with some exceptions, are required to prepare their financial statements as per the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Likewise, some additional disclosures required by the Business Companies Law and/or CNV standards were included to comply with the regulatory requirements. These interim condensed consolidated financial statements of the Group are presented based on the application of International Accounting Standard (“IAS”) No. 34 “Interim Financial Reporting”.

### 2.2. - Presentation Basis

These interim condensed consolidated financial statements include all the information necessary for a proper understanding by users of the relevant facts and transactions occurring after the issuance of the last annual financial statements for the year ending December 31, 2022. However, these interim condensed consolidated financial statements only include some of the information and disclosures required for annual financial statements prepared per IAS 1 (Presentation of Financial Statements). Therefore, these interim condensed consolidated financial statements should be read in conjunction with the financial statements for the year ended December 31, 2022.

These interim condensed consolidated financial statements have been prepared using the accounting principles applicable to a going concern.

The Group's management believes that they include all adjustments necessary to present fairly the results for each period on a basis consistent with that of the annual financial statements.

#### 2.2.1. - Consolidated Financial Statements

The interim condensed consolidated financial statements include the financial statements of AES Argentina Generación and its subsidiaries for the six-month period ended June 30, 2023 and 2022.

The financial information of the subsidiaries is prepared as of and for the same period as the parent and consistently apply the same accounting policies.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## Subsidiaries

According to IFRS 10, subsidiaries are all the entities controlled by AES Argentina Generación. An investor controls an investee if the investor:

1. has power over the investee,
2. is exposed, or has rights, to variable returns from its involvement with the investee, and
3. has the ability to affect those returns through its power over the investee.

It is considered that an investor has power over an investee when the investor has existing rights that give it the ability to direct the relevant activities, i.e., the activities that significantly affect the investee's returns. In the case of the Group, in general, the power over its subsidiaries is derived from the ownership of a majority of voting rights granted by capital instruments of the subsidiaries.

If the Group has less than the majority of the voting rights of an investee, it has power over the investee when these voting rights are sufficient to grant it, in the usual practice, the ability to unilaterally direct the relevant activities of the investee. The Group considers all the events and circumstances to assess whether the rights to voting rights in an investee are sufficient to grant it the power, including:

- the number of voting rights held by the investor relative to the number and dispersion held by the other vote holders;
- potential voting rights held by the investor, other vote holders and other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the investor has, or fails to have, the current ability to direct the relevant activities when decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group shall reassess whether it controls an investee if facts and circumstances indicate that there have been changes to one or more of the three elements of control listed above. The assets, liabilities, revenue and expenditure of a subsidiary acquired or sold are included since the date on which the Group obtains control until the date on which the Group ceases to control the subsidiary.

Below is a detail of the subsidiaries of the Group:

| Name of the Company                         | Reference                  | Percentage Interest |
|---------------------------------------------|----------------------------|---------------------|
| Energética Argentina S.A.                   | EASA or Energética         | 99.67 %             |
| Vientos Neuquinos I S.A.                    | VN or Vientos Neuquinos    | 95.00 %             |
| Sierras del Buendía S.A.                    | SBD or Sierras del Buendía | 90.00 %             |
| Central Termoeléctrica Guillermo Brown S.A. | CTGBSA                     | 60.00 %             |

While the Group's interest in the stock of CTGBSA y Sierras del Buendía S.A. amounts to 60% y 90% respectively and therefore falls into the definition of "control", as described in the IFRS, the Group has chosen not to consolidate these subsidiaries on a line-by-line basis in its consolidated financial statements, due to the little significance that the disclosure of such information would bring to the users of the financial statements.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## **2.2.2. - Unit of Measurement**

### **Functional Currency**

Based on the standards set out in IAS 21 “The Effects of Changes in Foreign Exchange Rates,” The company established the Argentine Peso as the functional currency expressed in constant currency as of the end of the reporting period.

The subsidiaries EASA and VN maintain the US Dollar as their functional currency, and restate the figures converted to the presentation currency in the year-end currency of the reporting period according to the provisions of the Practical Application Guide of Accounting and Auditing Issues in Companies under the Scope of Public Offering No. 1 - 2019.

## **2.3. - Summary of Significant Accounting Policies**

There have been no changes in the Company's accounting policies concerning those used in the financial statements as of December 31, 2022, except for the application of the new standards or amendments that became effective as of January 1, 2023, detailed in note 2.6.

## **2.4. - Information on Operation Segments**

For management purposes, the Group is organized in a single business unit to carry out its main electric power generation and marketing business. The Group only discloses the information on that activity in the operating results of the income statement.

## **2.5. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the financial statements of the Group requires the Administration to make judgments, estimates and assumptions that affect the amount of the reported income, expenses, assets and liabilities and the determination and disclosure of contingent assets and liabilities as of the end of the reporting fiscal year. In this sense, the uncertainties associated with the adopted assumptions and estimates could lead in the future to final results that could differ from those estimates and require significant adjustments to balances informed of the affected assets or liabilities.

In preparing these interim condensed consolidated financial statements, the significant estimates and judgments made by the Company's Administration and Management in applying the Group's accounting policies and the primary sources of uncertainty were consistent with those applied in preparing the annual financial statements.

## **2.6.- Changes in accounting policies**

### **Accounting Pronouncements effective for periods beginning on or after January 1, 2024 and following**

The following is a list and brief description of the new or amended standards and interpretations that the Group expects to adopt in the future. In general, the Group intends to adopt these standards when they become effective, although in certain cases it may apply them earlier.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

## **IFRS 16 Lease liabilities related to sale-leasebacks**

The amendment addresses the requirements that a seller-lessee uses to measure the lease liability arising on a sale and leaseback transaction.

The amendment provides that after the commencement date of a sale and leaseback transaction, the seller-lessee applies paragraphs 29-35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36-46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46 of IFRS 16, the seller-lessee determines the "lease payments" or "revised lease payments" in such a way that the seller-lessee would not recognize any amount of gain or loss related to the right-of-use asset that it retains. The application of these requirements does not preclude the seller-lessee from recognizing, in profit or loss, any gain or loss related to the partial or total termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of lease liabilities arising from a leaseback may result in the seller-lessee determining "lease payments" that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee shall develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted and that fact should be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e. the amendment does not apply to sale and leaseback transactions entered into before the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The Group will assess the impacts of these amendments on the date closer to its effective date.

## **IAS 1 “Presentation of Financial Statements - Classification of liabilities as current or non-current”**

In 2020 and 2022, the IASB issued amendments to IAS 1 to specify the requirements for the classification of liabilities as current or non-current. Such amendments clarify about:

1. The meaning of a right to defer settlement.
2. The right to postpone at the end of the reporting period exists.
3. The lack of impact on the classification of the probability of an entity exercising its right to defer.
4. Only if a derivative embedded in a convertible liability is an equity instrument, the terms of liability would not affect its classification.

The amendments are effective for periods beginning on or after January 1, 2024. The amendments should be applied prospectively. An early application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments and vice versa.

The Group will assess the impacts of these amendments on the date closer to its effective date.

## **IAS 7 & IFRS 7 – Disclosure of Supplier Finance Arrangements**

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



In May 2023, the Board amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to help users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier financing arrangements. In these arrangements, one or more financial service providers pay what entities owe to their suppliers. The entity agrees to settle those amounts with the financial service providers according to the terms and conditions of the agreements, either on the same date or later than when the financial service providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier financing arrangements on liabilities and cash flows, including the terms and conditions of those arrangements, quantitative information about the liabilities related to those arrangements at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. Information about those arrangements must be presented on an aggregate basis unless the individual arrangements have terms that are not similar or unique. In the context of the quantitative liquidity risk disclosures required by IFRS 7, vendor financing arrangements are included as an example of other factors that may be relevant to disclose.

The amendments are effective for annual periods beginning on or after January 1, 2024. Earlier adoption is permitted but must be disclosed. The amendments provide certain transitional exemptions concerning comparative and quantitative information at the beginning of the annual reporting period and disclosures in interim financial information.

The Group will assess the impacts of these amendments on the date closer to its effective date.

### **IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture.

The amendments, issued in September 2014, state that when the transaction involves a business (whether it is in a subsidiary or not) the entire gain or loss generated is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary.

The date of mandatory application of these amendments is yet to be determined because the IASB is awaiting the results of its research project on equity method accounting. These amendments must be applied retrospectively; early adoption is permitted and must be disclosed.

The Group will assess the impacts of these amendments on the date closer to its effective date.

### **Impact of the Application of New Standards and Amendments in 2023**

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



The standards and interpretations, as well as improvements and amendments to IFRS that have been issued, effective as of the date of these financial statements, are detailed as follows

### **IFRS 17 Insurance Contracts**

In May 2017, IASB issued IFRS 17 Insurance Contracts, a new standard of comprehensive accounting for insurance contracts covering recognition, measurement, presentation, and disclosure. Once it comes into effect, it will substitute IFRS 4 Insurance Contracts, as issued in 2005. The new standard is applicable to all the types of insurance contracts, regardless of the type of issuing entity, as well as certain guarantees and financial instruments with specific discretionary participation features. Some exceptions within the scope might be applied.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting asymmetries between financial assets and insurance contract liabilities in comparative information presented on initial application of IFRS 17.

If an entity applies the classification overlay, it may only do so for comparative periods to which it applies IFRS 17 (i.e. from the date of transition to the date of initial application of IFRS 17).

IFRS 17 will be effective for periods beginning on or after January 1, 2023, and comparative figures are required. Early application is permitted as long as the entity also applies IFRS 9 Financial Instruments on or before the first application of IFRS 17.

The amendment did not have a material impact on the Group.

### **IAS 1 Presentation of Financial Statements - Disclosures of Accounting Policies**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Making Materiality Judgments, in which it provides guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures.

The amendments are intended to help entities provide accounting policy disclosures that are more useful by:

- a. Replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies.
- b. Including guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy disclosures, entities should consider both the size of transactions and other events or conditions, as well as the nature of those events or conditions.

These amendments had no impact on the Group's interim condensed consolidated financial statements, but will apply to the year-end financial statements. The Group will assess the impacts of these amendments on the date closer to its effective date.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

### **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates**

In February 2021, the IASB issued amendments to IAS 8, introducing a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate resulting from a change in an input or a change in a measurement technique are changes in accounting estimates, provided that these are not the result of the correction of prior period errors. This definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

The amendment did not have a material impact on the Group

### **IAS 12 Deferred Taxes related to assets and liabilities arising from a single transaction**

In May 2021, the IASB issued amendments to IAS 12, which reduce the scope of the initial recognition exception under IAS 12 so that it no longer applies to transactions that result in equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether temporary differences exist in the initial recognition of assets and liabilities.

Likewise, according to the amendments issued, the exception in the initial recognition does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

It only applies if the recognition of a lease asset and a lease liability (or a decommissioning liability and a component of the decommissioning asset) result in taxable and deductible temporary differences that are not equal. However, the resulting deferred tax assets and liabilities may not be equal (for example, if the entity cannot benefit from tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, an entity would need to account for the difference between the deferred tax asset and the deferred tax liability in profit or loss.

The amendment did not have a material impact on the Group.

### **IAS 12 International Tax Reform - Pillar Two Model Rules**

In May 2023, the Board amended IAS 12, introducing a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to income taxes from the Pillar 2 Model Rules. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules issued by the Organization for Economic Co-operation and Development (OECD), including tax law implementing qualified national minimum complementary taxes. Such tax law, and the income taxes derived therefrom, are referred to as "Pillar Two legislation" and "Pillar 2 income taxes", respectively.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The amendments require an entity to disclose that it has applied the exemption to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. In this regard, an entity must separately disclose its current tax expense (profit) related to Pillar Two income taxes when the legislation is in effect.

In addition, the amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that would assist users of financial statements in understanding the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity must disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exemption from recognition and disclosure of deferred tax information and the requirement to disclose the exemption application apply immediately and retrospectively to the issuance of the amendments.

Disclosure of current tax expenses related to Pillar Two income taxes and disclosures in relation to periods prior to the effective date of the legislation are required for annual periods beginning on or after January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

The amendment will apply in the year-end financial statements. The Group will assess the impacts of these amendments on the date closer to its effective date.

### NOTE 3 - REGULATORY ASPECTS AND CURRENT AGREEMENTS

This Note summarizes the regulation in force in the six-month periods ended June 30, 2023 and 2022 and those regulatory aspects that, in spite of having been in force in previous fiscal years, still have an impact on these financial statements.

#### a. Current Regulatory Framework:

##### Resolution SE 59/2023:

On February 05, 2023, Resolution 59/2023 by the Secretariat of Energy allows power generation agents owning thermal generation plants with combined-cycle technology, as per Res. 826 dated December 12, 2022, without power supply agreements, to adhere to a power availability and efficiency improvement agreement with CAMMESA on behalf of the distributors and large users of the MEM to encourage the necessary investments for major and minor maintenance of the machines. On March 9, 2023, and March 21, 2023, the Group signed the notes and the agreement with CAMMESA to adhere to such scheme, respectively, waiving any administrative and judicial claims related to the remuneration in force until the signing of the agreement.

| Capacity Combined Cycles: Availability | Res. 59/2023 (***)<br>From March 2023<br>USD / MWh (**) |
|----------------------------------------|---------------------------------------------------------|
| Summer: December - January - February  | 2,000+ 65% Capacity tariff from Res 826/22              |
| Winter: June - July - August           | 2,000+ 65% Capacity tariff from Res 826/22              |
| Rest of the months of the year.        | 2,000+ 85% Capacity tariff from Res 826/22              |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

| Generated Energy Combined Cycles(*) | Res. 59/2023 (***)<br>From March 2023<br>USD / MWh (**) |
|-------------------------------------|---------------------------------------------------------|
| Natural Gas                         | 3.5                                                     |
| Gas Oil / Fuel oil                  | 6.1                                                     |
| BioComb                             | 8.7                                                     |

(\*) The energy operated, and the payments during peak hours continue to be paid in pesos at the price of Res 826/22.

(\*\*) Prices in dollars are converted into pesos with the COM 3500 on the last business day of the month.

(\*\*\*) Agreement with CAMMESA for five years, with an 85% availability commitment.

### **Resolution SE No. 826/2022**

On December 12, 2022, the Secretariat of Energy amended, by means of Resolution 826/2022, the pricing scheme of the electric energy commercialized in the regulatory framework "Base Energy" established by Resolution 238/2022, to ensure the reliability and sustainability of the MEM at economically reasonable and efficient conditions, thus updating such remunerations effective as from the transactions corresponding to the month of September 2022. It also established new remuneration rates from the transactions corresponding to November 2022 and December 2022 and adjusted the remuneration rates from February 1, 2023, and August 1, 2023, with average increases of 25% and 28%, respectively.

Remunerative energy and power prices for thermal and hydraulic power plants for the periods ended June 30, 2023 and 2022 as expressed in historical currency, are summarized below:

#### – Energy Remuneration for Thermal and Hydraulic Plants:

| Price per source and fuel      | in ARS/MWh                  | in ARS/MWh                           | in ARS/MWh                                   | in ARS/MWh                  | in ARS/MWh                               | in ARS/MWh                               |
|--------------------------------|-----------------------------|--------------------------------------|----------------------------------------------|-----------------------------|------------------------------------------|------------------------------------------|
|                                | Res. 826/2022               |                                      |                                              | Res. 238/2022               |                                          | Res. 238/2022                            |
|                                | effective since August 2023 | effective from February to July 2023 | effective from December 2022 to January 2023 | effective for November 2022 | effective from June 2022 to October 2022 | effective from February 2022 to May 2022 |
| <b>Generated Energy</b>        |                             |                                      |                                              |                             |                                          |                                          |
| Natural Gas                    | 936                         | 731                                  | 585                                          | 532                         | 443                                      | 403                                      |
| Gas Oil / Fuel oil             | 1,637                       | 1,279                                | 1,023                                        | 930                         | 775                                      | 705                                      |
| Biodiesel                      | 2,338                       | 1,826                                | 1,461                                        | 1,328                       | 1,107                                    | 1,006                                    |
| Mineral Coal                   | 2,806                       | 2,192                                | 1,754                                        | 1,594                       | 1,328                                    | 1,208                                    |
| Hydraulic Power Plants         | 818                         | 639                                  | 512                                          | 465                         | 388                                      | 352                                      |
| Renewable Power Stations       | 6,545                       | 5,113                                | 4,090                                        | 3,719                       | 3,099                                    | 2,817                                    |
| <b>Operated Electric Power</b> |                             |                                      |                                              |                             |                                          |                                          |
| Thermal Plants                 | 326                         | 255                                  | 204                                          | 185                         | 154                                      | 140                                      |
| Hydraulic Power Plants         | 326                         | 255                                  | 204                                          | 185                         | 154                                      | 140                                      |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

– Capacity Remuneration for Thermal Plants:

| Base Price per<br>Technology and Scale | <i>in ARS/Month</i>                    | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                                         | <i>in ARS/Month</i>                        | <i>in ARS/Month</i>                                     | <i>in ARS/Month</i>                                     |
|----------------------------------------|----------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
|                                        | Res. 826/2022                          |                                                     |                                                             | Res. 238/2022                              |                                                         |                                                         |
|                                        | <i>effective since<br/>August 2023</i> | <i>effective from<br/>February to<br/>July 2023</i> | <i>effective from<br/>December 2022<br/>to January 2023</i> | <i>effective for<br/>November<br/>2022</i> | <i>effective from<br/>June 2022 to<br/>October 2022</i> | <i>effective from<br/>February 2022<br/>to May 2022</i> |
| Large Combined Cycle<br>Power > 150 MW | 392,135                                | 306,355                                             | 245,084                                                     | 222,804                                    | 185,670                                                 | 168,791                                                 |
| Large Steam Turbine Power<br>>100 MW   | 559,273                                | 436,932                                             | 349,546                                                     | 317,769                                    | 264,807                                                 | 240,734                                                 |
| Small Steam Turbine Power<br>≤ 100MW   | 668,555                                | 522,308                                             | 417,847                                                     | 379,861                                    | 316,551                                                 | 287,773                                                 |
| Small Gas Turbine Power ≤<br>50MW      | 591,414                                | 462,042                                             | 369,634                                                     | 336,031                                    | 280,025                                                 | 254,569                                                 |

| Price of Offered<br>Guaranteed Capacity  | <i>in ARS/Month</i>                    | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                                         | <i>in ARS/Month</i>                        | <i>in ARS/Month</i>                                     | <i>in ARS/Month</i>                                     |
|------------------------------------------|----------------------------------------|-----------------------------------------------------|-------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
|                                          | Res. 826/2022                          |                                                     |                                                             | Res. 238/2022                              |                                                         |                                                         |
|                                          | <i>effective since<br/>August 2023</i> | <i>effective from<br/>February to<br/>July 2023</i> | <i>effective from<br/>December 2022<br/>to January 2023</i> | <i>effective for<br/>November<br/>2022</i> | <i>effective from<br/>June 2022 to<br/>October 2022</i> | <i>effective from<br/>February 2022<br/>to May 2022</i> |
| Summer: December -<br>January - February | 1,402,562                              | 1,095,752                                           | 876,601                                                     | 796,910                                    | 664,092                                                 | 603,720                                                 |
| Winter: June - July -<br>August          | 1,402,562                              | 1,095,752                                           | 876,601                                                     | 796,910                                    | 664,092                                                 | 603,720                                                 |
| Rest of the months of the<br>year        | 1,051,922                              | 821,814                                             | 657,451                                                     | 597,683                                    | 498,069                                                 | 452,790                                                 |

– Capacity Remuneration for Hydraulic Power Plants:

| Remuneration for<br>Capacity   | <i>in ARS/Month</i>                    | <i>in ARS/Month</i>                                 | <i>in ARS/Month</i>                                             | <i>in ARS/Month</i>                        | <i>in ARS/Month</i>                                     | <i>in ARS/Month</i>                                         |
|--------------------------------|----------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|
|                                | Res. 826/2022                          |                                                     |                                                                 | Res. 238/2022                              |                                                         |                                                             |
|                                | <i>effective since<br/>August 2023</i> | <i>effective from<br/>February to<br/>July 2023</i> | <i>effective from<br/>December 2023<br/>to January<br/>2023</i> | <i>effective for<br/>November<br/>2022</i> | <i>effective from<br/>June 2022 to<br/>October 2022</i> | <i>effective from<br/>February<br/>2022 to May<br/>2022</i> |
| Large P > 300 MW               | 385,705                                | 301,332                                             | 241,065                                                         | 219,150                                    | 182,625                                                 | 166,023                                                     |
| Median P > 120 and ≤ 300<br>MW | 514,273                                | 401,776                                             | 321,421                                                         | 292,200                                    | 243,500                                                 | 221,364                                                     |
| Small P > 50 and ≤ 120<br>MW   | 707,125                                | 552,442                                             | 321,421                                                         | 401,776                                    | 334,813                                                 | 304,376                                                     |
| Renewable P ≤ 50MW             | 1,157,114                              | 903,995                                             | 723,196                                                         | 657,451                                    | 547,876                                                 | 498,069                                                     |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**b. Regulatory Framework valid from February 2022 to November 2022: Resolution SE No. 238/2022**

On April 18, 2022 the Secretary of Energy amended, by means of Resolution 238/2022, the pricing scheme for power marketed in the “Base Energy” regulatory framework established by Resolution 440/2021, with effects starting in February and June 2022, with a rise of an average of 30% and 10% respectively. The new Resolution eliminated the application of the Use Factor which could reduce the capacity payment based on the generation of the last 12 months.

**c. Current regulatory issues arising from prior periods**

**c.1 Situation of FONINVEMEM I y II**

At the beginning of 2020, CAMMESA paid all 120 installments of the projects related to FONINVEMEM I & II and the power increase with the respective updates and interests.

According to the Agreements entered into by the generators with the Energy Secretariat and CAMMESA, upon completion of the payment of the 120 installments of the Sale Settlements with Maturity Date to be Defined (LVFVD), the trusts holding the ownership of the assets of each thermoelectric power plant would be liquidated, and the assets transferred to each controlling company subject to the initial condition that an agreement on the reallocation of ownership is reached between the Argentine State and the existing shareholders.

As of the end of the period, the Company has not recognized any effects, other than those already mentioned above, related to the foregoing disclosures, since we consider that the economic substance of diluting its participating interest in both companies directly corresponds to the increase in assets as a result of having received the net assets from the settlement of the Trusts, mainly as a consequence of the transfer of the aforementioned plants, none of which was made official as of period end. Once they are made official, the relevant records will be recognized.

**c.2. Situation of Generators Agreement (Guillermo Brown Thermal Plant - CTGBSA)**

As of June 30, 2023, CAMMESA paid 85 due installments out of 120 installments for the credits represented by LVFVDs of Guillermo Brown Thermoelectric Plant project, with the respective adjustments and interests.

Once the accounts receivable have been collected in the 120 installments mentioned above, the National Government shall receive a portion of the shares in the capital stock of the relevant Managing Company according to the guidelines established in the Generators Agreement, as amended, in order that they proceed to transfer the assets of the trusts to the Managing Company (the “Generating Company”).

According to the provisions of Addendum 2 to the Generators Agreement entered into on July 20, 2012, the new participating interest of AAG in the Generating Company shall not be greater than 30%.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

### **c.3. 2013-2017 Additional Remuneration Trust and Resolution SE No. 529/2014: Payment of Non-Recurring Maintenance**

Resolution SE No. 95/2013 introduced the notion of Additional Remuneration Trust. As of June 30, 2023, the balance of receivables accrued from August 2014 to December 2017 for sale settlements with maturity date to be defined and their interest amounts to 2,947,387 (Note 14).

Resolution SE 529/2014 incorporated the notion of Non-recurrent Maintenance Remuneration, which was accrued based on energy sold at the spot market to cover maintenance of the plants. As of June 30, 2023, the balance of receivables accrued from August 2014 to January 2017 for LVFVD and interest amount to 2,351,516 (Note 14).

Due to the uncertainty about the recoverability of these loans considering the time elapsed, the Group has provided for them since 2022, see Note 14.3.

## **NOTE 4 – FINANCIAL RISK MANAGEMENT**

### **4.1 Risk Management Policy**

The Risk Management strategy is designed to safeguard the stability and sustainability of the Group in relation to all relevant components of financial uncertainty, both in normal and special circumstances. The Group's risk management is consistent with the general guidelines defined by its ultimate controlling shareholder, The AES Corporation.

In the preparation of these interim condensed consolidated financial statements, the risk management policies used by the Company were consistent with those applied in the preparation of the annual financial statements.

### **4.2 Risk Factors**

#### ***Interest Rate Risk***

The interest rate variations affect the value of assets and liabilities bearing a fixed interest rate, including the flow of financial assets with variable interest rates.

The interest rate risk is the risk that the fair values or future cash flows of the assets and liabilities of the Group will fluctuate because of changes in market interest rates. The Group is exposed to the risk of changes in the Financial Placement Rate of the dispatch entity and LIBOR, which are used by CAMMESA to calculate interest on different classes of Accounts Receivable.

It is also exposed to the risk of changes in the LIBOR/EURODOLLAR rate due to the loans held by the Group.

As of June 30, 2023, 96% of the interest-bearing financial liabilities of the Group were at fixed rates.

Signed for identification purposes with  
our report dated August 8, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



### Interest Rate Sensitivity

In the event of a 10% variation in the interest rates mentioned above and if all the other variables remain constant, the income before tax for the year would become affected as follows:

| Rate       | Rate Percentage Increase/<br>(Decrease) | Effect on income/(loss)<br>before tax |
|------------|-----------------------------------------|---------------------------------------|
| LIBOR      | 0.53%                                   | 163,021                               |
| LIBOR      | (0.53)%                                 | (163,021)                             |
| CAMMESA    | 7.84%                                   | 415,434                               |
| CAMMESA    | (7.84)%                                 | (415,434)                             |
| EURODOLLAR | 0.48%                                   | (14,913)                              |
| EURODOLLAR | (0.48)%                                 | 14,913                                |

### Exchange Risk

Exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in the exchange rates. In addition, since the fiscal year ended December 31, 2020, the government issued certain regulations that may affect future cash flows in foreign currency, which are explained in Note 19.1.

The value of assets and liabilities denominated in a currency other than the functional currency of the Group and subsidiaries is subject to changes resulting from the fluctuation in real terms of exchange rates. Given that the functional currency of the Group is the Argentine peso restated in constant currency, the currency that generates the highest exposure in terms of effects on profit or loss is the US Dollar. In the case of the subsidiaries (VN and EASA), whose functional currency is the US dollar, the currency that generates the greatest exposure in terms of effects on profit and loss is the Argentine peso.

The following table summarizes the exposure per assets and liabilities denominated in currencies other than the functional currencies mentioned in the preceding paragraph, to their value in pesos at period-end:

|                               | June 30, 2023     |
|-------------------------------|-------------------|
| Total Non-Current Assets      | 58,381,405        |
| Total Current Assets          | 28,005,665        |
| <b>Total Assets</b>           | <b>86,387,070</b> |
| Total Non-Current Liabilities | 319,386           |
| Total Current Liabilities     | 82,482,846        |
| <b>Total Liabilities</b>      | <b>82,802,232</b> |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



### *Exchange Rate Sensitivity*

The following table shows the sensitivity, in the event of a 10% variation in the exchange rate of the United States dollar for each Argentine peso in real terms, holding all other variables constant, and its impact on income before tax for the period.

The exposure of the Group to changes in the exchange rates of all other currencies is not significant.

| <b>Increase/(Decrease) of Exchange Rate in Pesos</b> | <b>Effect on income/(loss) before tax</b> |
|------------------------------------------------------|-------------------------------------------|
| 25.67                                                | (1,026,706)                               |
| (25.67)                                              | 1,026,706                                 |

During the last fiscal years the national authorities have implemented foreign exchange control measures (see Notes 16.4 and 19.1).

### *Risk for the decrease of the purchasing power of currency*

Changes in the purchasing power of the currency affect the value of monetary assets and liabilities of the Company, affecting the income/(loss) before taxes. The effects of changes in the purchasing power of the currency affect the value of the monetary assets and liabilities of the subsidiaries and have an impact on “Other Comprehensive Income for the period.”

The following table shows the sensitivity, in the event of a 10% decrease in the purchasing power of the currency over the monetary position while keeping all the other variables constant, and its impact on income before tax for the fiscal period.

| <b>Decrease of the purchasing power of currency</b> | <b>Effect on income/(loss) before tax</b> |
|-----------------------------------------------------|-------------------------------------------|
| 10%                                                 | (2,708,210)                               |

### *Price risk*

The income of the AAG depends mainly on the price of electricity sold under the Base Energy regulatory framework. The Company is not able to set prices in the market where it operates.

As for its subsidiaries, EASA receives a portion of its revenues from the RENOVAR program that consists of an electric power supply agreement with CAMMESA at the prices awarded in the tender for such program and, additionally, together with all the income of VN from the Forward Market (MATER, for its acronym in Spanish) consisting of contracts with private customers in accordance with the prices agreed in each operation.

### *Commodities Price Risk*

The Group purchases mineral coal for use in units 1, 2 and 5 of the CTSN. The recognition of the Variable Production Cost (CVP, for its acronym in Spanish) by CAMMESA for the generation of electric power with fuels purchased by the Group

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

mitigates the impact of an increase in the price of these commodities.

### **Credit Risk**

The credit risk is concentrated in the accounts receivable for the recognized book value. Regarding the determination as to whether the credit risk of such financial assets has increased significantly since the initial recognition and estimation of the initial "Expected Credit Loss" (ECL), the Group considers reasonable and supportable information that is relevant and available at no additional cost.

The calculated ECLs are based on the difference between contractual cash flows and all the cash flows that the Group expects to receive; the difference is then discounted using an approximation of the effective interest rate of the original asset (Note 14).

### **Liquidity Risk**

The Group manages liquidity in order to ensure that the necessary funds are available to support its business strategy. The Group uses its own funds for the payment of its obligations and maintains uncommitted facilities with first-line banks of Argentina, which are disbursed whenever necessary.

## **4.3 Risk Measurement**

The Group maintains methods to measure the effectiveness of risk strategies both prospectively and retrospectively.

Various methodologies on risk quantification, such as regression analysis methods, risk tolerances and maximum exposures are used and documented for such analysis in order to adjust risk mitigation strategies and to assess their impacts.

## **NOTE 5 - OPERATING SEGMENTS**

For the purposes of the application of IFRS 8, the Group defines itself as a single operating segment allocated to the whole business. Business segments were defined according to the regular manner in which the management analyzes the information in the decision-making process. For this purpose, the management prepares monthly management reports containing a single business segment consisting of the whole Group. It has been established that the representative measure of economic results for the decision-making process by the Management is the "adjusted EBITDA." The next table shows the reconciliation between Net Income for the period and adjusted EBITDA:

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

|                                            | For the six-month period ended |                   |
|--------------------------------------------|--------------------------------|-------------------|
|                                            | June 30, 2023                  | June 30, 2022     |
| <b>Net income for the period</b>           | <b>1,008,194</b>               | <b>1,224,241</b>  |
| Income tax                                 | (1,771,226)                    | (1,886,919)       |
| Other income and expenses                  | 112,302                        | 68,617            |
| Income from investments in other companies | (117,455)                      | (93,932)          |
| Financial income                           | (12,600,818)                   | (7,896,550)       |
| Financial expenses                         | 6,699,116                      | 5,924,615         |
| Exchange gain (loss)                       | 2,365,148                      | 657,444           |
| RECPAM                                     | 12,166,680                     | 11,882,813        |
| Depreciation and amortization              | 5,623,824                      | 6,348,495         |
| <b>Adjusted EBITDA</b>                     | <b>13,485,765</b>              | <b>16,228,824</b> |

## NOTE 6 - INVESTMENTS IN SUBSIDIARY AND OTHER COMPANIES

The Group has the following interests in private entities, located in the Republic of Argentina which due to their little significance have not been consolidated. Both entities are not listed on any stock exchange.

### a. Subsidiaries:

#### **Central Termoeléctrica Guillermo Brown S.A. (CTGBSA).**

AGG holds 60% of the shares and voting rights of the Subsidiary, while AES Electroinversora BV (member of the economic group The AES Corporation) holds the remaining 40% of the shares and voting rights. CTGBSA, which is engaged in the operation and maintenance of thermal power plants, prepares its financial information under Argentine professional accounting standards, but no significant differences have been identified with the IFRS applied by the Group. The shares of CTGBSA are encumbered in favor of the trust to guarantee operation and maintenance of the respective generation plants.

#### **Sierras del Buendía S.A. (Sierras del Buendía)**

On May 26, 2022 AAG executed the purchase option of Sierras del Buendía S.A. This company has all the permits associated with the development of a 140 MW "Macondo" wind plant, (such as environmental impact study, land use rights, easement agreements, etc.) Likewise, it is registered in the Registry of Renewable Energy Projects ("Registro de Proyectos de Energía Renovable") and is able to participate in future tenders.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**b. Evolution and changes in the investment of the subsidiary:**

| Investments in Subsidiary | Country of origin | Functional Currency | Participating Interest and Shares | Balance January 1 2023 | Interest in income | Declared dividends | Transactions    | Balance June 30, 2023 |
|---------------------------|-------------------|---------------------|-----------------------------------|------------------------|--------------------|--------------------|-----------------|-----------------------|
| CTGBSA                    | Argentina         | AR\$                | 60.00%                            | 451,588                | 118,250            | (176,542)          | (17,145)        | 376,151               |
| Sierras del Buendía       | Argentina         | AR\$                | 90.00%                            | 1,694                  | (795)              | —                  | (120)           | 779                   |
| <b>Total</b>              |                   |                     |                                   | <b>453,282</b>         | <b>117,455</b>     | <b>(176,542)</b>   | <b>(17,265)</b> | <b>376,930</b>        |

| Investments in Subsidiary | Country of origin | Functional Currency | Participating Interest and Shares | Balance January 1 2022 | Interest in income | Declared dividends | Transactions    | Balance June 30, 2022 |
|---------------------------|-------------------|---------------------|-----------------------------------|------------------------|--------------------|--------------------|-----------------|-----------------------|
| CTGBSA                    | Argentina         | AR\$                | 60.00%                            | 414,964                | 72,773             | (59,174)           | (20,466)        | 408,097               |
| Sierras del Buendía       | Argentina         | AR\$                | 90.00%                            | —                      | 3,213              | —                  | 25              | 3,238                 |
| <b>Total</b>              |                   |                     |                                   | <b>414,964</b>         | <b>75,986</b>      | <b>(59,174)</b>    | <b>(20,441)</b> | <b>411,335</b>        |

**c. Summary financial information of the subsidiary:**

| June 30, 2023                              |                    |                  |                      |                         |                     |                  |                |
|--------------------------------------------|--------------------|------------------|----------------------|-------------------------|---------------------|------------------|----------------|
| Investments in Subsidiaries <sup>(1)</sup> | Non-Current Assets | Current Assets   | Shareholders' equity | Non-Current Liabilities | Current liabilities | Ordinary         | Net Income     |
| CTGBSA                                     | 80,557             | 1,030,602        | 626,918              | 40,166                  | 444,075             | 1,023,037        | 197,083        |
| Sierras del Buendía                        | —                  | 3,312            | 866                  | —                       | 2,446               | —                | (883)          |
| <b>Total</b>                               | <b>80,557</b>      | <b>1,033,914</b> | <b>627,784</b>       | <b>40,166</b>           | <b>446,521</b>      | <b>1,023,037</b> | <b>196,200</b> |

| December 31, 2022                          |                    |                  |                      |                         |                     |                  |                |
|--------------------------------------------|--------------------|------------------|----------------------|-------------------------|---------------------|------------------|----------------|
| Investments in Subsidiaries <sup>(1)</sup> | Non-Current Assets | Current Assets   | Shareholders' equity | Non-Current Liabilities | Current liabilities | Ordinary         | Net Income     |
| CTGBSA <sup>(1)</sup>                      | 97,504             | 1,106,704        | 752,647              | 43,380                  | 408,181             | 1,763,839        | 192,566        |
| Sierras Del Buendía                        | —                  | 4,667            | 1,883                | —                       | 2,784               | —                | (27,417)       |
| <b>Total</b>                               | <b>97,504</b>      | <b>1,111,371</b> | <b>754,530</b>       | <b>43,380</b>           | <b>410,965</b>      | <b>1,763,839</b> | <b>165,149</b> |

<sup>(1)</sup> The financial information from the subsidiaries is for the six-month period ended June 30, 2023 and for the fiscal year ended December 31, 2022

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

| Classes                                            | June 30, 2023      |                          |                    |
|----------------------------------------------------|--------------------|--------------------------|--------------------|
|                                                    | Gross value        | Accumulated depreciation | Net value          |
| Construction work in progress                      | 538,236            | —                        | 538,236            |
| Lands                                              | 54,381             | —                        | 54,381             |
| Buildings                                          | 3,828,588          | (2,447,201)              | 1,381,387          |
| Plant and Equipment                                | 194,374,466        | (88,433,399)             | 105,941,067        |
| Information Technology (IT) Equipment              | 2,158,780          | (1,976,656)              | 182,124            |
| Furniture, fixture and fittings                    | 502,227            | (450,541)                | 51,686             |
| Motor vehicles                                     | 675,601            | (496,238)                | 179,363            |
| Other property, plant and equipment <sup>(1)</sup> | 148,980            | (12,748)                 | 136,232            |
| <b>Total</b>                                       | <b>202,281,259</b> | <b>(93,816,783)</b>      | <b>108,464,476</b> |

| Classes                                            | December 31, 2022  |                          |                    |
|----------------------------------------------------|--------------------|--------------------------|--------------------|
|                                                    | Gross value        | Accumulated depreciation | Net value          |
| Construction work in progress                      | 469,966            | —                        | 469,966            |
| Lands                                              | 54,381             | —                        | 54,381             |
| Buildings                                          | 3,802,424          | (2,417,803)              | 1,384,621          |
| Plant and Equipment                                | 196,639,160        | (84,018,684)             | 112,620,476        |
| Information Technology (IT) Equipment              | 2,113,400          | (1,925,076)              | 188,324            |
| Furniture, fixture and fittings                    | 502,337            | (439,981)                | 62,356             |
| Motor vehicles                                     | 655,282            | (472,336)                | 182,946            |
| Other property, plant and equipment <sup>(1)</sup> | 154,989            | (8,968)                  | 146,021            |
| <b>Total</b>                                       | <b>204,391,939</b> | <b>(89,282,848)</b>      | <b>115,109,091</b> |

<sup>(1)</sup> The asset of the cost of Dismantling Obligations is included within “Other property, plant and equipment.”

The useful lives of the most relevant assets of the Group are disclosed below:

| Classes                             | Method used for depreciation | Minimum life | Maximum Life |
|-------------------------------------|------------------------------|--------------|--------------|
| Buildings                           | Years                        | 1            | 36           |
| Plant and Equipment                 | Years                        | 1            | 34           |
| Renewable Plants and Equipment      | Years                        | 1            | 40           |
| IT equipment                        | Years                        | 1            | 5            |
| Furniture, fixture and fittings     | Years                        | 1            | 24           |
| Motor vehicles                      | Years                        | 2            | 10           |
| Other property, plant and equipment | Years                        | 1            | 20           |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

Find below the movements in properties, plant and equipment:

|                                      | Construction<br>Work in<br>Progress | Lands         | Buildings,<br>net | Plant and<br>equipment, net | IT equipment,<br>net | Furniture,<br>fixture and<br>fittings, net | Motor<br>vehicles<br>net |
|--------------------------------------|-------------------------------------|---------------|-------------------|-----------------------------|----------------------|--------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2023</b> | <b>469,966</b>                      | <b>54,381</b> | <b>1,384,621</b>  | <b>112,620,476</b>          | <b>188,324</b>       | <b>62,356</b>                              | <b>182,940</b>           |
| Additions                            | 272,048                             | —             | —                 | 375,139                     | 2,874                | —                                          | 20,980                   |
| Withdrawals (Note 25)                | —                                   | —             | —                 | (5,386)                     | —                    | —                                          | —                        |
| Depreciation expense (Note 23.1)     | —                                   | —             | (29,600)          | (4,692,103)                 | (51,776)             | (10,628)                                   | (24,150)                 |
| Translation effect                   | 1,470                               | —             | —                 | (2,493,188)                 | (51)                 | (42)                                       | (41)                     |
| Finished works                       | (205,248)                           | —             | 26,366            | 138,790                     | 40,092               | —                                          | —                        |
| Transfers                            | —                                   | —             | —                 | (2,661)                     | 2,661                | —                                          | —                        |
| <b>Balance as of June 30, 2023</b>   | <b>538,236</b>                      | <b>54,381</b> | <b>1,381,387</b>  | <b>105,941,067</b>          | <b>182,124</b>       | <b>51,686</b>                              | <b>179,360</b>           |

|                                      | Construction<br>Work in<br>Progress | Lands         | Buildings,<br>net | Plant and<br>equipment, net | IT equipment,<br>net | Furniture,<br>fixture and<br>fittings, net | Motor<br>vehicles<br>net |
|--------------------------------------|-------------------------------------|---------------|-------------------|-----------------------------|----------------------|--------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2022</b> | <b>527,098</b>                      | <b>54,382</b> | <b>1,459,030</b>  | <b>126,872,277</b>          | <b>245,180</b>       | <b>86,242</b>                              | <b>149,800</b>           |
| Additions                            | 672,915                             | —             | —                 | 3,538,437                   | 2,320                | 1,272                                      | 15,270                   |
| Withdrawals (Note 25)                | —                                   | —             | —                 | (10,265)                    | —                    | —                                          | —                        |
| Depreciation expense (Note 23.1)     | —                                   | —             | (64,860)          | (5,200,368)                 | (99,187)             | (18,262)                                   | (24,230)                 |
| Translation effect                   | (8,341)                             | —             | —                 | (8,036,873)                 | (435)                | (157)                                      | (1,230)                  |
| Finished works                       | (716,517)                           | —             | —                 | 592,347                     | 124,170              | —                                          | —                        |
| <b>Balance as of June 30, 2022</b>   | <b>475,155</b>                      | <b>54,382</b> | <b>1,394,170</b>  | <b>117,755,555</b>          | <b>272,048</b>       | <b>69,095</b>                              | <b>139,650</b>           |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The Group has insurance contracts with respect to its generation plants, including business interruption all risks insurance policy, which cover, among other things, damages caused by fire, flood, and earthquake.

## 7.1. Leases

Below there is a detail of the net value recorded in Property, Plant and Equipment for rights-of-use assets recognized as of June 30, 2023, including movements, as per class of assets where the Group is lessee.

|                                      | Lease of offices <sup>(1)</sup> | Battery energy storage equipment <sup>(2)</sup> | Total          |
|--------------------------------------|---------------------------------|-------------------------------------------------|----------------|
| <b>Balance as of January 1, 2022</b> | <b>13,435</b>                   | <b>129,010</b>                                  | <b>142,445</b> |
| Additions                            | —                               | 670,020                                         | 670,020        |
| Amortization                         | (7,201)                         | (153,000)                                       | (160,201)      |
| <b>Balance as of June 30, 2022</b>   | <b>6,234</b>                    | <b>646,030</b>                                  | <b>652,264</b> |
| <b>Balance as of January 1, 2023</b> | <b>12,597</b>                   | <b>548,529</b>                                  | <b>561,126</b> |
| Amortization                         | (6,932)                         | (103,307)                                       | (110,239)      |
| <b>Balance as of June 30, 2023</b>   | <b>5,665</b>                    | <b>445,222</b>                                  | <b>450,887</b> |

Moreover, the balance of lease liabilities as of June 30, 2023 and the changes during the six-month period ended on that date are as follows:

|                                      | Lease of offices | Battery energy storage equipment <sup>(3)</sup> | Debt for lease liabilities |
|--------------------------------------|------------------|-------------------------------------------------|----------------------------|
| <b>Balance as of January 1, 2022</b> | <b>13,433</b>    | <b>901,905</b>                                  | <b>915,338</b>             |
| Additions                            | —                | 670,020                                         | 670,020                    |
| Accrued interest                     | 499              | 11,311                                          | 11,810                     |
| Payments                             | (7,052)          | —                                               | (7,052)                    |
| Exchange gain or loss and RECPAM     | (1,263)          | (90,314)                                        | (91,577)                   |
| <b>Balance as of June 30, 2022</b>   | <b>5,617</b>     | <b>1,492,922</b>                                | <b>1,498,539</b>           |
| <b>Balance as of January 1, 2023</b> | <b>12,597</b>    | <b>1,513,272</b>                                | <b>1,525,869</b>           |
| Accrued interest                     | 478              | 26,468                                          | 26,946                     |
| Payments                             | (6,786)          | —                                               | (6,786)                    |
| Exchange gain or loss and RECPAM     | (624)            | (57,559)                                        | (58,183)                   |
| <b>Balance as of June 30, 2023</b>   | <b>5,665</b>     | <b>1,482,181</b>                                | <b>1,487,846</b>           |

<sup>(1)</sup> Included under the heading Buildings, net

<sup>(2)</sup> Included under the heading Plant and Equipment, net

<sup>(3)</sup> Included under the heading accounts payable to related parties see note 11.1b)

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## 7.2 Asset Impairment

During the six-month period ended June 30, 2023 no indication of impairment was observed; therefore, the recoverability test has not been performed. All of the items of property, plant and equipment, and intangible assets have definite useful life.

## NOTE 8 - INTANGIBLE ASSETS

### 8.1 Intangible Assets

The detail is shown in the following table:

|                                                   | June 30, 2023     |                          |                  |
|---------------------------------------------------|-------------------|--------------------------|------------------|
|                                                   | Gross value       | Accumulated amortization | Net value        |
| Software                                          | 1,667,972         | (1,341,316)              | 326,656          |
| Concession agreements (Note 8.3)                  | 37,932,037        | (36,613,160)             | 1,318,877        |
| Acquisition and development of renewable projects | 4,639,771         | (201,401)                | 4,438,370        |
| <b>Total</b>                                      | <b>44,239,780</b> | <b>(38,155,877)</b>      | <b>6,083,903</b> |

|                                                   | December 31, 2022 |                          |                  |
|---------------------------------------------------|-------------------|--------------------------|------------------|
|                                                   | Gross value       | Accumulated amortization | Net value        |
| Software                                          | 1,642,625         | (1,260,565)              | 382,060          |
| Concession agreements (Note 8.3)                  | 37,869,085        | (35,980,017)             | 1,889,068        |
| Acquisition and development of renewable projects | 4,664,494         | (103,772)                | 4,560,722        |
| <b>Total</b>                                      | <b>44,176,204</b> | <b>(37,344,354)</b>      | <b>6,831,850</b> |

The useful lives of the most relevant intangible assets of the Group are disclosed below.

|                                   | Unit  | Maximum life      | Minimum life      |
|-----------------------------------|-------|-------------------|-------------------|
| Concession agreements             | Years | Concession period | Concession period |
| Software                          | Years | 10                | 1                 |
| Acquisition of renewable projects | Years | 25                | 25                |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



Below are the movements in intangible assets:

|                                      | Software       | Concession agreement | Acquisition and development of renewable projects | Intangible Assets, total |
|--------------------------------------|----------------|----------------------|---------------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2023</b> | 382,060        | 1,889,068            | 4,560,722                                         | <b>6,831,850</b>         |
| Additions                            | 25,433         | 64,059               | —                                                 | <b>89,492</b>            |
| Withdrawals                          | —              | (1,107)              | —                                                 | <b>(1,107)</b>           |
| Amortization (Note 23.1)             | (80,751)       | (633,143)            | (97,629)                                          | <b>(811,523)</b>         |
| Translation effect                   | (86)           | —                    | (24,723)                                          | <b>(24,809)</b>          |
| <b>Balance as of June 30, 2023</b>   | <b>326,656</b> | <b>1,318,877</b>     | <b>4,438,370</b>                                  | <b>6,083,903</b>         |

|                                      | Software       | Concession agreement | Acquisition and development of renewable projects | Intangible Assets, total |
|--------------------------------------|----------------|----------------------|---------------------------------------------------|--------------------------|
| <b>Balance as of January 1, 2022</b> | 396,889        | 3,261,026            | 4,688,195                                         | <b>8,346,110</b>         |
| Additions                            | 275,982        | 20,582               | —                                                 | <b>296,564</b>           |
| Amortization (Note 23.1)             | (163,259)      | (758,156)            | (18,966)                                          | <b>(940,381)</b>         |
| Translation effect                   | (555)          | —                    | (84,269)                                          | <b>(84,824)</b>          |
| <b>Balance as of June 30, 2022</b>   | <b>509,057</b> | <b>2,523,452</b>     | <b>4,584,960</b>                                  | <b>7,617,469</b>         |

## 8.2 Concession Asset Ownership Restrictions

The Group has concessions on Alicurá, Cabra Corral, El Tunal and Ullum power plants.

According to their concession contracts, all the equipment of the concessionaire, including all elements, materials, machinery, and other goods of any nature that the Group, as concessionaire, uses for the performance of the concession, shall be transferred by operation of law to the grantor at the expiration of the concession term.

## 8.3 Concessions per Plant

Below is a detail of the recognized carrying amount of the concession contracts detailed for each hydroelectric power plant:

|                                   | June 30, 2023    | December 31, 2022 |
|-----------------------------------|------------------|-------------------|
| Alicurá Plant (1)                 | 170,559          | 709,518           |
| Cabra Corral Plant                | 481,146          | 477,793           |
| El Tunal Plant                    | 204,887          | 225,965           |
| Ullum Plant                       | 462,285          | 475,792           |
| <b>Total Concession Contracts</b> | <b>1,318,877</b> | <b>1,889,068</b>  |

(1) This concession was extended for 60 days, for more details see note 32.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

**NOTE 9 - INVENTORY**

The detail of the inventory as of June 30, 2023 and December 31, 2022 is as follows:

|                                     | Current           |                   | Non-current      |                   |
|-------------------------------------|-------------------|-------------------|------------------|-------------------|
|                                     | June 30, 2023     | December 31, 2022 | June 30, 2023    | December 31, 2022 |
| Coal                                | 19,161,720        | 17,446,811        | —                | —                 |
| Gas Oil                             | 2,525             | 2,525             | —                | —                 |
| Fuel Oil                            | 7,361             | 7,361             | —                | —                 |
| Materials, spare parts and supplies | 2,122,858         | 1,964,173         | 2,966,915        | 2,966,915         |
| <b>Total</b>                        | <b>21,294,464</b> | <b>19,420,870</b> | <b>2,966,915</b> | <b>2,966,915</b>  |

The detail of recognized costs is shown in the following table:

|                     | For the six-month period ended |                   | For the three-month period ended |                   |
|---------------------|--------------------------------|-------------------|----------------------------------|-------------------|
|                     | June 30, 2023                  | June 30, 2022     | June 30, 2023                    | June 30, 2022     |
| Coal <sup>(1)</sup> | 18,887,218                     | 27,382,566        | 4,987,062                        | 16,563,796        |
| <b>Total</b>        | <b>18,887,218</b>              | <b>27,382,566</b> | <b>4,987,062</b>                 | <b>16,563,796</b> |

(1) The coal costs charged to income are included within “fuels used for generation, net” in Note 23.

**Coal supply**

During the six-month period ended June 30, 2023, the supply of coal was covered by the contracts with Interocean Coal Sales LLC and Glencore International AG. The Company received approximately 443,142 metric tons in the six-month period ended June 30, 2023.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## NOTE 10 - TAXES

### 10.1. Tax Assets and Liabilities (except for Deferred Income Taxes)

#### Tax assets

|                                         | Current          |                   | Non-current      |                   |
|-----------------------------------------|------------------|-------------------|------------------|-------------------|
|                                         | June 30, 2023    | December 31, 2022 | June 30, 2023    | December 31, 2022 |
| Value Added Tax                         | 172,892          | 2,085,509         | —                | —                 |
| Gross income tax                        | 46,800           | 8,280             | 84,957           | 204,541           |
| Income tax                              | 1,803,465        | 2,706,860         | 1,819,267        | 4,101,961         |
| Credit balance due to withholding taxes | 18,880           | 52,823            | —                | —                 |
| Sundry                                  | 6,242            | 6,741             | —                | —                 |
| <b>Total tax assets</b>                 | <b>2,048,279</b> | <b>4,860,213</b>  | <b>1,904,224</b> | <b>4,306,502</b>  |

#### Tax liabilities

|                              | Current        |                   | Non-Current    |                   |
|------------------------------|----------------|-------------------|----------------|-------------------|
|                              | June 30, 2023  | December 31, 2022 | June 30, 2023  | December 31, 2022 |
| Value Added Tax              | 600,442        | —                 | 270,161        | 450,920           |
| Fees and royalties           | 41,371         | 176,257           | —              | —                 |
| Personal property tax        | 29,552         | 76,846            | —              | —                 |
| Safety and hygiene rate      | 164,902        | 215,898           | 114,702        | 120,185           |
| Gross income tax             | 22,169         | 5,158             | —              | —                 |
| Sundry                       | 106,457        | 74,775            | 20,902         | 34,927            |
| <b>Total tax liabilities</b> | <b>964,893</b> | <b>548,934</b>    | <b>405,765</b> | <b>606,032</b>    |

The Group's accounting policy is to value its tax receivables and payables at nominal value without considering their discount to present value.

### 10.2- Current Income Tax and Deferred Tax

The charge to income for income tax expense is as follows:

|                   | For the six-month period ended |                  | For the three-month period ended |                |
|-------------------|--------------------------------|------------------|----------------------------------|----------------|
|                   | June 30, 2023                  | June 30, 2022    | June 30, 2023                    | June 30, 2022  |
| Current tax       | (1,068)                        | (140,632)        | (1,067)                          | 244,727        |
| Deferred tax, net | 1,772,294                      | 2,027,551        | 1,213,770                        | 118,274        |
| <b>Total</b>      | <b>1,771,226</b>               | <b>1,886,919</b> | <b>1,212,703</b>                 | <b>363,001</b> |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The tax rate for the Group is 35% in 2023 and 2022 (progressive).

Tax Reform Law 27,430, as amended by Law 27,468, established certain requirements for the application of the tax inflation adjustment, with effect on fiscal years beginning on January 1, 2018. These interim condensed consolidated financial statements meet these requirements.

On July 21, 2023, the Federal Administration of Public Revenues published in the Official Gazette General Resolution 5391, by means of which, it was established the obligation to pay an extraordinary advance payment of Income Tax for entities that meet the following conditions:

- Have reported a 2022 Tax Result -without applying the deduction of tax losses from previous years- that is equal to or greater than 600,000.
- Companies have not determined Income Tax.

Entities covered by the aforementioned Resolution should comply with this obligation, consisting in an advance payment of a 15% of the previous fiscal year tax result, during the months of August, September and October 2023, when applicable.

The describe resolution has impact only in Energética Argentina S.A.

The following is a reconciliation between the income tax charged to income and the income tax that would result from applying the current tax rate on income before taxes:

|                                                                                  | <b>For the six-month period ended</b> |                      | <b>For the three-month period ended</b> |                      |
|----------------------------------------------------------------------------------|---------------------------------------|----------------------|-----------------------------------------|----------------------|
|                                                                                  | <b>June 30, 2023</b>                  | <b>June 30, 2022</b> | <b>June 30, 2023</b>                    | <b>June 30, 2022</b> |
| Income /(Loss) before taxes                                                      | (763,032)                             | (662,678)            | (1,304,691)                             | (619,617)            |
| Current tax rate                                                                 | 35 %                                  | 35 %                 | 35 %                                    | 35 %                 |
| <i>Subtotal</i>                                                                  | 267,061                               | 231,937              | 456,642                                 | 216,866              |
| Effect of the tax losses inflation adjustment                                    | 3,463,364                             | —                    | 1,793,997                               | —                    |
| Exchange gain                                                                    | 3,888,479                             | 2,518,640            | 1,913,274                               | 1,415,826            |
| Difference for adjustment of property, plant and equipment and intangible assets | (1,028,513)                           | 2,534,868            | (830,525)                               | 255,301              |
| Tax inflation adjustment                                                         | (2,293,950)                           | (2,506,027)          | (1,066,801)                             | (1,190,677)          |
| Accounting inflation adjustment                                                  | (2,617,371)                           | (888,797)            | (1,073,667)                             | (265,964)            |
| Sundry                                                                           | 92,156                                | (3,702)              | 19,783                                  | (68,351)             |
| <b>Total Income Tax</b>                                                          | <b>1,771,226</b>                      | <b>1,886,919</b>     | <b>1,212,703</b>                        | <b>363,001</b>       |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesisio  
President

The composition of the net deferred tax assets is as follows:

|                                                                                                               | <b>June 30, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| Difference between depreciable values and amortization of property, plant and equipment and intangible assets | 3,187,983            | 2,998,010                |
| Tax inflation adjustment                                                                                      | (885,492)            | (1,615,006)              |
| Tax losses                                                                                                    | 6,412,184            | 6,110,423                |
| Others                                                                                                        | (95,457)             | 44,920                   |
| <b>Total deferred assets, net</b>                                                                             | <b>8,619,218</b>     | <b>7,538,347</b>         |

The composition of the net deferred tax liabilities is as follows:

|                                                                                                               | <b>June 30, 2023</b> | <b>December 31, 2022</b> |
|---------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| Non-taxable accounting income                                                                                 | (9,460,000)          | (10,062,169)             |
| Difference between depreciable values and amortization of property, plant and equipment and intangible assets | (223,819)            | 540,694                  |
| Tax inflation adjustment                                                                                      | (208,918)            | (388,260)                |
| Tax losses                                                                                                    | 5,332,355            | 3,922,811                |
| Allowance for doubtful receivables                                                                            | 1,933,154            | 2,879,461                |
| Others                                                                                                        | 1,572,613            | 1,572,733                |
| <b>Total deferred liability, net</b>                                                                          | <b>(1,054,615)</b>   | <b>(1,534,730)</b>       |

Pursuant to the provisions of articles 25 and related articles of the Income Tax Law (t.o 2019) and the amendments introduced by Laws 27,430 and 27,468, AES Argentina Generación S.A., Energética Argentina S.A. and Vientos Neuquinos I S.A. adjusted their tax losses for inflation, considering the variation of the Wholesale Internal Price Index (WIPI), published by the the National Institute of Statistics and Census, a deconcentrated agency under the Ministry of Finance, between the end of the fiscal year in which they were originated and the end of these Financial Statements.

In this regard, it should be noted that as from the amendment of Law 27,430, the mechanisms of tax adjustments for inflation established in the Income Tax Law were reinstated as from the years beginning after its publication.

The evolution of the net deferred tax assets during the period is as follows:

Signed for identification purposes with  
our report dated August 8, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

|                                                                | <b>Total</b>     |
|----------------------------------------------------------------|------------------|
| <b>As of January 1, 2022</b>                                   | <b>932,509</b>   |
| Charged to the income statement - gain                         | 455,508          |
| Charged to other comprehensive income - Translation Difference | (181,346)        |
| <b>As of June 30, 2022</b>                                     | <b>1,206,671</b> |
| <b>As of January 1, 2023</b>                                   | <b>7,538,347</b> |
| Charged to the income statement - gain                         | 1,292,179        |
| Charged to other comprehensive income - Translation Difference | (211,308)        |
| <b>As of June 30, 2023</b>                                     | <b>8,619,218</b> |

The evolution of the net deferred tax liabilities during the period is as follows:

|                                                                | <b>Total</b>     |
|----------------------------------------------------------------|------------------|
| <b>As of January 1, 2022</b>                                   | <b>9,691,390</b> |
| Charged to the income statement - gain                         | (1,572,043)      |
| Charged to other comprehensive income - Translation Difference | (89,681)         |
| <b>As of June 30, 2022</b>                                     | <b>8,029,666</b> |
| <b>As of January 1, 2023</b>                                   | <b>1,534,730</b> |
| Charged to the income statement - loss                         | (480,115)        |
| <b>As of June 30, 2023</b>                                     | <b>1,054,615</b> |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 11 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

The transactions between the Group and its related parties involve the usual operations regarding purpose and terms. The nature of the relationship with the Group as follows:

- Parent: Ultimate parent company.
- Shareholder, Subsidiary or associate directly related to the Group.
- Common parent: Subsidiary of the parent company not directly related to the Group.

**11.1 Balances and Transactions with Related Parties**

- a) The balances of accounts receivable between the Group and its related companies are as follows:

Signed for identification purposes with  
our report dated August 8, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

| Accounts receivable from related parties |                |                                      |                        |          | Current        |
|------------------------------------------|----------------|--------------------------------------|------------------------|----------|----------------|
| Company                                  | Country        | Transaction description              | Nature of the relation | Currency | June 30, 2023  |
| AES Electroinversora B.V.                | Netherlands    | Loans granted                        | Common parent          | USD      | 62,506         |
| AES Electroinversora B.V.                | Netherlands    | Payment on behalf and for account of | Common parent          | USD      | 40,662         |
| AES Energy Ltd. - Buenos Aires Branch    | Argentina      | Professional Services                | Common parent          | ARS      | 1,619          |
| AES Alicurá Holdings S.C.A.              | Argentina      | Loans granted                        | Shareholder            | ARS      | 26,181         |
| Inversora de San Nicolás S.A.            | Argentina      | Loans granted                        | Shareholder            | ARS      | 10,472         |
| AES Andes S.A.                           | Chile          | Miscellaneous services               | Common parent          | USD      | 2,398          |
| The AES Corporation                      | United States  | Miscellaneous services               | Parent                 | USD      | 77,061         |
| Shazia S.R.L.                            | Argentina      | Recovery of costs                    | Shareholder            | ARS      | 45             |
| AES Changuinola S.A.                     | Panamá         | Miscellaneous services               | Common parent          | USD      | —              |
| AES Andres DR, S.A.                      | Dominican Rep. | Sales of assets                      | Common parent          | USD      | —              |
| Sierras del Buendía S.A.                 | Argentina      | Payment on behalf and for account of | Subsidiary             | ARS      | 1,847          |
| AES Servicios América S.R.L.             | Argentina      | Professional Services                | Common parent          | ARS      | —              |
| <b>Total</b>                             |                |                                      |                        |          | <b>222,791</b> |

Signed for identification purposes with  
our report dated August 8, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



b) The balances of accounts payable between the Group and its related companies are as follows:

| Accounts payable to related parties         |                |                         |                        |          | Current          |                   |
|---------------------------------------------|----------------|-------------------------|------------------------|----------|------------------|-------------------|
| Company                                     | Country        | Transaction description | Nature of the relation | Currency | June 30, 2023    | December 31, 2023 |
| AES Andes S.A.                              | Chile          | Professional Services   | Common parent          | USD      | 1,631,386        | 1,376,000         |
| AES Laurel Mountain                         | United States  | Leased Batteries        | Common parent          | USD      | 1,273,000        | 1,180,000         |
| AES Paraná Operations S.R.L.                | Argentina      | Professional Services   | Common parent          | ARS      | 366,367          | 449,000           |
| AES Globales B.V.                           | Netherlands    | Dividends payable       | Shareholder            | ARS      | 150,190          | 140,000           |
| AES Paraná Operations S.R.L.                | Argentina      | Recovery of costs       | Common parent          | ARS      | 106,593          | 138,000           |
| AES Servicios América S.R.L.                | Argentina      | Professional Services   | Common parent          | ARS      | 134,037          | 151,000           |
| The AES Corporation                         | United States  | Miscellaneous services  | Parent                 | USD      | 56,988           | 22,000            |
| Inversora de San Nicolás S.A.               | Argentina      | Miscellaneous services  | Shareholder            | USD      | 27,693           | 28,000            |
| Shazia S.R.L.                               | Argentina      | Dividends payable       | Shareholder            | ARS      | 8,372            | 13,000            |
| AES Changuinola S.A.                        | Panamá         | Miscellaneous services  | Common parent          | USD      | —                | —                 |
| Termoandes S.A.                             | Argentina      | Recovery of costs       | Common parent          | ARS      | 2,098            | 9,000             |
| AES Latin America                           | Panamá         | Recovery of costs       | Common parent          | USD      | —                | —                 |
| AES Energy Ltd. - Buenos Aires Branch       | Argentina      | Professional Services   | Common parent          | ARS      | —                | 4,000             |
| AES Panamá                                  | Panamá         | Miscellaneous services  | Common parent          | USD      | —                | —                 |
| AES Paraná Gas S.A.                         | Argentina      | Professional Services   | Common parent          | ARS      | —                | 2,000             |
| Central Termoeléctrica Guillermo Brown S.A. | Argentina      | Recovery of costs       | Subsidiary             | ARS      | —                | 5,000             |
| Dominican Power Partners (Branch)           | Dominican Rep. | Miscellaneous services  | Common parent          | USD      | —                | —                 |
| <b>Total</b>                                |                |                         |                        |          | <b>3,756,724</b> | <b>3,524,000</b>  |

c) The effects on the income statement of transactions with non-consolidated related parties are as follows:

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

| Effect on income revenues/(expense)                        |             |                                             |                        | For the six-month period |                    |
|------------------------------------------------------------|-------------|---------------------------------------------|------------------------|--------------------------|--------------------|
| Company                                                    | Country     | Transaction description                     | Nature of the relation | June 30, 2023            | June 30, 2022      |
| AES Alicura Holdings S.C.A.                                | Argentina   | Interest Loans                              | Common parent          | 1,181                    | 1,581              |
| Inversora de San Nicolás S.A.                              | Argentina   | Interest Loans                              | Common parent          | 472                      | 872                |
| AES Electroinversora BV                                    | Netherlands | Interest Loans                              | Common parent          | 1,359                    | 8,359              |
| <b>Total Revenues (Note 24)</b>                            |             |                                             |                        | <b>3,012</b>             | <b>2,712</b>       |
| AES Servicios América S.R.L.                               | Argentina   | Professional Services                       | Common parent          | (685,821)                | (655,321)          |
| AES Andes S.A.                                             | Chile       | Professional Services                       | Common parent          | (300,187)                | (264,187)          |
| AES Paraná Operations S.R.L.                               | Argentina   | Professional Services                       | Common parent          | (168,416)                | (191,416)          |
| AES Paraná Operations S.R.L.                               | Argentina   | Recovery of costs                           | Common parent          | (30,302)                 | (36,302)           |
| AES Energy Ltd. - Buenos Aires Branch                      | Argentina   | Professional Services                       | Common parent          | (21,184)                 | (26,184)           |
| AES Paraná Gas S.A.                                        | Argentina   | Provision of Services                       | Common parent          | (1,765)                  | (1,765)            |
| <b>Subtotal Professional Services Expenses (Note 23.1)</b> |             |                                             |                        | <b>(1,207,675)</b>       | <b>(1,176,675)</b> |
| AES Alicurá Holdings S.C.A.                                | Argentina   | Personal Property Tax - Surrogate Payer (1) | Shareholders           | (26,561)                 | (9,561)            |
| AES Globales B.V.                                          | Netherlands | Personal Property Tax - Surrogate Payer (1) | Shareholders           | (17,117)                 | (6,117)            |
| Inversora de San Nicolás S.A.                              | Argentina   | Personal Property Tax - Surrogate Payer (1) | Shareholders           | (11,112)                 | (3,112)            |
| Shazia S.R.L.                                              | Argentina   | Personal Property Tax - Surrogate Payer (1) | Shareholders           | (173)                    | (173)              |
| <b>Total Expense</b>                                       |             |                                             |                        | <b>(1,262,638)</b>       | <b>(1,196,638)</b> |

(1) The effect on income of these items is recorded in other income and expenses (see Note 25).

Moreover, AES Laurel Mountain billed 143,793 and 158,540 for asset leases during the six-month period ended June 30, 2023 and 2022, respectively.

Transactions with related companies in general consist of transactions inherent in the business of the Group.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## 11.2 Balances and Remuneration of the Board and Key Staff

Key Staff includes people with the authority and responsibility to plan, manage and control the activities of the Company, either directly or indirectly. The Group is managed by the members of the Senior Management and by a Board made up of five regular board members and five alternate board members for each of them, who are elected at the Annual General Shareholders' Meeting.

For the six-month period ended June 30, 2023, and 2022, the Group neither paid nor made a provision for fees payable to the Board members, given that all of them have waived their fees.

Key Staff accrued compensations with a cost for the Group of 214,002 and 209,504 for the six-month period ended June 30, 2023 and 2022, respectively.

Certain senior positions are centralized within the regional structure of AES, with headquarters in Santiago, Chile, which provides administrative, financial, commercial, human resources, and general administration services under the terms of an agreement effective as of June 30, 2023. By virtue of this agreement, the Group is required to pay an annual fee to AES Andes S.A. (Note 11.b & c)

The members of the Supervisory Committee waived their fees for their duties as trustees for the six-month period ended June 30, 2023 and 2022. Therefore, the Group has neither paid nor made a provision for fees payable to trustees for their duties.

## NOTE 12 - OTHER FINANCIAL ASSETS

The detail related to other financial assets is as follows:

|                                | Current          |                   | Non-current    |                   |
|--------------------------------|------------------|-------------------|----------------|-------------------|
|                                | June 30, 2023    | December 31, 2022 | June 30, 2023  | December 31, 2022 |
| Restricted Cash                | 3,106,050        | 3,231,326         | —              | —                 |
| Investments in other companies | —                | —                 | 142,731        | 215,155           |
| <b>Total</b>                   | <b>3,106,050</b> | <b>3,231,326</b>  | <b>142,731</b> | <b>215,155</b>    |

The balance of restricted cash is related to the guarantee of the bank loan, under the pledge agreement entered into on February 12, 2020 with Goldman Sachs, in which the due date is August 12, 2023. See Note 19.1 (b).

## Investments in other companies

AES Argentina Generación has a participating interest in Termoeléctrica José de San Martín S.A. (TJSM) and Termoeléctrica Manuel Belgrano S.A. (TMB), which are engaged in the operation and maintenance of thermal power plants. The shares of these Companies are encumbered in favor of the different trusts to guarantee operation and maintenance of the respective generation plants.

The annual consolidated financial statement detail the regulatory aspects and the incorporation of the National State as a

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

shareholder of TJSM and TMB, as well as the accounting treatment that the Group adopts with respect to these investments.

On October 11, 2022, AES Argentina Generación acquired 10% of Green Valley Solar S.A.'s (GVS) shares through the payment of USD 650,000. This amount includes not only the purchase of shares but also the subscription of the capital increase of the investee. GVS' main activity is the development and marketing of energy generation and storage systems for agricultural irrigation through solar panels.

#### NOTE 13 - OTHER NON-FINANCIAL ASSETS

The details related to other non-financial assets is as follows:

|                                            | Current          |                   | Non-Current    |                   |
|--------------------------------------------|------------------|-------------------|----------------|-------------------|
|                                            | June 30, 2023    | December 31, 2022 | June 30, 2023  | December 31, 2022 |
| Advance Payments to Suppliers              | 747,529          | 221,461           | 228,042        | 450,038           |
| Insurance and other expenses to be accrued | 1,747,447        | 51,248            | —              | —                 |
| Expenses paid in advance                   | 64,763           | 15,917            | —              | —                 |
| Stamp tax to be recovered                  | 1,903            | 1,103             | 10,117         | 23,862            |
| Advance payment to employees               | 25,834           | 19,343            | —              | —                 |
| Sundry                                     | 27,582           | 35,771            | —              | —                 |
| <b>Total</b>                               | <b>2,615,058</b> | <b>344,843</b>    | <b>238,159</b> | <b>473,900</b>    |

#### NOTE 14 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

##### 14.1 Composition of the Item

The balances of this item involve energy and power sale operations in the ordinary course of business of the Group. The components are:

|                                                        | Current           |                   | Non-Current       |                   |
|--------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                        | June 30, 2023     | December 31, 2022 | June 30, 2023     | December 31, 2022 |
| CAMMESA trade receivables, gross                       | 29,360,584        | 28,783,308        | 25,365,638        | 34,374,549        |
| CAMMESA Renovar contracts                              | 590,964           | 767,225           | —                 | —                 |
| MATER contracts                                        | 901,087           | 1,268,610         | —                 | —                 |
| Other trade receivables                                | 78,832            | 12,972            | 175,690           | 192,813           |
| Bad debt allowance                                     | —                 | (4,710)           | (5,474,572)       | (8,180,436)       |
| <b>Trade receivables and other accounts receivable</b> | <b>30,931,467</b> | <b>30,827,405</b> | <b>20,066,756</b> | <b>26,386,926</b> |

The fair values of trade receivables and other accounts receivable are not significantly different from their carrying values.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## 14.2 CAMMESA Trade Receivables

The composition of the credits with Cammesa is as follows:

|                                                                            | June 30, 2023     | December 31, 2022 |
|----------------------------------------------------------------------------|-------------------|-------------------|
| CAMMESA common receivables                                                 | 18,177,100        | 17,216,917        |
| Renovar contracts                                                          | 590,964           | 767,225           |
| Receivable accrued interest from Generators Agreement (Note 3.c.2.)        | 491,494           | 527,753           |
| Receivables under Generators Agreement (Note 3.c.2.)                       | 30,758,725        | 37,425,547        |
| Receivables for Trust Additional Remuneration (Note 3.c.3.) <sup>(1)</sup> | 2,947,387         | 4,442,932         |
| Non-recurring maintenance receivables (Note 3.c.3.) <sup>(1)</sup>         | 2,351,516         | 3,544,708         |
| <b>Total CAMMESA receivables</b>                                           | <b>55,317,186</b> | <b>63,925,082</b> |

<sup>(1)</sup> 100% accrued.

## 14.3 Bad Debt Allowance

Bad debt allowances concerning trade receivables are as follows:

|                                         | Balance          |
|-----------------------------------------|------------------|
| <b>Balance as of January 1, 2022</b>    | <b>4,757,613</b> |
| Period increases - commercial expenses  | 36,047           |
| Period recoveries - commercial expenses | (140,932)        |
| RECPAM                                  | (1,266,405)      |
| <b>Balance as of June 30, 2022</b>      | <b>3,386,323</b> |
| <b>Balance as of January 1, 2023</b>    | <b>8,185,146</b> |
| Period increases - commercial expenses  | 76,061           |
| Period recoveries - commercial expenses | (23,613)         |
| RECPAM                                  | (2,763,022)      |
| <b>Balance as of June 30, 2023</b>      | <b>5,474,572</b> |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

**NOTE 15 – CASH AND CASH EQUIVALENTS**

The balance of cash and cash equivalents is as follows:

|                             | <b>June 30, 2023</b> | <b>December 31, 2022</b> |
|-----------------------------|----------------------|--------------------------|
| Cash                        | 413                  | 624                      |
| Bank balances               | 3,773,027            | 455,619                  |
| Short-term deposits         | 2,485,618            | 9,227,284                |
| Mutual funds <sup>(1)</sup> | 13,528,047           | 7,909,272                |
| <b>Total</b>                | <b>19,787,105</b>    | <b>17,592,799</b>        |

<sup>(1)</sup> Mutual funds are not considered as Cash for the preparation of the Statement of Cash Flows

The item of “Mutual Funds” includes mutual funds in local financial institutions. They are recorded at their fair value as of the end date of each financial statement.

The “Short-term deposits” mean placements in financial institutions whose original due date is less than 90 days.

**NOTE 16 - SHAREHOLDERS' EQUITY**
**16.1 Companies, Shareholders and Related Companies**

The participating interest of our shareholders as of period-end are those mentioned in the following table, being the four companies members of The AES Corporation economic group, ultimate parent company, with registered office in 4300 Wilson Boulevard, 11th. floor Arlington, Virginia, USA.

| <b>Name</b>                   | <b>Legal domicile</b>                                                           | <b>Interest %</b> |
|-------------------------------|---------------------------------------------------------------------------------|-------------------|
| AES Alicurá Holdings S.C.A.   | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 48.2204%          |
| AES Globales B.V.             | Claude Debussylaan 12, 1082MD Amsterdam, Netherlands                            | 31.0763%          |
| Inversora de San Nicolás S.A. | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 20.1743%          |
| Shazia S.R.L.                 | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 0.3139%           |
| Stock Ownership Plan          | Román A. Subiza (ex Rivadavia) 1960 - San Nicolás de los Arroyos - Buenos Aires | 0.0898%           |
| Other Shareholders            |                                                                                 | 0.1252%           |
| <b>Total</b>                  |                                                                                 | <b>100%</b>       |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## 16.2 Capital Management

The shareholders' equity includes issued capital, irrevocable contributions, additional paid-in capital, reserves, and retained earnings. The main purpose of the capital management of the Group is to maintain a robust risk rating and sound capital indicators in order to support the business and maximize the value to the shareholders. The Group manages its capital structure and makes adjustments based on changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust dividend payments or capital returns to shareholders, or issue new shares.

No changes were made in the capital related goals, policies or procedures during the six-month period ended June 30, 2023.

## 16.3 Subscribed and Paid-in Capital

As of June 30, 2023, the capital stock of the Group is made up of 11,525,267,740 subscribed and paid in shares of face value 0.10 each and each entitled to one vote.

## 16.4 Dividend Policy, Restrictions on the Distribution of Retained Earnings and other Restrictions

In accordance with the provisions of the Business Companies Law 19,550, 5% of the net income for the fiscal year should be allocated to the legal reserve until it reaches twenty percent (20%) of the capital stock expressed in constant currency. The Company has reached the limit mentioned above.

In addition, in accordance with Article 11 of the Company's By-laws, a 0.5% of income from the year must be distributed as a Profit Sharing Bonus to employees, amount provided at the end of each reporting period.

Law No. 27,430 established a tax on distribution of dividends to local individuals or foreign beneficiaries, which the Company shall be required to withhold and pay to the Treasury as a single and final payment when dividends are paid. In accordance with the Law 27,541 and 27,630, for the accounting results corresponding to 2018, and following the retention rates per the dividends distributions, adjusted for the inflation rate of 7%.

Following the provisions of Act No. 27,541 and 27,630, for the accounting results corresponding to 2018 and subsequent years, the withholding rate on the distribution of dividends, if any, adjusted for inflation, will be 7%.

Furthermore, the provisions of the fourth paragraph of Article 166 of Decree 862/2019 shall apply to future dividend distributions arising from the restatement of retained earnings as of December 31, 2017, i.e. these dividends may be distributed free of Equalization Tax and the withholding system established by Law 27,340, as amended.

The impact of the inflation adjustment on retained earnings and optional reserves pending distribution is as follows:

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

| <b>Distributable Income</b>       | <b>Profit or loss for the year/period<sup>(1)</sup></b> | <b>Inflation Adjustment</b> | <b>Total distributable income<sup>(3)</sup></b> |
|-----------------------------------|---------------------------------------------------------|-----------------------------|-------------------------------------------------|
| Before December 31, 2017          | —                                                       | 24,435,404                  | 24,435,404                                      |
| Years 2018 to 2022 <sup>(2)</sup> | 7,531,092                                               | 30,051,649                  | 37,582,741                                      |
| Period 2023                       | 1,000,539                                               | —                           | 1,000,539                                       |
|                                   | <b>8,531,631</b>                                        | <b>54,487,053</b>           | <b>63,018,684</b>                               |

<sup>(1)</sup> At year-end currency of each financial year/period

<sup>(2)</sup> Net of anticipated dividends

<sup>(3)</sup> Consisting of the balance of the optional reserve and retained earnings

The purpose of the General Shareholders' Meeting is to distribute, as a dividend among its shareholders, the profits generated subject to the results of the projections periodically conducted by the Group and the need to contribute their own resources to finance investment projects, among others.

On September 1, 2019, Decree of Necessity and Urgency (DNU) 609/2019 was published in the Official Gazette, under which it was set forth that any proceeds from export of goods and services shall be entered and/or negotiated in the exchange market in the terms and conditions established by the Argentine Central Bank ("BCRA"). In addition, the DNU provided for that the BCRA will establish the assumptions in which access to the exchange market will require prior authorization, making a distinction between the situation of natural persons and legal persons, and also empowers the BCRA to establish regulations to avoid practices and operations aimed at circumventing, through public securities or other instruments, the measures established in the DNU.

In view of the above, the BCRA issued, as from September 01, 2019, Communication "A" 6770, "A" 7030 as amended by Communications "A" 7042, "A" 7052, "A" 7068, "A" 7079 and "A" 7080, where it set forth as follows: (i) for exports of goods and/or services, foreign currency shall be surrendered within 5 days as from date of collection, (ii) for the import of goods (in certain cases) and services, BCRA authorizations are required for payment, (iii) for the acquisition of foreign assets, prior approval of the BCRA is required, (iv) certain measures relating to foreign debt repayment and disbursements are established, (v) as regards the transfer of profits and dividends, prior approval from the BCRA shall be required, (vi) in every case where access to the foreign exchange market is required for the payment of financial or commercial debts, it must be proven that those debts were declared under the reporting system set forth by the BCRA in Communication "A" 6401, (vii) the ownership of available liquid external assets in the name of the resident must not exceed USD 100,000 to access the Single Free Foreign Exchange Market (MULC), (viii) for advance payments for capital goods and the energy item under certain conditions (ix) for access to the MULC, the applicant must prove that no securities purchase or sale transactions have been carried out with settlement in foreign currency within 90 days before the application for access to the MULC and must undertake not to make such transactions within 90 days following access to the MULC. See also Note 19.1.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



## 16.5 Evolution of Other Reserves

The following is the detail of Other Reserves as of June 30, 2023 and December 31, 2022:

|                                                                       | Reserve for Exchange Differences due to Translation     |                                      | Reserve for Cash Flow Hedges | Reserve for Defined Benefit Plans | Other variations | Total             |
|-----------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------|------------------------------|-----------------------------------|------------------|-------------------|
|                                                                       | Not to be reclassified to profit or loss <sup>(1)</sup> | To be reclassified to profit or loss |                              |                                   |                  |                   |
| <b>Balance as of January 1, 2022</b>                                  | <b>46,186,856</b>                                       | <b>(6,906,268)</b>                   | <b>(3,658)</b>               | <b>(85,289)</b>                   | <b>(124,486)</b> | <b>39,067,155</b> |
| Exchange difference due to translation of investments in subsidiaries | —                                                       | (3,137,905)                          | —                            | —                                 | —                | (3,137,905)       |
| <b>Balance as of June 30, 2022</b>                                    | <b>46,186,856</b>                                       | <b>(10,044,173)</b>                  | <b>(3,658)</b>               | <b>(85,289)</b>                   | <b>(124,486)</b> | <b>35,929,250</b> |
| <b>Balance as of January 1, 2023</b>                                  | <b>46,338,766</b>                                       | <b>(10,037,598)</b>                  | <b>(3,658)</b>               | <b>(191,890)</b>                  | <b>(124,363)</b> | <b>35,981,257</b> |
| Exchange difference due to translation of investments in subsidiaries | —                                                       | (1,670,995)                          | —                            | —                                 | —                | (1,670,995)       |
| Other variations                                                      | —                                                       | —                                    | —                            | 17,248                            | —                | 17,248            |
| <b>Balance as of June 30, 2023</b>                                    | <b>46,338,766</b>                                       | <b>(11,708,593)</b>                  | <b>(3,658)</b>               | <b>(174,642)</b>                  | <b>(124,363)</b> | <b>34,327,510</b> |

<sup>(1)</sup> Includes 266,689 and 278,773, as of June 30, 2023 and 2022, respectively, attributable to non-controlling third parties.

## NOTE 17 - LIABILITIES FOR EMPLOYEE COMPENSATIONS AND BENEFITS

The Group grants different post-employment benefit plans to part of their active workers, according to the applicable collective bargaining agreements, which are benefits for years of service (granted to all employees upon completing a certain number of years in service), ordinary retirement benefits (granted to all employees upon obtaining the ordinary retirement pension granted by the Argentine Integrated Social Security System) and death benefits, which have been classified as defined benefit plans.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The components of the balance are:

|                                              | June 30, 2023    | December 31, 2022 |
|----------------------------------------------|------------------|-------------------|
| Seniority and retirement benefits            | 935,022          | 883,887           |
| Provisions for bonuses to staff and holidays | 25,401           | 15,884            |
| <b>Total non-current</b>                     | <b>960,423</b>   | <b>899,771</b>    |
| Provisions for bonuses to staff and holidays | 1,306,572        | 2,013,412         |
| Remunerations                                | 240,888          | 231,471           |
| Seniority and retirement benefits            | 43,053           | 64,899            |
| Social security contributions payable        | 60,036           | 62,577            |
| <b>Total current</b>                         | <b>1,650,549</b> | <b>2,372,359</b>  |
| <b>Total</b>                                 | <b>2,610,972</b> | <b>3,272,130</b>  |

### 17.1 Present Value of the Obligations under Long-Term Benefits

The variation of the obligations under defined benefit plans is as follows:

|                                               | June 30, 2023  | June 30, 2022  |
|-----------------------------------------------|----------------|----------------|
| <b>Balance at the beginning of the period</b> | <b>948,786</b> | <b>934,259</b> |
| Current service cost <sup>(*)</sup>           | 47,010         | 42,860         |
| Interest cost <sup>(**)</sup>                 | 371,239        | 245,873        |
| Translation difference                        | (446)          | (4,851)        |
| RECPAM                                        | (388,514)      | (282,281)      |
| <b>Balance at the end of the period</b>       | <b>978,075</b> | <b>935,860</b> |

<sup>(\*)</sup> Charged to “cost of sales” or “administrative expenses,” as appropriate, in the comprehensive income statement see note 23.2

<sup>(\*\*)</sup> Charged to “financial result” in the comprehensive income statement see note 24.

### 17.2 Other Disclosures

There are no significant changes in the plans, actuarial assumptions, sensitivities and other relevant aspects to those disclosed in the financial statements as of December 31, 2022.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 18 - PROVISIONS**

As of June 30, 2023 and December 31, 2022, there are no current provisions. The non-current provisions are as follows:

| <b>Non-Current</b>         | <b>June 30, 2023</b> | <b>December 31, 2022</b> |
|----------------------------|----------------------|--------------------------|
| Provision for legal claims | 389,275              | 451,645                  |
| Dismantling costs          | 208,338              | 193,847                  |
| Other provisions           | 2,567                | 2,671                    |
| <b>Total</b>               | <b>600,180</b>       | <b>648,163</b>           |

**Movements in provisions**

|                                      |                |
|--------------------------------------|----------------|
| <b>Balance as of January 1, 2022</b> | <b>738,396</b> |
| Increase for the fiscal year (*)     | 163,225        |
| Other transactions                   | 542            |
| Translation difference               | (9,075)        |
| RECPAM                               | (199,327)      |
| <b>Balance as of June 30, 2022</b>   | <b>693,761</b> |
| <b>Balance as of January 1, 2023</b> | <b>648,163</b> |
| Increase for the period (*)          | 122,730        |
| Other transactions                   | 930            |
| Translation difference               | (7,056)        |
| RECPAM                               | (164,587)      |
| <b>Balance as of June 30, 2023</b>   | <b>600,180</b> |

(\*) Charged to “Other income and expenses” in the interim condensed consolidated statement of comprehensive income for 101,184 and 156,284 as of June 30, 2023 and 2022, respectively, see Note 25. The difference corresponds to dismantling interest, which is recorded in Financial Results (see Note 24).

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## NOTE 19 - FINANCIAL LIABILITIES

### 19.1 Composition of the Item

|                             | Current           |                   | Non-current   |                   |
|-----------------------------|-------------------|-------------------|---------------|-------------------|
|                             | June 30, 2023     | December 31, 2022 | June 30, 2023 | December 31, 2022 |
| Notes <sup>(a)</sup>        | 72,599,182        | 2,367,179         | —             | 73,050,936        |
| Bank loans <sup>(b)</sup>   | 3,279,729         | 8,581,249         | —             | —                 |
| Financial leases (Note 7.1) | 5,665             | 12,597            | —             | —                 |
| <b>Total</b>                | <b>75,884,576</b> | <b>10,961,025</b> | <b>—</b>      | <b>73,050,936</b> |

#### (a) Notes

Under the scope of our program of notes, on January 26, 2017 AAG placed Class A Notes due on February 2, 2024 at a fixed rate of 7.75% for a nominal value of USD 300,000,000 with payment of interest on a semiannual basis on February 2 and August 2 of each year. The principal of the Notes will be amortized in a single payment on the due date. See a detail of the financial commitments assumed in Note 27.

On October 24, 2022, the Group obtained the approval of the National Values Commission (Comisión Nacional de Valores “CNV”) for the creation of a program of notes (not convertible into shares) for up to USD 500,000,000 (or its equivalent in other currencies and/or units of measure or value) for a period of five years.

The Company partially repurchased its notes in the local market for a nominal value of USD 22,500,000 in 2021 and USD 3,000,000 in 2022.

The following is a detail of the notes as of June 30, 2023 and December 31, 2022:

| Series  | Currency | Annual nominal rate | Maturity year | Current           |                   | Non-Current   |                   |
|---------|----------|---------------------|---------------|-------------------|-------------------|---------------|-------------------|
|         |          |                     |               | June 30, 2023     | December 31, 2022 | June 30, 2023 | December 31, 2022 |
| Class A | USD      | 7.75%               | 2024          | 72,599,182        | 2,367,179         | —             | 73,050,936        |
|         |          |                     |               | <b>72,599,182</b> | <b>2,367,179</b>  | <b>—</b>      | <b>73,050,936</b> |

Additionally, see Note 32 in relation to these Notes exchange offer process.

#### (b) Bank Loans

The following is a detail of bank loans as of June 30, 2023 and December 31, 2022:

Signed for identification purposes with  
our report dated August 8, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

|                                                    | Currency | Nominal Annual Rate | Current          |                   | Non-Current   |                   |
|----------------------------------------------------|----------|---------------------|------------------|-------------------|---------------|-------------------|
|                                                    |          |                     | June 30, 2023    | December 31, 2022 | June 30, 2023 | December 31, 2022 |
| ICBC Argentina <sup>(1)</sup>                      | USD      | 9.22%               | —                | 5,271,984         | —             | —                 |
| Goldman Sachs <sup>(2)</sup>                       | USD      | 6.51%               | 3,106,863        | 3,227,485         | —             | —                 |
| Current account overdraft agreement <sup>(3)</sup> | ARS      | —                   | 172,866          | 81,780            | —             | —                 |
| <b>Total</b>                                       |          |                     | <b>3,279,729</b> | <b>8,581,249</b>  | <b>—</b>      | <b>—</b>          |

<sup>(1)</sup> The loan was canceled in February, 2023.

<sup>(2)</sup> Loan with original maturity on August 12, 2020 at 3-Month LIBOR plus a spread of 1.75%. On August 3, 2020, the USD 40,000 fee required to extend the maturity term for another six months was paid on February 12, 2021. An addendum was executed on February 9, 2021 which restructured the payment of the loan in two installments, the first due on February 12, 2021 for USD 8 million (repaid on such date) and the remaining USD 12 million due on February 12, 2023. The rate after the restructuring is variable (Adjusted Eurodollar Rate) + a margin of 1.75%. On February 10, 2023, the Company signed an addendum with Goldman Sachs whereby it agreed to extend the payment date of the balance of USD 12 million due on February 12, 2023, to August 12, 2023, with the possibility of a further extension to January 12, 2024, at the Company's request. In August 2023, the Company requested the maturity extension to January 12, 2024.

<sup>(3)</sup> Corresponds to interest due on overdraft agreements.

## 19.2 Evolution of interest-bearing debts

|                                  | At the beginning of the period | Cash outflow <sup>(3)</sup> | Cash inflow <sup>(2)</sup> | Changes other than cash |                  |                                             | At the end of the period |
|----------------------------------|--------------------------------|-----------------------------|----------------------------|-------------------------|------------------|---------------------------------------------|--------------------------|
|                                  |                                |                             |                            | Others <sup>(1)</sup>   | Accrued interest | Translation/ Exchange gain or loss / RECPAM |                          |
| <b>Non-current</b>               |                                |                             |                            |                         |                  |                                             |                          |
| Notes                            | 73,050,936                     | —                           | —                          | (71,940,011)            | —                | (1,110,925)                                 | —                        |
| <b>Total non-current</b>         | <b>73,050,936</b>              | <b>—</b>                    | <b>—</b>                   | <b>(71,940,011)</b>     | <b>—</b>         | <b>(1,110,925)</b>                          | <b>—</b>                 |
| <b>Current</b>                   |                                |                             |                            |                         |                  |                                             |                          |
| Notes                            | 2,367,179                      | (2,391,994)                 | —                          | 71,940,011              | 2,692,994        | (2,009,008)                                 | 72,599,182               |
| Financial Leases                 | 12,597                         | (6,786)                     | —                          | —                       | 478              | (624)                                       | 5,665                    |
| Bank loans                       | 8,581,249                      | (17,555,853)                | 12,569,185                 | —                       | 3,530,673        | (3,845,525)                                 | 3,279,729                |
| <b>Total current</b>             | <b>10,961,025</b>              | <b>(19,954,633)</b>         | <b>12,569,185</b>          | <b>71,940,011</b>       | <b>6,224,145</b> | <b>(5,855,157)</b>                          | <b>75,884,576</b>        |
| <b>Total as of June 30, 2023</b> | <b>84,011,961</b>              | <b>(19,954,633)</b>         | <b>12,569,185</b>          | <b>—</b>                | <b>6,224,145</b> | <b>(6,966,082)</b>                          | <b>75,884,576</b>        |
| <b>Total as of June 30, 2022</b> | <b>101,798,910</b>             | <b>(16,008,933)</b>         | <b>17,247,553</b>          | <b>551,822</b>          | <b>5,156,354</b> | <b>(12,612,495)</b>                         | <b>96,133,211</b>        |

<sup>(1)</sup> Includes changes due to reclassifications from non-current to current (net), results due to partial early repayment of Notes.

<sup>(2)</sup> Includes cash inflows from bank overdrafts during the six-month period ended June 30, 2023.

<sup>(3)</sup> Includes payments of notes, bank overdrafts and financial leases.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## NOTE 20 - TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

The components of balances are as follows:

|                | Current          |                   |
|----------------|------------------|-------------------|
|                | June 30, 2023    | December 31, 2022 |
| Trade payables | 5,048,940        | 7,013,863         |
| Sundry         | 8,558            | 3,635             |
| <b>Total</b>   | <b>5,057,498</b> | <b>7,017,498</b>  |

## NOTE 21 - FINANCIAL INSTRUMENTS

### 21.1 Financial Instruments by Category

The classification of financial assets is as follows:

| June 30, 2023                                                  | Cash and Cash Equivalents | Financial Assets at amortized cost | Assets at fair value through profit or loss | Total             |
|----------------------------------------------------------------|---------------------------|------------------------------------|---------------------------------------------|-------------------|
|                                                                |                           |                                    | Level 1                                     |                   |
| Accounts receivable from related parties                       | —                         | 234,808                            | —                                           | 234,808           |
| Other financial assets                                         | —                         | 3,248,781                          | —                                           | 3,248,781         |
| Trade receivables and other accounts receivable <sup>(1)</sup> | —                         | 50,998,223                         | —                                           | 50,998,223        |
| Cash and Cash Equivalents                                      | 3,773,440                 | 2,485,618                          | 13,528,047                                  | 19,787,105        |
| <b>Total</b>                                                   | <b>3,773,440</b>          | <b>56,967,430</b>                  | <b>13,528,047</b>                           | <b>74,268,917</b> |

<sup>(1)</sup> Includes bad debt allowance

| December 31, 2022                                              | Cash and Cash Equivalents | Financial Assets at amortized cost | Assets at fair value through profit or loss | Total             |
|----------------------------------------------------------------|---------------------------|------------------------------------|---------------------------------------------|-------------------|
|                                                                |                           |                                    | Level 1                                     |                   |
| Accounts receivable from related parties                       | —                         | 131,042                            | —                                           | 131,042           |
| Other financial assets                                         | —                         | 3,446,481                          | —                                           | 3,446,481         |
| Trade receivables and other accounts receivable <sup>(1)</sup> | —                         | 57,214,331                         | —                                           | 57,214,331        |
| Cash and Cash Equivalents                                      | 456,243                   | 9,227,284                          | 7,909,272                                   | 17,592,799        |
| <b>Total</b>                                                   | <b>456,243</b>            | <b>70,019,138</b>                  | <b>7,909,272</b>                            | <b>78,384,653</b> |

<sup>(1)</sup> Includes bad debt allowance

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The classification of financial liabilities is detailed below:

| <b>June 30, 2023</b>                       | <b>Financial liabilities at<br/>amortized cost</b> | <b>Total</b>      |
|--------------------------------------------|----------------------------------------------------|-------------------|
| Accounts payable to related parties        | 4,053,347                                          | 4,053,347         |
| Financial Liabilities                      | 75,884,576                                         | 75,884,576        |
| Trade creditors and other accounts payable | 5,057,498                                          | 5,057,498         |
| <b>Total</b>                               | <b>84,995,421</b>                                  | <b>84,995,421</b> |

| <b>December 31, 2022</b>                   | <b>Financial liabilities at<br/>amortized cost</b> | <b>Total</b>      |
|--------------------------------------------|----------------------------------------------------|-------------------|
| Accounts payable to related parties        | 3,947,658                                          | 3,947,658         |
| Financial Liabilities                      | 84,011,961                                         | 84,011,961        |
| Trade creditors and other accounts payable | 7,017,498                                          | 7,017,498         |
| <b>Total</b>                               | <b>94,977,117</b>                                  | <b>94,977,117</b> |

## 21.2 Fair Value

### a. Hierarchy of Fair Value of Financial Instruments

The various fair value hierarchies are described in note 21.2 to the consolidated financial statements as of December 31, 2022. The estimates made in the fair value measurement are the same as of December 31, 2022.

The financial instruments recorded in Financial Liabilities, involving Interest-bearing loans, show significant differences between the carrying value and fair value mainly due to the fluctuations of the exchange rate (US dollar) and market interest rates.

The calculation methodology is the present value of future debt flows discounted using a yield curve. Certain assumptions such as currency of debt, credit rating of the instrument, credit rating of the Group, are used to calculate the present value. The assumptions used as of June 30, 2023 fall into Level 2 of the Fair Value Hierarchy.

The following table shows the carrying value and fair value of the interest-bearing loans:

|                   | <b>Book Value</b> | <b>Fair Value</b> |
|-------------------|-------------------|-------------------|
| June 30, 2023     | 75,878,911        | 62,305,631        |
| December 31, 2022 | 83,999,364        | 65,667,239        |

## 21.3 Derivative Instruments

As of June 30, 2023, and December 31, 2022 the Group has no balances for derivative instruments.

Signed for identification purposes with  
our report dated August 8, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## 21.4 Netting

As of June 30, 2023 and December 31, 2022 the Group has no derivative instruments that are subject to Master Netting Agreements where there has been a contractual right to offset the assets and liabilities under these financial instruments.

## NOTE 22 - INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities for the six and three-month periods ended June 30, 2023 and 2022 are as follows:

|                                                              | For the six-month period |                   | For the three-month period |                   |
|--------------------------------------------------------------|--------------------------|-------------------|----------------------------|-------------------|
|                                                              | June 30, 2023            | June 30, 2022     | June 30, 2023              | June 30, 2022     |
| Remuneration for energy <sup>(1)</sup>                       | 30,274,122               | 39,515,530        | 8,583,888                  | 22,720,218        |
| Remuneration for capacity <sup>(1)</sup>                     | 11,772,800               | 12,545,404        | 5,490,959                  | 6,390,253         |
| Sales of energy and capacity under agreements <sup>(2)</sup> | 4,854,844                | 6,171,240         | 2,267,132                  | 2,702,363         |
| Other income                                                 | 335,576                  | 285,094           | 127,199                    | 157,672           |
| <b>Total</b>                                                 | <b>47,237,342</b>        | <b>58,517,268</b> | <b>16,469,178</b>          | <b>31,970,506</b> |

<sup>(1)</sup> Includes the notion of generated and operated energy pursuant to the remuneration provided for by Resolutions 59/2023, 826/2022, 238/2022, 1037/2021 and 440/2021, as applicable, as well as other notions established by other current prior resolutions.

<sup>(2)</sup> Includes sales of renewable energy under Renovar contract with CAMMESA and Forward Market contracts (industrial customers).

## NOTE 23 – COMPOSITION OF RELEVANT RESULTS

### 23.1 Expenses by nature

The following is a detail of the main operating costs and expenses classified in the following items the statement of comprehensive income: “Cost of sales”, “Selling expenses” and “Administrative expenses.”

The details for the six-month period ended June 30, 2023 are as follows:

Signed for identification purposes with  
our report dated August 8, 2023  
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification (“CUIT”) No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



|                                                                       | June 30, 2023     |                         |                  |                   |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses | Total             |
| Fuels used for generation, net                                        | 19,146,741        | —                       | —                | 19,146,741        |
| Depreciation of property plant and equipment (Note 7)                 | 4,459,173         | 353,128                 | —                | 4,812,301         |
| Remunerations, social security contributions and other staff expenses | 3,074,636         | 529,652                 | 198,093          | 3,802,381         |
| Insurance                                                             | 2,987,045         | —                       | —                | 2,987,045         |
| Operation and maintenance expenditures                                | 2,769,502         | —                       | —                | 2,769,502         |
| Taxes, rates and contributions                                        | —                 | 693,323                 | 999,279          | 1,692,602         |
| Professional services from related parties (Note 11.c)                | 170,143           | 1,037,532               | —                | 1,207,675         |
| Amortization of intangible assets (Note 8.1)                          | 811,523           | —                       | —                | 811,523           |
| Fees and remunerations to third parties                               | 49,247            | 361,578                 | 37,089           | 447,914           |
| Purchase of energy and capacity                                       | 196,807           | —                       | —                | 196,807           |
| Transmission costs                                                    | 188,697           | —                       | —                | 188,697           |
| Other market charges                                                  | 176,761           | —                       | —                | 176,761           |
| Fees and royalties                                                    | 168,345           | —                       | —                | 168,345           |
| Travel, mobility and transport expenses                               | 104,152           | 33,790                  | 1,833            | 139,775           |
| Cleaning expenses                                                     | 134,865           | —                       | —                | 134,865           |
| Frequency regulation                                                  | 117,538           | —                       | —                | 117,538           |
| Materials and other supplies                                          | 109,593           | —                       | —                | 109,593           |
| Safety and security services                                          | 92,938            | —                       | —                | 92,938            |
| Use of fields                                                         | 70,410            | —                       | —                | 70,410            |
| Office and communications expenses                                    | 4,118             | 50,864                  | —                | 54,982            |
| Bad debts (Note 14.3)                                                 | —                 | —                       | 52,448           | 52,448            |
| Sundry                                                                | 152,493           | 42,065                  | —                | 194,558           |
| <b>Total</b>                                                          | <b>34,984,727</b> | <b>3,101,932</b>        | <b>1,288,742</b> | <b>39,375,401</b> |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The details for the six-month period ended June 30, 2022 are as follows:

|                                                                       | June 30, 2022     |                         |                  |                   |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses | Total             |
| Fuels used for generation, net                                        | 27,509,652        | —                       | —                | 27,509,652        |
| Depreciation of property plant and equipment (Note 7)                 | 5,156,301         | 251,813                 | —                | 5,408,114         |
| Operation and maintenance expenditures                                | 4,174,152         | —                       | —                | 4,174,152         |
| Remunerations, social security contributions and other staff expenses | 2,868,385         | 462,819                 | 182,939          | 3,514,143         |
| Insurance                                                             | 2,792,853         | —                       | —                | 2,792,853         |
| Taxes, rates and contributions                                        | —                 | 794,190                 | 703,127          | 1,497,317         |
| Professional services from related parties (Note 11.c)                | 201,944           | 974,547                 | —                | 1,176,491         |
| Amortization of intangible assets (note 8.1)                          | 940,381           | —                       | —                | 940,381           |
| Fees and remunerations to third parties                               | 66,285            | 278,474                 | 28,822           | 373,581           |
| Fees and royalties                                                    | 202,762           | —                       | —                | 202,762           |
| Other market charges                                                  | 166,963           | —                       | —                | 166,963           |
| Frequency regulation                                                  | 153,960           | —                       | —                | 153,960           |
| Materials and other supplies                                          | 143,869           | —                       | —                | 143,869           |
| Transmission costs                                                    | 137,037           | —                       | —                | 137,037           |
| Safety and security services                                          | 118,966           | —                       | —                | 118,966           |
| Travel, mobility and transport expenses                               | 73,210            | 10,455                  | 2,027            | 85,692            |
| Use of fields                                                         | 80,981            | —                       | —                | 80,981            |
| Purchase of energy and capacity                                       | 72,218            | —                       | —                | 72,218            |
| Office and communications expenses                                    | 6,155             | 44,324                  | —                | 50,479            |
| Cleaning expenses                                                     | 30,206            | —                       | —                | 30,206            |
| Recovery of bad debts (Note 14.3)                                     | —                 | —                       | (104,885)        | (104,885)         |
| Sundry                                                                | 51,044            | 59,392                  | 1,571            | 112,007           |
| <b>Total</b>                                                          | <b>44,947,324</b> | <b>2,876,014</b>        | <b>813,601</b>   | <b>48,636,939</b> |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

The detail for the three-month period ended June 30, 2023 is as follows:

|                                                                       | June 30, 2023     |                         |                  |                   |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses | Total             |
| Fuels used for generation, net                                        | 5,194,461         | —                       | —                | 5,194,461         |
| Depreciation of property plant and equipment (Note 7)                 | 1,970,256         | 249,764                 | —                | 2,220,020         |
| Remunerations, social security contributions and other staff expenses | 1,468,870         | 210,992                 | 145,447          | 1,825,309         |
| Insurance                                                             | 1,663,568         | —                       | —                | 1,663,568         |
| Operation and maintenance expenditures                                | 1,640,498         | —                       | —                | 1,640,498         |
| Taxes, rates and contributions                                        | —                 | 408,379                 | 525,583          | 933,962           |
| Professional services from related parties (Note 11.c)                | 70,003            | 511,424                 | —                | 581,427           |
| Amortization of intangible assets (note 8.1)                          | 344,978           | —                       | —                | 344,978           |
| Fees and remunerations to third parties                               | 20,548            | 200,208                 | 18,863           | 239,619           |
| Purchase of energy and capacity                                       | 109,796           | —                       | —                | 109,796           |
| Transmission costs                                                    | 87,982            | —                       | —                | 87,982            |
| Other market charges                                                  | 84,037            | —                       | —                | 84,037            |
| Travel, mobility and transport expenses                               | 50,613            | 20,966                  | 1,385            | 72,964            |
| Materials and other supplies                                          | 54,845            | —                       | —                | 54,845            |
| Cleaning expenses                                                     | 51,772            | —                       | —                | 51,772            |
| Safety and security services                                          | 50,786            | —                       | —                | 50,786            |
| Fees and royalties                                                    | 49,901            | —                       | —                | 49,901            |
| Office and communications expenses                                    | 1,582             | 46,989                  | —                | 48,571            |
| Use of fields                                                         | 30,481            | —                       | —                | 30,481            |
| Bad debts (Note 14.3)                                                 | —                 | —                       | 24,196           | 24,196            |
| Frequency regulation                                                  | 23,214            | —                       | —                | 23,214            |
| Sundry                                                                | 99,632            | 17,919                  | —                | 117,551           |
| <b>Total</b>                                                          | <b>13,067,823</b> | <b>1,666,641</b>        | <b>715,474</b>   | <b>15,449,938</b> |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesis  
President

The detail for the three-month period ended June 30, 2022 is as follows:

|                                                                       | June 30, 2022     |                         |                  |                   |
|-----------------------------------------------------------------------|-------------------|-------------------------|------------------|-------------------|
|                                                                       | Cost of Sales     | Administrative expenses | Selling expenses | Total             |
| Fuels used for generation, net                                        | 16,610,410        | —                       | —                | 16,610,410        |
| Operation and maintenance expenditures                                | 2,822,144         | —                       | —                | 2,822,144         |
| Depreciation of property plant and equipment (Note 7)                 | 2,330,738         | 92,742                  | —                | 2,423,480         |
| Remunerations, social security contributions and other staff expenses | 1,433,225         | 197,136                 | 76,261           | 1,706,622         |
| Insurance                                                             | 1,381,783         | —                       | —                | 1,381,783         |
| Taxes, rates and contributions                                        | —                 | 485,929                 | 379,634          | 865,563           |
| Amortization of intangible assets (note 8.1)                          | 539,310           | —                       | —                | 539,310           |
| Professional services from related parties (Note 11.c)                | 86,860            | 428,793                 | —                | 515,653           |
| Fees and remunerations to third parties                               | 31,148            | 160,169                 | 12,701           | 204,018           |
| Fees and royalties                                                    | 94,859            | —                       | —                | 94,859            |
| Transmission costs                                                    | 80,938            | —                       | —                | 80,938            |
| Other market charges                                                  | 77,292            | —                       | —                | 77,292            |
| Safety and security services                                          | 74,099            | —                       | —                | 74,099            |
| Materials and other supplies                                          | 55,060            | —                       | —                | 55,060            |
| Frequency regulation                                                  | 55,008            | —                       | —                | 55,008            |
| Travel, mobility and transport expenses                               | 47,603            | 4,517                   | 1,887            | 54,007            |
| Purchase of energy and capacity                                       | 50,123            | —                       | —                | 50,123            |
| Use of fields                                                         | 38,338            | —                       | —                | 38,338            |
| Office and communications expenses                                    | 2,150             | 29,810                  | —                | 31,960            |
| Cleaning expenses                                                     | 9,348             | —                       | —                | 9,348             |
| Bad debts (Note 14.3)                                                 | —                 | —                       | (95,636)         | (95,636)          |
| Sundry                                                                | 25,950            | 42,666                  | 1,574            | 70,190            |
| <b>Total</b>                                                          | <b>25,846,386</b> | <b>1,441,762</b>        | <b>376,421</b>   | <b>27,664,569</b> |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**23.2 Remunerations, social security contributions and staff expenses**

|                                             | For the six-month period |                  | For the three-month period |                  |
|---------------------------------------------|--------------------------|------------------|----------------------------|------------------|
|                                             | June 30, 2023            | June 30, 2022    | June 30, 2023              | June 30, 2022    |
| Wages and salaries <sup>(1)</sup>           | 2,870,112                | 2,758,858        | 1,317,035                  | 1,346,056        |
| Short-term employee benefits <sup>(1)</sup> | 532,540                  | 569,273          | 212,278                    | 269,109          |
| Employment termination benefits             | 250,258                  | 40,432           | 231,963                    | 5,658            |
| Other long-term benefits                    | 54,340                   | 52,094           | 24,567                     | 29,216           |
| Other staff costs                           | 95,131                   | 93,486           | 39,466                     | 56,583           |
| <b>Total</b>                                | <b>3,802,381</b>         | <b>3,514,143</b> | <b>1,825,309</b>           | <b>1,706,622</b> |

<sup>(1)</sup> Includes social security contributions.

**NOTE 24 – FINANCIAL RESULTS**

The detail of the financial results for the six and three-month periods ended June 30, 2023 and 2022, is as follows

|                                                               | For the six-month period |                     | For the three-month period |                    |
|---------------------------------------------------------------|--------------------------|---------------------|----------------------------|--------------------|
|                                                               | June 30, 2023            | June 30, 2022       | June 30, 2023              | June 30, 2022      |
| Interest from financial assets                                | 6,753,390                | 5,175,835           | 4,489,663                  | 2,503,028          |
| Interest earned with related parties (Note 11.c)              | 3,012                    | 2,796               | 2,219                      | 1,279              |
| Other financial income                                        | 5,844,416                | 2,717,919           | 3,265,928                  | 1,486,522          |
| <b>Total financial income</b>                                 | <b>12,600,818</b>        | <b>7,896,550</b>    | <b>7,757,810</b>           | <b>3,990,829</b>   |
| Interest on financial debts                                   | (6,249,708)              | (5,114,343)         | (3,073,303)                | (2,506,029)        |
| Interest on tax debts                                         | (62)                     | (5,217)             | (10)                       | (1,351)            |
| Interest on trade payables <sup>(1)</sup>                     | (78,107)                 | (7,360)             | (27,755)                   | (3,775)            |
| Loss on partial repurchase of notes                           | —                        | (551,822)           | —                          | —                  |
| Cost of interest on long-term benefit obligations (Note 17.1) | (371,239)                | (245,873)           | (165,191)                  | (112,646)          |
| <b>Total Financial Expenses</b>                               | <b>(6,699,116)</b>       | <b>(5,924,615)</b>  | <b>(3,266,259)</b>         | <b>(2,623,801)</b> |
| Exchange differences from assets                              | 24,825,721               | 16,120,711          | 8,144,960                  | 9,355,408          |
| Exchange differences from liabilities                         | (27,190,869)             | (16,778,155)        | (8,845,672)                | (9,826,904)        |
| <b>Total of exchange differences</b>                          | <b>(2,365,148)</b>       | <b>(657,444)</b>    | <b>(700,712)</b>           | <b>(471,496)</b>   |
| RECPAM                                                        | (12,166,680)             | (11,882,813)        | (6,100,146)                | (5,726,104)        |
| <b>Total financial profit (loss)</b>                          | <b>(8,630,126)</b>       | <b>(10,568,322)</b> | <b>(2,309,307)</b>         | <b>(4,830,572)</b> |

<sup>(1)</sup> Includes interest associated with the dismantling liability (see Note 18).

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 25 – OTHER INCOME AND EXPENSES**

Details of other income and expenses for the six and three-month periods ended June 30, 2023 and 2022, are as follows

| Income (loss)                                         | For the six-month period |                 | For the three-month period |                 |
|-------------------------------------------------------|--------------------------|-----------------|----------------------------|-----------------|
|                                                       | June 30, 2023            | June 30, 2022   | June 30, 2023              | June 30, 2022   |
| Net charge for provision of legal claims              | (101,184)                | (156,284)       | (61,771)                   | (102,484)       |
| Surrogate payers on personal property <sup>(1)</sup>  | (55,081)                 | (19,642)        | (36,853)                   | 13,351          |
| Results from disposal of property plant and equipment | (5,386)                  | (10,265)        | (1,892)                    | (2,475)         |
| Technical advice                                      | —                        | 20,597          | —                          | 20,597          |
| Proceeds from the sale of assets                      | —                        | 41,822          | —                          | 8,572           |
| Income from settlement agreements                     | 35,360                   | 52,101          | 19,780                     | 26,479          |
| Sundry                                                | 13,989                   | 3,054           | 4,663                      | 1,547           |
| <b>Total</b>                                          | <b>(112,302)</b>         | <b>(68,617)</b> | <b>(76,073)</b>            | <b>(34,413)</b> |

<sup>(1)</sup> Mainly corresponds to related companies see Note 11. c

**NOTE 26 – EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the profit attributable to the Group's shareholders by the weighted average number of ordinary shares in issue during the year, excluding, if any, any ordinary shares acquired by the Company and held as treasury stock.

|                                                                                         | For the six-month period |                  | For the three-month period |                  |
|-----------------------------------------------------------------------------------------|--------------------------|------------------|----------------------------|------------------|
|                                                                                         | June 30, 2023            | June 30, 2022    | June 30, 2023              | June 30, 2022    |
| Net income (loss) for the period attributable to holders of ordinary equity instruments | 1,000,539                | 1,219,116        | (89,709)                   | (251,283)        |
| <b>Available profit or loss for ordinary shareholders, basic</b>                        | <b>1,000,539</b>         | <b>1,219,116</b> | <b>(89,709)</b>            | <b>(251,283)</b> |
| Weighted average number of shares, basic                                                | 11,525,267,740           | 11,525,267,740   | 11,525,267,740             | 11,525,267,740   |
| <b>Basic and diluted earnings (loss) per share in pesos</b>                             | <b>0.087</b>             | <b>0.106</b>     | <b>(0.008)</b>             | <b>(0.022)</b>   |

There are no transactions or items generating dilutive effect.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

**NOTE 27 – CONTINGENCIES AND COMMITMENTS****27.1 Financial Commitments****Issue of Notes both Locally and under Rule 144A**

The Group's outstanding commitments have not changed concerning those described in the annual consolidated financial statements.

As of June 30, 2023, AES Argentina Generación complies with the limitations and conditions described in the notes credit agreement.

**27.2 Contingencies**

The Group's outstanding contingencies have remained relatively the same concerning those described in the annual consolidated financial statements.

**27.3 Other relevant covenants and contracts****A. Power Supply Agreements with Renewable Energy Sources**

The Group entered into power supply agreements with renewable energy source, which came into effect in 2020 for an annual contract demand of 543 GWh/year and which are supplied with the generation of renewable source from the projects of the subsidiaries EASA and VN. These agreements establish penalties in the event of breaches, which must be claimed by customers as applicable. To date, no significant claims have arisen in relation to these matters.

**NOTE 28 - GUARANTEES****Guarantees granted****A. Guarantees of the Contract for the Expansion of Liquid Fuels Storage Capacity**

The guarantees granted by the Company have not been modified concerning those described in the annual consolidated financial statements.

**B. Guarantees for the loan with Goldman Sachs**

The guarantees granted by the Company have not been modified concerning those described in the annual consolidated financial statements, except for their extension and the loan addendum.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

**NOTE 29 – ASSETS AND LIABILITIES IN CURRENCY OTHER THAN PESO OR WITH ADJUSTMENT CLAUSE**

| Item                                                | Foreign Currency/<br>Adjustment Clause |         | Foreign exchange rate | June 30, 2023     | December 31, 2022 |
|-----------------------------------------------------|----------------------------------------|---------|-----------------------|-------------------|-------------------|
|                                                     | Detail                                 | Amount  |                       |                   |                   |
| FONINVEMEM credits and generators' agreement        | (1)                                    | 77,739  | 256.70                | 19,955,669        | 26,175,812        |
| Accounts receivable from related parties            | USD                                    | 18      | 256.70                | 4,517             | 4,701             |
| <b>Total Non-Current Assets</b>                     |                                        |         |                       | <b>19,960,186</b> | <b>26,180,513</b> |
| FONINVEMEM credits and generators' agreement        | (1)                                    | 40,560  | 256.70                | 10,411,653        | 10,831,370        |
| Interest on FONINVEMEM and generators agreement     | USD                                    | 1,915   | 256.70                | 491,494           | 527,753           |
| Renovar receivables                                 | USD                                    | 2,302   | 256.70                | 590,964           | 767,225           |
| Accounts receivable from related parties            | USD                                    | 711     | 256.70                | 182,627           | 113,817           |
| Trade receivables and other accounts receivable     | USD                                    | 3,642   | 256.70                | 934,948           | 1,346,934         |
|                                                     | EUR                                    | 121     | 280.50                | 33,940            | 34,640            |
| Other financial assets                              | USD                                    | 12,100  | 256.70                | 3,106,050         | 3,231,326         |
| Cash and Cash Equivalents                           | USD                                    | 1,198   | 256.70                | 307,565           | 64,992            |
| <b>Total Current Assets</b>                         |                                        |         |                       | <b>16,059,241</b> | <b>16,918,057</b> |
| <b>Total Assets</b>                                 |                                        |         |                       | <b>36,019,427</b> | <b>43,098,570</b> |
| Provisions                                          | USD                                    | 822     | 256.70                | 210,905           | 196,518           |
| Accounts payable to related parties                 | USD                                    | 1,152   | 256.70                | 295,789           | 422,554           |
| Financial Liabilities                               | USD                                    | —       | 256.70                | —                 | 73,306,176        |
| Liabilities for employee compensations and benefits | USD                                    | 77      | 256.70                | 19,816            | 12,392            |
| <b>Total Non-Current Liabilities</b>                |                                        |         |                       | <b>526,510</b>    | <b>73,937,640</b> |
| Liabilities for employee compensations and benefits | USD                                    | 64      | 256.70                | 16,338            | 7,210             |
| Financial Liabilities                               | USD                                    | 295,467 | 256.70                | 75,846,418        | 10,867,382        |
| Trade creditors and other accounts payable          | USD                                    | 15,615  | 256.70                | 4,008,396         | 8,730,270         |
|                                                     | EUR                                    | 30      | 280.50                | 8,398             | 7,795             |
| Accounts payable to related parties                 | USD                                    | 11,644  | 256.70                | 2,989,067         | 2,608,067         |
| <b>Total Current Liabilities</b>                    |                                        |         |                       | <b>82,868,617</b> | <b>22,220,724</b> |
| <b>Total Liabilities</b>                            |                                        |         |                       | <b>83,395,127</b> | <b>96,158,364</b> |

<sup>(1)</sup> The credits from Generators' Agreement are adjusted based on changes in the US dollar rate.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President



**NOTE 30 – CREDITS AND DEBTS REPAYMENT DEADLINES**

|                                                     | Expired   | Without caducity | Up to 3 months | From 3 to 6 months | From 6 to 9 months | From 9 to 12 months | More than a year | Total             |
|-----------------------------------------------------|-----------|------------------|----------------|--------------------|--------------------|---------------------|------------------|-------------------|
| <b>NON-CURRENT ASSETS</b>                           |           |                  |                |                    |                    |                     |                  |                   |
| Accounts receivable from related parties            | —         | —                | —              | —                  | —                  | —                   | 12,017           | <b>12,017</b>     |
| Other financial assets                              | —         | —                | —              | —                  | —                  | —                   | 142,731          | <b>142,731</b>    |
| Trade receivables and other accounts receivable     | —         | —                | —              | —                  | —                  | —                   | 20,066,756       | <b>20,066,756</b> |
| Tax assets                                          | —         | —                | —              | —                  | —                  | —                   | 1,904,224        | <b>1,904,224</b>  |
| <b>CURRENT ASSETS</b>                               |           |                  |                |                    |                    |                     |                  |                   |
| Accounts receivable from related parties            | —         | —                | 158,438        | 62,506             | —                  | 1,847               | —                | <b>222,791</b>    |
| Other financial assets                              | —         | —                | 3,106,050      | —                  | —                  | —                   | —                | <b>3,106,050</b>  |
| Tax assets                                          | —         | —                | 472,481        | 1,078,308          | 301,364            | 196,126             | —                | <b>2,048,279</b>  |
| Trade receivables and other accounts receivable     | 8,253,710 | —                | 14,825,556     | 2,617,400          | 2,617,400          | 2,617,401           | —                | <b>30,931,467</b> |
| <b>NON-CURRENT LIABILITIES</b>                      |           |                  |                |                    |                    |                     |                  |                   |
| Liabilities for employee compensations and benefits | —         | —                | —              | —                  | —                  | —                   | 960,423          | <b>960,423</b>    |
| Tax liabilities                                     | —         | —                | —              | —                  | —                  | —                   | 405,765          | <b>405,765</b>    |
| Provisions                                          | —         | —                | —              | —                  | —                  | —                   | 600,180          | <b>600,180</b>    |
| Accounts payable to related parties                 | —         | —                | —              | —                  | —                  | —                   | 296,623          | <b>296,623</b>    |
| <b>CURRENT LIABILITIES</b>                          |           |                  |                |                    |                    |                     |                  |                   |
| Liabilities for employee compensations and benefits | —         | —                | 1,117,913      | 174,480            | 174,480            | 183,676             | —                | <b>1,650,549</b>  |
| Tax liabilities                                     | —         | —                | 302,813        | 210,843            | 210,843            | 240,394             | —                | <b>964,893</b>    |
| Accounts payable to related parties                 | 1,638,593 | 892,590          | 1,061,537      | 54,668             | 54,668             | 54,668              | —                | <b>3,756,724</b>  |
| Financial liabilities                               | —         | —                | 5,558,467      | 2,332              | 70,323,777         | —                   | —                | <b>75,884,576</b> |
| Trade creditors and other accounts payable          | 22,187    | —                | 5,035,311      | —                  | —                  | —                   | —                | <b>5,057,498</b>  |

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

## **NOTE 31 – ACCOUNTING BOOKS AND OTHER SUPPORTING DOCUMENTATION**

Due to administrative reasons, as of the date of issuance of these financial statements, AES Argentina Generación S.A. has not transcribed the interim condensed consolidated financial statements, interim condensed separate financial statements and other relevant documentation for the six-month period ended June 30, 2023 in the Inventories and Balance Sheets' Book and the accounting records (journal book) kept by optical devices corresponding to the months from January through June 2023 are in the process of being generated.

Pursuant to the current CNV standards (RG 629), we have informed that the corporate books (Shareholders' Meeting Minutes Book, Board Minutes book, Registry of Attendance to Shareholders' Meetings, Registry of Shares, and Supervisory Committee Minutes Book) as well as the statutory accounting records (Journal and Ledgers, kept through optical means, and Inventories and Balance Sheets' Book) for the fiscal years ended December 31, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2022, are kept in the registered office of the Group, located in the Román A. Subiza 1960 - San Nicolas de los Arroyos - Buenos Aires Province.

## **NOTE 32 – SUBSEQUENT EVENTS**

### **ALICURA HYDROELECTRIC POWER PLANT - TERMINATION OF THE CONCESSION**

Pursuant to the provisions of the Concession Contract, the original expiration date of the concession would be August 11, 2023.

However, on July 10, 2023, the Energy Secretariat issued Resolution 574/2023 by means of which, within the framework of the provisions of Article 67.1 of the aforementioned contract, it was established that, once the original term of the concession expired, AES Argentina Generación S.A. must continue in charge of the Alicura Power Plant and comply with all its obligations derived from the concession contract for 60 calendar days, extendable for an additional 60 calendar days, in order to preserve the safety of the people and property located in the basin.

### **AES ARGENTINA'S BOND EXCHANGE OFFER**

On July 13, 2023, AAG has launched an exchange offer process in connection with the 144/A bond maturing in February 2024 (the "Old Notes") (described in note 19.1 (a)). The outstanding debt amounts to USD 274.5 million and the amount to be exchanged is subject to participation. The amortization of the new debt would be made in 4 equal semi-annual installments of approximately 25% each starting in February 2026 with maturity in August 2027. There are two participation options for investors: a) cash + new notes and b) new notes. The cash option is capped at USD 30.5 million which is funded with the proceeds of a new local bond issued on July 12, 2023, denominated in dollars, for USD 30.5 million at a rate of 8% and a tenor of 2 years.

On July 26th, AES Argentina announced the extension the period to be eligible to receive the Early Exchange Consideration in respect of the exchange offer from July 26, 2023 to August 10, 2023.

As of July 26th (the Original Early Expiration Date), (i) USD 35.2 million in aggregate principal amount to exchange its outstanding Old Notes, representing approximately 13% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option A, and (ii) USD 93.9 million in aggregate principal

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

Martin Genesio  
President

amount of Old Notes, representing approximately 34% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option B, totaling a participation of USD 129.1 million in aggregate principal amount of Old Notes, representing approximately 47% of the aggregate principal amount of Old Notes outstanding.

Except as mentioned in the preceding paragraphs and in the preceding notes, after June 30, 2023, and up to the date of approval of these financial statements, no other events, situations or circumstances have occurred that significantly modify or may significantly affect the Group's net worth, economic or financial position.

Signed for identification purposes with  
our report dated August 8, 2023

PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.  
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

---

Germán E. Cantalupi (Partner)  
Certified Public Accountant (U.B.A.)  
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3  
Tax Identification ("CUIT") No: 20-20795867-1

---

Andrés Leonardo Vittone  
Lawyer C.P.A.C.F. Vol. 67- Fo. 212  
Regular Statutory Auditor  
By the Supervisory Committee

---

Martin Genesio  
President

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Directors of  
**AES Argentina Generación S.A.**

### Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of AES Argentina Generación S.A. and its subsidiaries (the "Group") as at June 30, 2023 which comprise the interim condensed consolidated statement of financial position as at June 30, 2023, the related interim condensed consolidated statement of comprehensive income for the six and three-month periods then ended, the interim condensed consolidated statements of changes in equity and cash flow for the six-month period then ended, and notes to the condensed consolidated financial statements. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard ("IAS") No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS No. 34 "Interim Financial Reporting".

Buenos Aires Province,  
August 8<sup>th</sup>, 2023

PISTRELLI HENRY MARTIN Y ASOCIADOS S.R.L.



GERMÁN E. CANTALUPI  
Partner

Certified Public Accountant (U.B.A.)

## ISSUER

### AES ARGENTINA GENERACIÓN S.A.

Román Subiza 1960  
San Nicolas de los Arroyos, C2900  
Provincia de Buenos Aires  
Argentina

## INFORMATION AND EXCHANGE AGENT

### Morrow Sodali International LLC

Offer Website: <https://projects.morrowsodali.com/AES>  
E-mail: AES@investor.morrowsodali.com

#### *In Stamford:*

333 Ludlow Street, South Tower, 5th Floor  
Stamford, CT 06902  
United States  
Telephone: +1 203 609 4910

#### *In London:*

103 Wigmore Street  
W1U 1QS, London  
United Kingdom  
Telephone: +44 20 4513 6933

## DEALER MANAGERS

| <b>Citigroup Global Markets Inc.</b>                                                                                                                                                                    | <b>HSBC Securities (USA) Inc.</b>                                                                                                                             | <b>J.P. Morgan Securities LLC</b>                                                                                                                                | <b>Santander US Capital Markets LLC</b>                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 388 Greenwich Street,<br>4 <sup>th</sup> Floor<br>New York, New York 10013<br>United States<br>Attention: Liability<br>Management Group<br>Call Collect: (212) 723-6106<br>US Toll-Free: (800) 558-3745 | 452 Fifth Avenue,<br>New York, New York 10018<br>Attention: Global Liability<br>Management Group<br>U.S. Toll-Free: (888) HSBC-4LM<br>Collect: (212) 525-5552 | 383 Madison Avenue<br>New York, New York 10179<br>Attn: Latin America Debt<br>Capital Markets<br>U.S. Toll-free: +1 (866) 846-2874<br>Collect: +1 (212) 834-7279 | 437 Madison Avenue<br>New York, New York 10022<br>United States<br>Attention: Liability<br>Management<br>Collect: +1 (212) 940-1442<br>U.S. Toll-Free: +1 (855) 404-3636 |

## TRUSTEE, REGISTRAR, PAYING AGENT AND TRANSFER AGENT

### Citibank, N.A.

388 Greenwich Street, 14th Floor  
New York, New York 10013  
Attention: Agency & Trust  
Telephone: (212) 723-2523  
Email: Peter1.Lopez@citi.com

## REPRESENTATIVE OF THE TRUSTEE IN ARGENTINA, ARGENTINE REGISTRAR AND TRANSFER AGENT AND ARGENTINE PAYING AGENT

### La Sucursal de Citibank, N.A. establecida en la República Argentina

Bartolome Mitre 530  
C1036AAJ Ciudad de Buenos Aires  
Argentina

## LEGAL ADVISORS

*To the Company  
as to United States law*

### Davis Polk & Wardwell LLP

450 Lexington Avenue  
New York, NY 10017  
United States of America

*To the Dealer Managers  
as to United States law*

### Linklaters LLP

1290 Avenue of the Americas  
New York, NY 10104  
United States of America

*To the Company  
as to Argentine law*

**Bruchou & Funes de Rioja**  
Ing. Butty 275 – 12th Floor  
Ciudad de Buenos Aires  
Argentina

*To the Dealer Managers  
as to Argentine law*

**Salaverri, Burgio & Wetzler Malbrán**  
Av. Del Libertador 602, 3rd Floor  
Ciudad de Buenos Aires  
Argentina

**LUXEMBOURG LISTING AGENT**

**Banque Internationale à Luxembourg S.A.**  
69, route d'Esch  
L-2953 Luxembourg  
Luxembourg

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**Pistrelli, Henry Martin y Asociados S.R.L.**  
25 de mayo 487  
Ciudad de Buenos Aires  
Argentina

**AES Argentina Generación S.A. Announces the Extension of the Early Participation Date of its Exchange Offer.**

July 26, 2023 — Buenos Aires, Argentina

**AES Argentina Generación S.A.**

**Offer to Exchange Any and All of its Outstanding**

**7.750% Senior Notes due 2024**

**(CUSIP Nos.: 00107V AA1 and P1000C AA2; ISIN Nos. US00107VAA17 and USP1000CAA29)**

On July 13, 2023, AES Argentina Generación S.A. (“AES Argentina” or the “Company”) announced the commencement of its offer to exchange (the “Exchange Offer”) any and all of its outstanding 7.750% Senior Notes due 2024 (the “Old Notes”) for newly issued 9.50% Notes due 2027 (the “New Notes”) and cash consideration, as applicable, each upon the terms and subject to the conditions set forth in the exchange offer memorandum (the “Exchange Offer Memorandum”), dated July 13, 2023 and the related eligibility letter (the “Eligibility Letter” and, together with the Exchange Offer Memorandum, the “Exchange Offer Documents”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Exchange Offer Documents.

AES Argentina announces that it is extending the period to be eligible to receive the Early Exchange Consideration in respect of the exchange offer from July 26, 2023 at 5:00 p.m., New York City time (the “Original Early Expiration Date”) to 5:00 p.m., New York City time on August 10, 2023. The Exchange Offer will expire at 5:00 p.m., New York City time on August 10, 2023.

Morrow Sodali International LLC, acting as information and exchange agent for the Exchange Offer (the “Information and Exchange Agent”), advised AES Argentina that as of the Original Early Expiration Date, (i) U.S.\$35,184,000 in aggregate principal amount of Old Notes, representing approximately 12.82% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option A, and (ii) U.S.\$93,915,000 in aggregate principal amount of Old Notes, representing approximately 34.21% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option B, totaling a participation of U.S.\$129,099,000 in aggregate principal amount of Old Notes, representing approximately 47.03% of the aggregate principal amount of Old Notes outstanding.

Based on the aggregate principal amount of Old Notes tendered in the Exchange Offer as of the Original Early Expiration Date, Eligible Holders that tendered their Old Notes under Option A at or prior to the Early Participation Date would receive (assuming no additional participation) approximately 73% and 27% of the Early A Consideration in cash and New Notes, respectively. The Exchange Consideration will be determined following the expiration of the Exchange Offer.

AES Argentina also announces that the Withdrawal Date expired on July 26, 2023 at 5:00 p.m., New York City time. The Old Notes validly tendered in the Exchange Offer may no longer be withdrawn, and any Old Notes tendered on or after the date hereof and prior to the Expiration Date may not be withdrawn.

The other terms of the Exchange Offer remain unchanged (including the Withdrawal Date). The terms and conditions of the Exchange Offer are described in the Exchange Offer Memorandum and in AES Argentina’s Press Release dated July 13, 2023, as amended by this announcement. AES Argentina’s obligations to accept any Old Notes validly tendered and not validly withdrawn and to pay the Exchange Consideration for them are set forth in the Exchange Offer Memorandum, as amended by this announcement. The Exchange Offer is made by, and pursuant to the terms of, the Exchange Offer Memorandum, and the information in this announcement is qualified by reference to the Exchange Offer Memorandum.

Unless the Exchange Offer is extended, the settlement date for the Exchange Offer is expected to be August 16, 2023, in compliance with Argentine Central Bank’s requirements to access the foreign exchange market (the “Settlement Date”).

**Only holders who have electronically submitted a duly completed Eligibility Letter certifying that they are (1) “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), or (2) holders of Old Notes other than “U.S. persons” (as defined in Rule 902 under the**

**Securities Act) who are located outside of the United States, who are qualified offerees in other jurisdictions, are authorized to receive the Exchange Offer Memorandum and to participate in the Exchange Offer (such holders, “Eligible Holders”).**

Questions or requests for assistance related to the Exchange Offer or for additional copies of the Exchange Offer Documents may be directed to the Information and Exchange Agent at the following email address: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer. The Exchange Offer Documents are available for Eligible Holders at the following web address: <https://projects.morrowsodali.com/AES>.

Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Santander US Capital Markets LLC are acting as dealer managers (the “Dealer Managers”) for the Exchange Offer. Banco Santander Argentina S.A., Banco Itaú Argentina S.A., Itaú Valores S.A. and Industrial and Commercial Bank of China (Argentina) S.A.U. are acting as local placement agents.

Subject to applicable law, the Exchange Offer may be amended in any respect, extended or, upon failure of a condition to be satisfied or waived prior to the Expiration Date or Settlement Date, as the case may be, terminated, at any time and for any reason. We reserve the right to amend, at any time, the terms of the Exchange Offer (including, without limitation, the conditions thereto) in accordance with applicable law. We will give Eligible Holders notice of any amendments and will extend the Expiration Date if required by applicable law. We expect to issue our unaudited interim condensed consolidated financial statements as of June 30, 2023, on or about August 8, 2023, which we expect to incorporate into the Exchange Offer Memorandum by means of a supplement thereto.

Eligible Holders of Old Notes are advised to check with any bank, securities broker or other intermediary through which they hold Old Notes as to when such intermediary would need to receive instructions from an Eligible Holder in order for that Eligible Holder to be able to participate in, or withdraw their instruction to participate in, the Exchange Offer before the deadlines specified in the Exchange Offer Documents. The deadlines set by any such intermediary for the submission of instructions will be earlier than the relevant deadlines specified above.

To reimburse the time and cost of processing the tender of Old Notes in the Exchange Offer, AES Argentina will pay a processing fee to brokers in Argentina acting on behalf of certain Eligible Holders. In Argentina, the processing fee will be payable to direct participants in Caja de Valores S.A.’s (“Caja de Valores”) depository system acting on behalf of beneficial owners of Old Notes in Argentina who are individuals tendering, through Caja de Valores, Old Notes for exchange in the Exchange Offer with respect to individual tenders of up to U.S.\$250,000 aggregate principal amount of Old Notes per each Eligible Holder that are accepted for exchange and will be in an amount equal to 0.25% of the principal amount of such tendered Old Notes that are accepted for exchange. This processing fee will be payable in Argentine pesos at the Communication “A” 3500 exchange rate published by the BCRA on the Argentine business day prior to the Settlement Date. No such fee shall be payable to brokers outside of Argentina.

### **Important Notice**

This announcement is not an offer of securities for sale in the United States, and none of the New Notes has been or will be registered under the Securities Act or any state securities law. They may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. This press release does not constitute an offer of the New Notes for sale, or the solicitation of an offer to buy any securities, in any state or other jurisdiction in which any offer, solicitation or sale would be unlawful. Any person considering making an investment decision relating to any securities must inform itself independently based solely on an offering memorandum to be provided to eligible investors in the future in connection with any such securities before taking any such investment decision.

This announcement is directed only to holders of Old Notes who are (1) “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the Securities Act, or (2) other than “U.S. persons” (as defined in Rule 902 under the Securities Act) who are located outside of the United States, who are qualified offerees in other jurisdictions, are authorized to receive the Exchange Offer Memorandum and to participate in the Exchange Offer. No offer of any kind is being made to any beneficial owner of Eligible Bonds who does not meet the above criteria or any other beneficial owner located in a jurisdiction where the Exchange Offer Solicitation is not permitted by law.



The distribution of materials relating to the Exchange Offer may be restricted by law in certain jurisdictions. The Exchange Offer is void in all jurisdictions where it is prohibited. If materials relating to the Exchange Offer come into your possession, you are required by the Company to inform yourself of and to observe all of these restrictions. The materials relating to the Exchange Offer, including this communication, do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Exchange Offer be made by a licensed broker or dealer and a dealer manager or any affiliate of a dealer manager is a licensed broker or dealer in that jurisdiction, the Exchange Offer shall be deemed to be made by the dealer manager or such affiliate on behalf of the Company in that jurisdiction.

### **Forward-Looking Statements**

All statements in this press release, other than statements of historical fact, are forward-looking statements. These statements are based on expectations and assumptions on the date of this press release and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Risks and uncertainties include, but are not limited to, market conditions, and factors over which the Company has no control. The Company assumes no obligation to update these forward-looking statements, and does not intend to do so, unless otherwise required by law.

### **Notice to Investors in the European Economic Area and the United Kingdom**

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”); and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

*The Information and Exchange Agent for the Exchange Offer is:*

### **INFORMATION AND EXCHANGE AGENT**

**Morrow Sodali International LLC**  
Offer Website: <https://projects.morrowsodali.com/AES>  
E-mail: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com)

*In Stamford:*  
333 Ludlow Street, South Tower, 5th Floor  
Stamford, CT 06902  
United States  
Telephone: +1 203 609 4910

*In London:*  
103 Wigmore Street  
W1U 1QS, London  
United Kingdom  
Telephone: +44 20 4513 6933

Any question regarding the terms of the Exchange Offer should be directed to the Dealer Managers.

*The Dealer Managers for the Exchange Offer are:*

**Citigroup Global Markets Inc.**  
388 Greenwich Street, 4<sup>th</sup> Floor  
New York, New York 10013  
United States  
Attention: Liability Management  
Group  
Call Collect: (212) 723-6106  
US Toll-Free: (800) 558-3745

**HSBC Securities (USA) Inc.**  
452 Fifth Avenue,  
New York, New York 10018  
Attention: Global Liability  
Management Group  
U.S. Toll-Free: (888) HSBC-  
4LM  
Collect: (212) 525-5552

**J.P. Morgan Securities LLC**  
383 Madison Avenue  
New York, New York 10179  
Attn: Latin America Debt Capital  
Markets  
U.S. Toll-free: +1 (866) 846-2874  
Collect: +1 (212) 834-7279

**Santander US Capital  
Markets LLC**  
437 Madison Avenue  
New York, New York 10022  
United States  
Attention: Liability  
Management  
Collect: +1 (212) 940-1442  
Toll Free: +1 (855) 404-3636

The Exchange Offer Memorandum shall be available online at <https://projects.morrowsodali.com/AES> until the consummation or termination of the Exchange Offer.

**AES Argentina Generación S.A. Announces the Extension of the Expiration Date of its Exchange Offer.**

August 10, 2023 — Buenos Aires, Argentina

**AES Argentina Generación S.A.**

**Offer to Exchange Any and All of its Outstanding**

**7.750% Senior Notes due 2024**

**(CUSIP Nos.: 00107V AA1 and P1000C AA2; ISIN Nos. US00107VAA17 and USP1000CAA29)**

On July 13, 2023, AES Argentina Generación S.A. (“AES Argentina” or the “Company”) announced the commencement of its offer to exchange (the “Exchange Offer”) any and all of its outstanding 7.750% Senior Notes due 2024 (the “Old Notes”) for newly issued 9.50% Notes due 2027 (the “New Notes”) and cash consideration, as applicable, each upon the terms and subject to the conditions set forth in the exchange offer memorandum (the “Exchange Offer Memorandum”), dated July 13, 2023, as supplemented and amended by the press release issued by the Company on July 26, 2023 (the “Press Release”), extending the Early Participation Date and the supplement to the Exchange Offer Memorandum (the “Supplement”) dated August 8, 2023, and the related eligibility letter (the “Eligibility Letter” and, together with the Exchange Offer Memorandum, the Press Release and the Supplement, the “Exchange Offer Documents”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Exchange Offer Documents.

AES Argentina hereby announces that it is extending the period to be eligible to receive the Early Exchange Consideration in respect of the exchange offer and the Expiration Date from 5:00 p.m., New York City time on August 10, 2023 (the “Original Expiration Date”), to 5:00 p.m. New York City time on August 17, 2023 (such time and date, the “Expiration Date”).

Morrow Sodali International LLC, acting as information and exchange agent for the Exchange Offer (the “Information and Exchange Agent”), advised AES Argentina that as of the Original Expiration Date (i) U.S.\$36,534,000 in aggregate principal amount of Old Notes, representing approximately 13.31% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option A, and (ii) U.S.\$98,475,000 in aggregate principal amount of Old Notes, representing approximately 35.87% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option B, totaling a participation of U.S.\$135,009,000 in aggregate principal amount of Old Notes, representing approximately 49.18% of the aggregate principal amount of Old Notes outstanding.

Based on the aggregate principal amount of Old Notes tendered in the Exchange Offer as of the Original Expiration Date, Eligible Holders that tendered their Old Notes under Option A at or prior to the Original Expiration Date would receive (assuming no additional participation) an Early A Consideration of U.S.\$739.0869 in cash and U.S.\$266 of New Notes per U.S.\$1,000 of principal amount of Old Notes validly tendered and accepted for exchange, respectively. The Exchange Consideration will be determined following the expiration of the Exchange Offer (as extended by this announcement).

Eligible Holders who have not already done so may tender their Existing Notes for exchange until the Expiration Date (as extended by this announcement). The Withdrawal Date expired on July 26, 2023, and has not been extended. As a result, any Existing Notes validly tendered on or after the date hereof and prior to the Expiration Date may not be withdrawn. Eligible Holders who validly tender their Old Notes on or before the Expiration Date are eligible to receive the Early Exchange Consideration in connection with any such Old Notes accepted for exchange and there will be no Late Exchange Consideration.

Given that AES Argentina has extended the Expiration Date under the Exchange Offer, the settlement date for the Exchange Offer is now expected to be August 23, 2023, in compliance with Argentine Central Bank’s requirements to access the foreign exchange market (the “Settlement Date”), and the issue date, interest payment dates, record dates, principal payment dates, optional redemption and other related dates under the New Notes will be adjusted accordingly to reflect the new Settlement Date.

The other terms of the Exchange Offer remain unchanged (including the Withdrawal Date). The terms and conditions of the Exchange Offer are described in the Exchange Offer Memorandum, as supplemented and amended

by the Press Release and the Supplement, as amended by this announcement. AES Argentina's obligations to accept any Old Notes validly tendered and not validly withdrawn and to pay the Exchange Consideration for them and the conditions to such obligations (including but not limited to the Minimum Participation Condition) are set forth in the Exchange Offer Memorandum, as supplemented and amended by the Supplement and the Press Release, as amended by this announcement. The Exchange Offer is made by, and pursuant to the terms of, the Exchange Offer Memorandum, and the information in this announcement is qualified by reference to the Exchange Offer Memorandum.

**Only holders who have electronically submitted a duly completed Eligibility Letter certifying that they are (1) "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), or (2) holders of Old Notes other than "U.S. persons" (as defined in Rule 902 under the Securities Act) who are located outside of the United States, who are qualified offerees in other jurisdictions, are authorized to receive the Exchange Offer Memorandum and to participate in the Exchange Offer (such holders, "Eligible Holders").**

Questions or requests for assistance related to the Exchange Offer or for additional copies of the Exchange Offer Documents may be directed to the Information and Exchange Agent at the following email address: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer. The Exchange Offer Documents are available for Eligible Holders at the following web address: <https://projects.morrowsodali.com/AES>.

Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Santander US Capital Markets LLC are acting as dealer managers (the "Dealer Managers") for the Exchange Offer. Banco Santander Argentina S.A., Banco Itaú Argentina S.A., Itaú Valores S.A. and Industrial and Commercial Bank of China (Argentina) S.A.U. are acting as local placement agents.

Subject to applicable law, the Exchange Offer may be amended in any respect, extended or, upon failure of a condition to be satisfied or waived prior to the Expiration Date or Settlement Date, as the case may be, terminated, at any time and for any reason. Although AES Argentina has no present plans or arrangements to do so, the Company reserves the right to amend, at any time, the terms of the Exchange Offer (including, without limitation, the conditions thereto) in accordance with applicable law. AES Argentina will give Eligible Holders notice of any amendments and will extend the Expiration Date if required by applicable law.

Eligible Holders of Old Notes are advised to check with any bank, securities broker or other intermediary through which they hold Old Notes as to when such intermediary would need to receive instructions from an Eligible Holder in order for that Eligible Holder to be able to participate in, or withdraw their instruction to participate in, the Exchange Offer before the deadlines specified in the Exchange Offer Documents. The deadlines set by any such intermediary for the submission of instructions will be earlier than the relevant deadlines specified above.

To reimburse the time and cost of processing the tender of Old Notes in the Exchange Offer, AES Argentina will pay a processing fee to brokers in Argentina acting on behalf of certain Eligible Holders. In Argentina, the processing fee will be payable to direct participants in Caja de Valores S.A.'s ("Caja de Valores") depositary system acting on behalf of beneficial owners of Old Notes in Argentina who are individuals tendering, through Caja de Valores, Old Notes for exchange in the Exchange Offer with respect to individual tenders of up to U.S.\$250,000 aggregate principal amount of Old Notes per each Eligible Holder that are accepted for exchange and will be in an amount equal to 0.25% of the principal amount of such tendered Old Notes that are accepted for exchange. This processing fee will be payable in Argentine pesos at the Communication "A" 3500 exchange rate published by the BCRA on the Argentine business day prior to the Settlement Date. No such fee shall be payable to brokers outside of Argentina.

### **Important Notice**

This announcement is not an offer of securities for sale in the United States, and none of the New Notes has been or will be registered under the Securities Act or any state securities law. They may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. This press release does not constitute an offer of the New Notes for sale, or the solicitation of an offer to buy any securities, in any state or other jurisdiction

in which any offer, solicitation or sale would be unlawful. Any person considering making an investment decision relating to any securities must inform itself independently based solely on an offering memorandum to be provided to eligible investors in the future in connection with any such securities before taking any such investment decision.

This announcement is directed only to holders of Old Notes who are (1) “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the Securities Act, or (2) other than “U.S. persons” (as defined in Rule 902 under the Securities Act) who are located outside of the United States, who are qualified offerees in other jurisdictions, are authorized to receive the Exchange Offer Memorandum and to participate in the Exchange Offer. No offer of any kind is being made to any beneficial owner of Old Notes who does not meet the above criteria or any other beneficial owner located in a jurisdiction where the Exchange Offer is not permitted by law.

The distribution of materials relating to the Exchange Offer may be restricted by law in certain jurisdictions. The Exchange Offer is void in all jurisdictions where it is prohibited. If materials relating to the Exchange Offer come into your possession, you are required by the Company to inform yourself of and to observe all of these restrictions. The materials relating to the Exchange Offer, including this communication, do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Exchange Offer be made by a licensed broker or dealer and a dealer manager or any affiliate of a dealer manager is a licensed broker or dealer in that jurisdiction, the Exchange Offer shall be deemed to be made by the dealer manager or such affiliate on behalf of the Company in that jurisdiction.

### **Forward-Looking Statements**

All statements in this press release, other than statements of historical fact, are forward-looking statements. These statements are based on expectations and assumptions on the date of this press release and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Risks and uncertainties include, but are not limited to, market conditions, and factors over which the Company has no control. The Company assumes no obligation to update these forward-looking statements, and does not intend to do so, unless otherwise required by law.

### **Notice to Investors in the European Economic Area and the United Kingdom**

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”); and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore otherwise offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of

domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

*The Information and Exchange Agent for the Exchange Offer is:*

**INFORMATION AND EXCHANGE AGENT**

**Morrow Sodali International LLC**

Offer Website: <https://projects.morrowsodali.com/AES>

E-mail: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com)

*In Stamford:*

333 Ludlow Street, South Tower, 5th Floor  
Stamford, CT 06902  
United States  
Telephone: +1 203 609 4910

*In London:*

103 Wigmore Street  
W1U 1QS, London  
United Kingdom  
Telephone: +44 20 4513 6933

Any question regarding the terms of the Exchange Offer should be directed to the Dealer Managers.

*The Dealer Managers for the Exchange Offer are:*

**Citigroup Global Markets Inc.**

388 Greenwich Street, 4<sup>th</sup> Floor  
New York, New York 10013  
United States

Attention: Liability Management  
Group

Call Collect: (212) 723-6106  
US Toll-Free: (800) 558-3745

**HSBC Securities (USA) Inc.**

452 Fifth Avenue,  
New York, New York 10018  
Attention: Global Liability  
Management Group  
U.S. Toll-Free: (888) HSBC-  
4LM  
Collect: (212) 525-5552

**J.P. Morgan Securities LLC**

383 Madison Avenue  
New York, New York 10179  
Attn: Latin America Debt Capital  
Markets  
U.S. Toll-free: +1 (866) 846-2874  
Collect: +1 (212) 834-7279

**Santander US Capital  
Markets LLC**

437 Madison Avenue  
New York, New York 10022  
United States  
Attention: Liability  
Management  
Collect: +1 (212) 940-1442  
Toll Free: +1 (855) 404-3636

The Exchange Offer Memorandum shall be available online at <https://projects.morrowsodali.com/AES> until the consummation or termination of the Exchange Offer.

**AES Argentina Generación S.A. Announces the Extension of the Expiration Date of its Exchange Offer.**

August 17, 2023 — Buenos Aires, Argentina

**AES Argentina Generación S.A.**

**Offer to Exchange Any and All of its Outstanding**

**7.750% Senior Notes due 2024**

**(CUSIP Nos.: 00107V AA1 and P1000C AA2; ISIN Nos. US00107VAA17 and USP1000CAA29)**

On July 13, 2023, AES Argentina Generación S.A. (“AES Argentina” or the “Company”) announced the commencement of its offer to exchange (the “Exchange Offer”) any and all of its outstanding 7.750% Senior Notes due 2024 (the “Old Notes”) for newly issued 9.50% Notes due 2027 (the “New Notes”) and cash consideration, as applicable, each upon the terms and subject to the conditions set forth in the exchange offer memorandum (the “Exchange Offer Memorandum”), dated July 13, 2023, as supplemented and amended by the press release issued by the Company on July 26, 2023 (the “Early Participation Press Release”), extending the Early Participation Date, the supplement to the Exchange Offer Memorandum (the “Supplement”) dated August 8, 2023, and the press release issued by the Company on August 10, 2023 (the “Extension Press Release”), extending the expiration date of the Exchange Offer, and the related eligibility letter (the “Eligibility Letter” and, together with the Exchange Offer Memorandum, the Early Participation Press Release, the Supplement and the Extension Press Release, the “Exchange Offer Documents”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Exchange Offer Documents.

AES Argentina hereby announces that it is extending the period to be eligible to receive the Early Exchange Consideration in respect of the exchange offer and the Expiration Date from 5:00 p.m., New York City time on August 17, 2023 (the “Expiration Date”), to 5:00 p.m. New York City time on August 21, 2023 (such time and date, the “Extended Expiration Date”).

Morrow Sodali International LLC, acting as information and exchange agent for the Exchange Offer (the “Information and Exchange Agent”), advised AES Argentina that as of the Expiration Date (i) U.S.\$40,729,000 in aggregate principal amount of Old Notes, representing approximately 14.84% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option A, and (ii) U.S.\$99,125,000 in aggregate principal amount of Old Notes, representing approximately 36.11% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option B, totaling a participation of U.S.\$139,854,000 in aggregate principal amount of Old Notes, representing approximately 50.95% of the aggregate principal amount of Old Notes outstanding.

Based on the aggregate principal amount of Old Notes tendered in the Exchange Offer as of the Expiration Date, Eligible Holders that tendered their Old Notes under Option A at or prior to the Expiration Date would receive (assuming no additional participation) an Early A Consideration of approximately U.S.\$686.7539 in cash and U.S.\$319 in New Notes per U.S.\$1,000 of principal amount of Old Notes validly tendered and accepted for exchange. The Exchange Consideration will be determined following the expiration of the Exchange Offer (as extended by this announcement).

Eligible Holders who have not already done so may tender their Existing Notes for exchange until the Extended Expiration Date. The Withdrawal Date expired on July 26, 2023, and has not been extended. As a result, any Existing Notes validly tendered on or after the date hereof and prior to the Extended Expiration Date may not be withdrawn. Eligible Holders who validly tender their Old Notes on or before the Extended Expiration Date are eligible to receive the Early Exchange Consideration in connection with any such Old Notes accepted for exchange and there will be no Late Exchange Consideration.

Given that AES Argentina has extended the Expiration Date under the Exchange Offer, the settlement date for the Exchange Offer is now expected to be August 25, 2023, in compliance with Argentine Central Bank’s requirements to access the foreign exchange market (the “Settlement Date”), and the issue

date, interest payment dates, record dates, principal payment dates, optional redemption and other related dates under the New Notes will be adjusted accordingly to reflect the new Settlement Date.

The other terms of the Exchange Offer remain unchanged (including the Withdrawal Date). The terms and conditions of the Exchange Offer are described in the Exchange Offer Memorandum, as supplemented and amended by the Early Participation Press Release, the Supplement and the Extension Press Release, as amended by this announcement. AES Argentina's obligations to accept any Old Notes validly tendered and not validly withdrawn and to pay the Exchange Consideration for them and the conditions to such obligations (including but not limited to the Minimum Participation Condition) are set forth in the Exchange Offer Memorandum, as supplemented and amended by the Early Participation Press Release, the Supplement and the Extension Press Release, as amended by this announcement. The Exchange Offer is made by, and pursuant to the terms of, the Exchange Offer Memorandum, and the information in this announcement is qualified by reference to the Exchange Offer Memorandum.

**Only holders who have electronically submitted a duly completed Eligibility Letter certifying that they are (1) "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), or (2) holders of Old Notes other than "U.S. persons" (as defined in Rule 902 under the Securities Act) who are located outside of the United States, who are qualified offerees in other jurisdictions, are authorized to receive the Exchange Offer Memorandum and to participate in the Exchange Offer (such holders, "Eligible Holders").**

Questions or requests for assistance related to the Exchange Offer or for additional copies of the Exchange Offer Documents may be directed to the Information and Exchange Agent at the following email address: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer. The Exchange Offer Documents are available for Eligible Holders at the following web address: <https://projects.morrowsodali.com/AES>.

Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Santander US Capital Markets LLC are acting as dealer managers (the "Dealer Managers") for the Exchange Offer. Banco Santander Argentina S.A., Banco Itaú Argentina S.A., Itaú Valores S.A. and Industrial and Commercial Bank of China (Argentina) S.A.U. are acting as local placement agents.

Subject to applicable law, the Exchange Offer may be amended in any respect, extended or, upon failure of a condition to be satisfied or waived prior to the Extended Expiration Date or Settlement Date, as the case may be, terminated, at any time and for any reason. Although AES Argentina has no present plans or arrangements to do so, the Company reserves the right to amend, at any time, the terms of the Exchange Offer (including, without limitation, the conditions thereto) in accordance with applicable law. AES Argentina will give Eligible Holders notice of any amendments and will extend the Extended Expiration Date if required by applicable law.

Eligible Holders of Old Notes are advised to check with any bank, securities broker or other intermediary through which they hold Old Notes as to when such intermediary would need to receive instructions from an Eligible Holder in order for that Eligible Holder to be able to participate in, or withdraw their instruction to participate in, the Exchange Offer before the deadlines specified in the Exchange Offer Documents. The deadlines set by any such intermediary for the submission of instructions will be earlier than the relevant deadlines specified above.

To reimburse the time and cost of processing the tender of Old Notes in the Exchange Offer, AES Argentina will pay a processing fee to brokers in Argentina acting on behalf of certain Eligible Holders. In Argentina, the processing fee will be payable to direct participants in Caja de Valores S.A.'s ("Caja de Valores") depository system acting on behalf of beneficial owners of Old Notes in Argentina who are individuals tendering, through Caja de Valores, Old Notes for exchange in the Exchange Offer with respect to individual tenders of up to U.S.\$250,000 aggregate principal amount of Old Notes per each Eligible Holder that are accepted for exchange and will be in an amount equal to 0.25% of the principal amount of such tendered Old Notes that are accepted for exchange. This processing fee will be payable in Argentine pesos



at the Communication “A” 3500 exchange rate published by the BCRA on the Argentine business day prior to the Settlement Date. No such fee shall be payable to brokers outside of Argentina.

### **Important Notice**

This announcement is not an offer of securities for sale in the United States, and none of the New Notes has been or will be registered under the Securities Act or any state securities law. They may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. This press release does not constitute an offer of the New Notes for sale, or the solicitation of an offer to buy any securities, in any state or other jurisdiction in which any offer, solicitation or sale would be unlawful. Any person considering making an investment decision relating to any securities must inform itself independently based solely on an offering memorandum to be provided to eligible investors in the future in connection with any such securities before taking any such investment decision.

This announcement is directed only to holders of Old Notes who are (1) “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the Securities Act, or (2) other than “U.S. persons” (as defined in Rule 902 under the Securities Act) who are located outside of the United States, who are qualified offerees in other jurisdictions, are authorized to receive the Exchange Offer Memorandum and to participate in the Exchange Offer. No offer of any kind is being made to any beneficial owner of Old Notes who does not meet the above criteria or any other beneficial owner located in a jurisdiction where the Exchange Offer is not permitted by law.

The distribution of materials relating to the Exchange Offer may be restricted by law in certain jurisdictions. The Exchange Offer is void in all jurisdictions where it is prohibited. If materials relating to the Exchange Offer come into your possession, you are required by the Company to inform yourself of and to observe all of these restrictions. The materials relating to the Exchange Offer, including this communication, do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Exchange Offer be made by a licensed broker or dealer and a dealer manager or any affiliate of a dealer manager is a licensed broker or dealer in that jurisdiction, the Exchange Offer shall be deemed to be made by the dealer manager or such affiliate on behalf of the Company in that jurisdiction.

### **Forward-Looking Statements**

All statements in this press release, other than statements of historical fact, are forward-looking statements. These statements are based on expectations and assumptions on the date of this press release and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Risks and uncertainties include, but are not limited to, market conditions, and factors over which the Company has no control. The Company assumes no obligation to update these forward-looking statements, and does not intend to do so, unless otherwise required by law.

### **Notice to Investors in the European Economic Area and the United Kingdom**

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”); and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore otherwise offering or selling the New Notes or

otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

*The Information and Exchange Agent for the Exchange Offer is:*

#### **INFORMATION AND EXCHANGE AGENT**

##### **Morrow Sodali International LLC**

Offer Website: <https://projects.morrowsodali.com/AES>

E-mail: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com)

##### *In Stamford:*

333 Ludlow Street, South Tower, 5th Floor  
Stamford, CT 06902  
United States  
Telephone: +1 203 609 4910

##### *In London:*

103 Wigmore Street  
W1U 1QS, London  
United Kingdom  
Telephone: +44 20 4513 6933

Any question regarding the terms of the Exchange Offer should be directed to the Dealer Managers.

*The Dealer Managers for the Exchange Offer are:*

##### **Citigroup Global Markets Inc.**

388 Greenwich Street, 4<sup>th</sup> Floor  
New York, New York 10013  
United States  
Attention: Liability Management  
Group  
Call Collect: (212) 723-6106  
US Toll-Free: (800) 558-3745

##### **HSBC Securities (USA) Inc.**

452 Fifth Avenue,  
New York, New York 10018  
Attention: Global Liability  
Management Group  
U.S. Toll-Free: (888) HSBC-  
4LM  
Collect: (212) 525-5552

##### **J.P. Morgan Securities LLC**

383 Madison Avenue  
New York, New York 10179  
Attn: Latin America Debt Capital  
Markets  
U.S. Toll-free: +1 (866) 846-2874  
Collect: +1 (212) 834-7279

##### **Santander US Capital Markets LLC**

437 Madison Avenue  
New York, New York 100  
United States  
Attention: Liability  
Management  
Collect: +1 (212) 940-144  
Toll Free: +1 (855) 404-363

The Exchange Offer Memorandum shall be available online at <https://projects.morrowsodali.com/AES> until the consummation or termination of the Exchange Offer.

**AES Argentina Generación S.A. Announces the Extension of the Expiration Date of its Exchange Offer.**

August 21, 2023 — Buenos Aires, Argentina

**AES Argentina Generación S.A.**

**Offer to Exchange Any and All of its Outstanding**

**7.750% Senior Notes due 2024**

**(CUSIP Nos.: 00107V AA1 and P1000C AA2; ISIN Nos. US00107VAA17 and USP1000CAA29)**

On July 13, 2023, AES Argentina Generación S.A. (“AES Argentina” or the “Company”) announced the commencement of its offer to exchange (the “Exchange Offer”) any and all of its outstanding 7.750% Senior Notes due 2024 (the “Old Notes”) for newly issued 9.50% Notes due 2027 (the “New Notes”) and cash consideration, as applicable, each upon the terms and subject to the conditions set forth in the exchange offer memorandum (the “Exchange Offer Memorandum”), dated July 13, 2023, as supplemented and amended by the press release issued by the Company on July 26, 2023 (the “Early Participation Press Release”), extending the Early Participation Date, the supplement to the Exchange Offer Memorandum (the “Supplement”) dated August 8, 2023, and the press releases issued by the Company on August 10, 2023 and August 17, 2023 (the “Extension Press Releases”), extending the expiration date of the Exchange Offer, and the related eligibility letter (the “Eligibility Letter” and, together with the Exchange Offer Memorandum, the Early Participation Press Release, the Supplement and the Extension Press Releases, the “Exchange Offer Documents”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Exchange Offer Documents.

AES Argentina hereby announces that it is extending the period to be eligible to receive the Early Exchange Consideration in respect of the exchange offer and the Expiration Date from 5:00 p.m., New York City time on August 21, 2023 (the “Expiration Date”), to 5:00 p.m. New York City time on August 24, 2023 (such time and date, the “Extended Expiration Date”).

Morrow Sodali International LLC, acting as information and exchange agent for the Exchange Offer (the “Information and Exchange Agent”), advised AES Argentina that as of the Expiration Date (i) U.S.\$42,229,000 in aggregate principal amount of Old Notes, representing approximately 15.38% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option A, and (ii) U.S.\$99,125,000 in aggregate principal amount of Old Notes, representing approximately 36.11% of the aggregate principal amount of Old Notes outstanding, have been tendered (and not validly withdrawn) in the Exchange Offer under Option B, totaling a participation of U.S.\$141,354,000 in aggregate principal amount of Old Notes, representing approximately 51.50% of the aggregate principal amount of Old Notes outstanding.

Based on the aggregate principal amount of Old Notes tendered in the Exchange Offer as of the Expiration Date, Eligible Holders that tendered their Old Notes under Option A at or prior to the Expiration Date would receive (assuming no additional participation) an Early A Consideration of approximately U.S.\$669.4641 in cash and U.S.\$337 in New Notes per U.S.\$1,000 of principal amount of Old Notes validly tendered and accepted for exchange. The Exchange Consideration will be determined following the expiration of the Exchange Offer (as extended by this announcement).

Eligible Holders who have not already done so may tender their Existing Notes for exchange until the Extended Expiration Date. The Withdrawal Date expired on July 26, 2023, and has not been extended. As a result, any Existing Notes validly tendered on or after the date hereof and prior to the Extended Expiration Date may not be withdrawn. Eligible Holders who validly tender their Old Notes on or before the Extended Expiration Date are eligible to receive the Early Exchange Consideration in connection with any such Old Notes accepted for exchange and there will be no Late Exchange Consideration.

Given that AES Argentina has extended the Expiration Date under the Exchange Offer, the settlement date for the Exchange Offer is now expected to be August 30, 2023, in compliance with Argentine Central Bank’s requirements to access the foreign exchange market (the “Settlement Date”), and the issue

date, interest payment dates, record dates, principal payment dates, optional redemption and other related dates under the New Notes will be adjusted accordingly to reflect the new Settlement Date.

The other terms of the Exchange Offer remain unchanged (including the Withdrawal Date). The terms and conditions of the Exchange Offer are described in the Exchange Offer Memorandum, as supplemented and amended by the Early Participation Press Release, the Supplement and the Extension Press Releases, as amended by this announcement. AES Argentina's obligations to accept any Old Notes validly tendered and not validly withdrawn and to pay the Exchange Consideration for them and the conditions to such obligations (including but not limited to the Minimum Participation Condition) are set forth in the Exchange Offer Memorandum, as supplemented and amended by the Early Participation Press Release, the Supplement and the Extension Press Releases, as amended by this announcement. The Exchange Offer is made by, and pursuant to the terms of, the Exchange Offer Memorandum, and the information in this announcement is qualified by reference to the Exchange Offer Memorandum.

**Only holders who have electronically submitted a duly completed Eligibility Letter certifying that they are (1) "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), or (2) holders of Old Notes other than "U.S. persons" (as defined in Rule 902 under the Securities Act) who are located outside of the United States, who are qualified offerees in other jurisdictions, are authorized to receive the Exchange Offer Memorandum and to participate in the Exchange Offer (such holders, "Eligible Holders").**

Questions or requests for assistance related to the Exchange Offer or for additional copies of the Exchange Offer Documents may be directed to the Information and Exchange Agent at the following email address: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer. The Exchange Offer Documents are available for Eligible Holders at the following web address: <https://projects.morrowsodali.com/AES>.

Citigroup Global Markets Inc., HSBC Securities (USA) Inc., J.P. Morgan Securities LLC and Santander US Capital Markets LLC are acting as dealer managers (the "Dealer Managers") for the Exchange Offer. Banco Santander Argentina S.A., Banco Itaú Argentina S.A., Itaú Valores S.A. and Industrial and Commercial Bank of China (Argentina) S.A.U. are acting as local placement agents.

Subject to applicable law, the Exchange Offer may be amended in any respect, extended or, upon failure of a condition to be satisfied or waived prior to the Extended Expiration Date or Settlement Date, as the case may be, terminated, at any time and for any reason. Although AES Argentina has no present plans or arrangements to do so, the Company reserves the right to amend, at any time, the terms of the Exchange Offer (including, without limitation, the conditions thereto) in accordance with applicable law. AES Argentina will give Eligible Holders notice of any amendments and will extend the Extended Expiration Date if required by applicable law.

Eligible Holders of Old Notes are advised to check with any bank, securities broker or other intermediary through which they hold Old Notes as to when such intermediary would need to receive instructions from an Eligible Holder in order for that Eligible Holder to be able to participate in, or withdraw their instruction to participate in, the Exchange Offer before the deadlines specified in the Exchange Offer Documents. The deadlines set by any such intermediary for the submission of instructions will be earlier than the relevant deadlines specified above.

To reimburse the time and cost of processing the tender of Old Notes in the Exchange Offer, AES Argentina will pay a processing fee to brokers in Argentina acting on behalf of certain Eligible Holders. In Argentina, the processing fee will be payable to direct participants in Caja de Valores S.A.'s ("Caja de Valores") depositary system acting on behalf of beneficial owners of Old Notes in Argentina who are individuals tendering, through Caja de Valores, Old Notes for exchange in the Exchange Offer with respect to individual tenders of up to U.S.\$250,000 aggregate principal amount of Old Notes per each Eligible Holder that are accepted for exchange and will be in an amount equal to 0.25% of the principal amount of such tendered Old Notes that are accepted for exchange. This processing fee will be payable in Argentine pesos

at the Communication “A” 3500 exchange rate published by the BCRA on the Argentine business day prior to the Settlement Date. No such fee shall be payable to brokers outside of Argentina.

### **Important Notice**

This announcement is not an offer of securities for sale in the United States, and none of the New Notes has been or will be registered under the Securities Act or any state securities law. They may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. This press release does not constitute an offer of the New Notes for sale, or the solicitation of an offer to buy any securities, in any state or other jurisdiction in which any offer, solicitation or sale would be unlawful. Any person considering making an investment decision relating to any securities must inform itself independently based solely on an offering memorandum to be provided to eligible investors in the future in connection with any such securities before taking any such investment decision.

This announcement is directed only to holders of Old Notes who are (1) “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the Securities Act, or (2) other than “U.S. persons” (as defined in Rule 902 under the Securities Act) who are located outside of the United States, who are qualified offerees in other jurisdictions, are authorized to receive the Exchange Offer Memorandum and to participate in the Exchange Offer. No offer of any kind is being made to any beneficial owner of Old Notes who does not meet the above criteria or any other beneficial owner located in a jurisdiction where the Exchange Offer is not permitted by law.

The distribution of materials relating to the Exchange Offer may be restricted by law in certain jurisdictions. The Exchange Offer is void in all jurisdictions where it is prohibited. If materials relating to the Exchange Offer come into your possession, you are required by the Company to inform yourself of and to observe all of these restrictions. The materials relating to the Exchange Offer, including this communication, do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Exchange Offer be made by a licensed broker or dealer and a dealer manager or any affiliate of a dealer manager is a licensed broker or dealer in that jurisdiction, the Exchange Offer shall be deemed to be made by the dealer manager or such affiliate on behalf of the Company in that jurisdiction.

### **Forward-Looking Statements**

All statements in this press release, other than statements of historical fact, are forward-looking statements. These statements are based on expectations and assumptions on the date of this press release and are subject to numerous risks and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. Risks and uncertainties include, but are not limited to, market conditions, and factors over which the Company has no control. The Company assumes no obligation to update these forward-looking statements, and does not intend to do so, unless otherwise required by law.

### **Notice to Investors in the European Economic Area and the United Kingdom**

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”); and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore otherwise offering or selling the New Notes or

otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes: (a) the expression retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

*The Information and Exchange Agent for the Exchange Offer is:*

**INFORMATION AND EXCHANGE AGENT**

**Morrow Sodali International LLC**

Offer Website: <https://projects.morrowsodali.com/AES>

E-mail: [AES@investor.morrowsodali.com](mailto:AES@investor.morrowsodali.com)

*In Stamford:*

333 Ludlow Street, South Tower, 5th Floor  
Stamford, CT 06902  
United States  
Telephone: +1 203 609 4910

*In London:*

103 Wigmore Street  
W1U 1QS, London  
United Kingdom  
Telephone: +44 20 4513 6933

Any question regarding the terms of the Exchange Offer should be directed to the Dealer Managers.

*The Dealer Managers for the Exchange Offer are:*

**Citigroup Global Markets Inc.**

388 Greenwich Street, 4<sup>th</sup> Floor  
New York, New York 10013  
United States  
Attention: Liability Management  
Group  
Call Collect: (212) 723-6106  
US Toll-Free: (800) 558-3745

**HSBC Securities (USA) Inc.**

452 Fifth Avenue,  
New York, New York 10018  
Attention: Global Liability  
Management Group  
U.S. Toll-Free: (888) HSBC-  
4LM  
Collect: (212) 525-5552

**J.P. Morgan Securities LLC**

383 Madison Avenue  
New York, New York 10179  
Attn: Latin America Debt Capital  
Markets  
U.S. Toll-free: +1 (866) 846-2874  
Collect: +1 (212) 834-7279

**Santander US Capital  
Markets LLC**

437 Madison Avenue  
New York, New York 100  
United States  
Attention: Liability  
Management  
Collect: +1 (212) 940-144  
Toll Free: +1 (855) 404-363

The Exchange Offer Memorandum shall be available online at <https://projects.morrowsodali.com/AES> until the consummation or termination of the Exchange Offer.