CONSOLIDATED FINANCIAL STATEMENTS
AES Argentina Generación S.A. and Subsidiaries
For the year ended
December 31, 2022

AES ARGENTINA GENERACIÓN S.A.

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REGULAR STATUTORY AUDITORS:	Andrés Leonardo Vittone Patricio Richards Manuel Goyenechea y Zarza
ALTERNATE STATUTORY AUDITORS:	Pablo Javier Viboud Camila Evangelista (untill 29/04/2022) Juan Manuel Carassale (from 29/04/2022) Facundo Gladstein

Annual Report 2022

To the Shareholders of AES Argentina Generación S.A. ("AES Argentina", the "Issuer" or the "Company"):

According to the legal and regulatory provisions, we submit to your consideration the Annual Report and Financial Statements for the 30th fiscal year ended December 31, 2022.

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Andrés Leonardo Vittone
Lawyer C.P.A.C.F. Vol. 67- Fo. 212
Regular Statutory Auditor
On behalf of the Supervisory Committee

The Company

AES Argentina is one of the leading power generation companies in the private sector of Argentina, with an installed generation capacity of 2,985 MW as of December 31, 2022, distributed among nine generation plants, and accounting for a 6.9% share in the Argentine Electricity Market.

Its parent company is "The AES Corporation", a Fortune 500 global power company holding a diversified portfolio in 14 countries and four continents, and an installed capacity of more than 32 GW.

AES Argentina and its subsidiaries have a well-diversified portfolio of competitive assets made up of four hydroelectric power plants with an installed capacity of 1,207 MW (41% of its portfolio), three thermal power plants with an installed capacity of 1,578 MW (53%), and two wind plants of 200 MW (6%).

In addition, the Company is geographically and technologically diversified, with plants strategically located in places with access to fuel supplies and various points of interconnection with the distribution network. The Company is the sole SADI (Interconnection Argentine System) generator with capacity to operate with a variety of fuels such as diesel, fuel oil, biodiesel, natural gas, and coal.

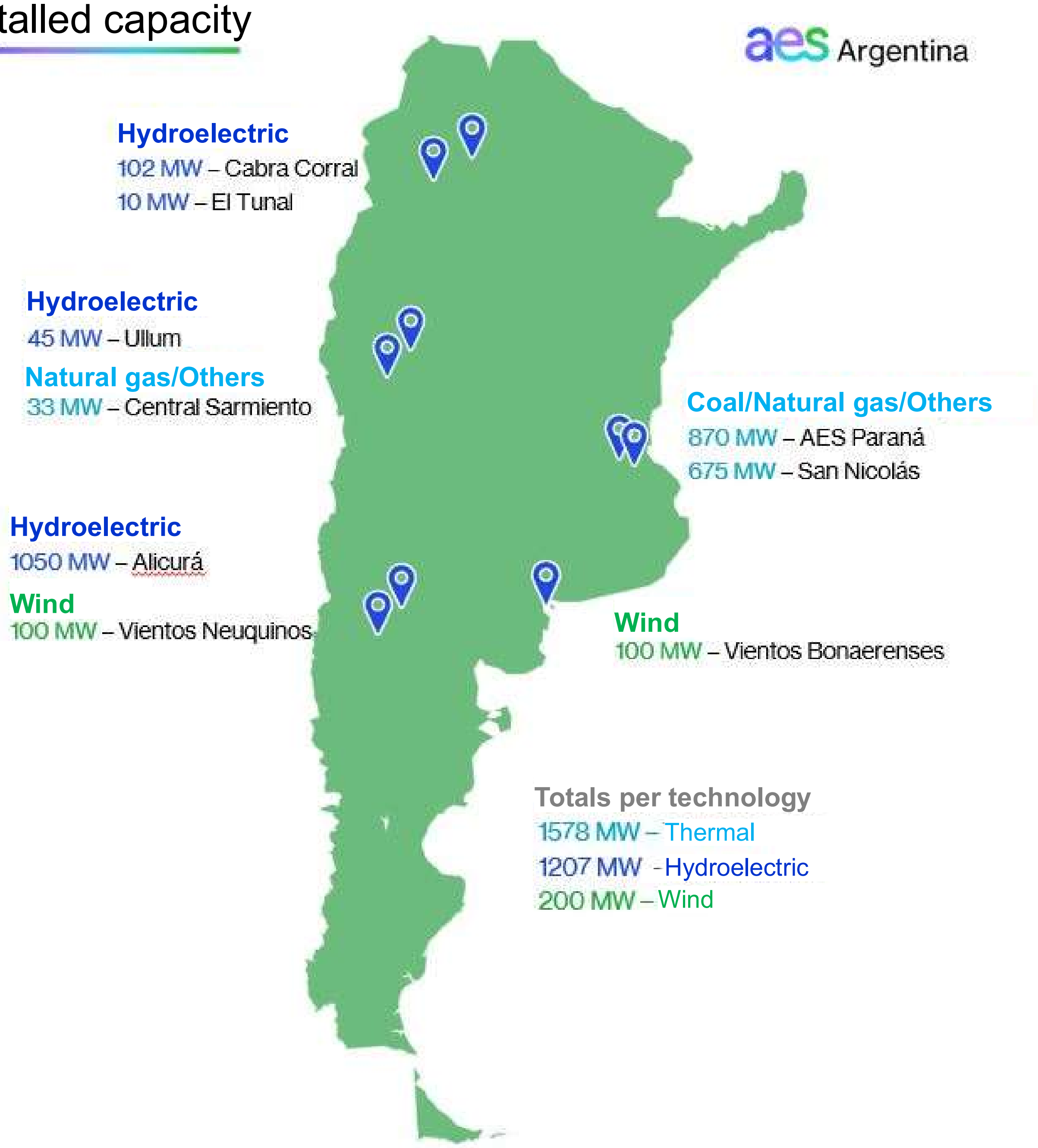
The following table provides a brief description of the plants operated and owned by AES Argentina and its subsidiaries (or whose concession was granted to them):

Plants in operation	Location	Installed Capacity	Technology
Cabra Corral	Coronel Moldes, Province of Salta	102	Hydroelectric
El Tunal	El Tunal, Province of Salta	10	Hydroelectric
Alicurá	Comahue, Province of Neuquén	1,050	Hydroelectric
Ullum	Ullum, Province of San Juan	45	Hydroelectric
San Nicolás Thermal Power Plant (CTSN)	San Nicolás, Province of Buenos Aires	675	Thermal
AES Paraná	San Nicolás, Province of Buenos Aires	870	Thermal
Sarmiento Power Plant	San Juan, Province of San Juan	33	Thermal
Vientos Bonaerenses	Tornquist, Province of Buenos Aires	100	Wind
Vientos Neuquinos	Picún Leufú, Province of Neuquén	100	Wind
Total		**2,985**	

It should be mentioned that, in addition, the 20 kv output pipeline of San Nicolás Thermal Power Plant Unit 5 has a 16 MW Battery Energy Storage System (BESS) that provides primary frequency regulation even when the generating unit is out of service.

On May 26, 2022, AAG exercised the call option for the entire shareholding of Sierras del Buendía S.A. (SBD). This Company has all the permits related to the development of the 140 MW "Macondo" wind farm (such as environmental impact study and declaration, land use rights, easement agreements, etc.). It is also registered in the Renewable Energy Projects Registry in order to be able to participate in future bids.

Installed capacity



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In addition to the hydroelectric, thermoelectric and wind power generation assets, the Company owns two fuel supply assets: (i) the CTSN port of discharge for coal supply, and (ii) AES Paraná port of discharge for liquid fuel supply. Each port can serve one vessel at a time. The ports are located one next to the other in the municipality of San Nicolás, Province of Buenos Aires, and they are strategically located to be used to serve various customers.

Moreover, the Company makes contributions to the Fund for Investments Required to Increase the Electric Power Supply in the Wholesale Electricity Market (Fondo para Inversiones Necesarias que Permitan Incrementar la Oferta de Energía Eléctrica en el Mercado Eléctrico Mayorista, FONINVEMEM) administered by CAMMESA in accordance with instructions of the Secretary of Energy. Insufficient financing of the Wholesale Electricity Market (MEM) for more than a decade generated significant debt with power-generating companies for the sale of electricity from 2004 to and including January 2013. In response, the National Government created the FONINVEMEM with the aim of (i) financing the construction of new generating plants, and (ii) undertaking to cancel the receivables owed to power generators. The collection of Sales Settlements with Due Date to be Determined (LVFVD) was established in 120 equal and consecutive installments, adjustable at their values in US dollars, starting from the time the commercial operation is achieved for each of the plants built under the scope of FONINVEMEM.

The first FONINVEMEM funds (FONINVEMEM I and FONINVEMEM II) were used for the construction and commercial operation of the José de San Martín Thermoelectric Power Plants (TJSM) and Manuel Belgrano Thermoelectric Plant (TMB). The Company received payment of the 120 installments as of December 31, 2022.

According to the Agreements entered into by generators with the Secretary of Energy and CAMMESA, once the 120 installments 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. This transfer of assets is pending as of the date of issuance of the Financial Statements, December 31, 2022.

In 2021, at both Shareholders' Meetings of the Managing Companies it was resolved to make capital increases in TMB and TJSM in the proportion required at each Company so that the National State may subscribe shares and become the owner of 65.006% and 68.826% of the shares of TMB and TJSM, respectively. 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"), reducing AAG's shareholding interest to 7.2% and 6.4%, respectively.

The third FONINVEMEM fund (FONINVEMEN III) was used for the construction and commercial operation since April 2016 of Guillermo Brown Thermal Power Plant (CTGB), for which the Company collected 79 of the 120 installments as of December 31, 2022.

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 CTGB Generating Company according to the guidelines established in the Generators Agreement, as amended, as a condition to proceed with the transfer of the assets of Guillermo Brown Trust to the Managing Company. According to the provisions of Addendum 2 to the Generators Agreement entered into on July 20, 2012, once the proportion of the capital stock allocated to the Argentine Government has been calculated, the percentage share of AES Argentina in the generating Company shall not be greater than 30%.

The Company expects to obtain approximately the following interests in the operating companies of the FONINVEMEM thermal power plants listed below:

Plant	Location	Installed Capacity (MW)	Technology	Equity interest estimated %
San Martín (TJSM)	Timbúes, Province of Santa Fe	865	Thermoelectric	6%
Manuel Belgrano (TMB)	Campana, Province of Buenos Aires	868	Thermoelectric	7%
Guillermo Brown	Bahía Blanca, Province of Buenos Aires	576	Thermoelectric	30%

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Lawyer C.P.A.C.F. Vol. 67- Fo. 212

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Relevant facts of the year 2022

Below there is a description of the relevant facts and/or transactions that have had a significant impact on the operations and the economic-financial situation of the Company and subsidiaries in this fiscal year:

1. Repurchase of the Company's own financial instruments

During the year ended December 31, 2022, the Company continued with the policy initiated in 2021 by acquiring its own notes at market values for a nominal value of USD 3 million, the net debt being USD 274.5 million as of the end of the year.

2. Acquisition of shareholding interest in other companies

On May 26, 2022, the Company exercised the call option for the entire shareholding of Sierras del Buendía S.A, which has all the permits related to the development of the 140 MW "Macondo" wind farm (such as environmental impact study and declaration, land use rights, easement agreements, etc.). Moreover, the Company is registered in the Renewable Energy Projects Registry in order to be able to participate in future bids.

In addition, on October 11, 2022, the Company acquired 10% of the shares of Green Valley Solar S.A. (GVS), a company engaged in the development and marketing of energy generation and storage systems for agricultural irrigation through solar panels, by paying USD 650,000, an amount that includes both the purchase of the shares and the subscription of the capital increase.

Macroeconomic Context

According to the latest quarterly report on “World Economic Outlook”, the International Monetary Fund (IMF) expects the global growth to fall from 3.4% in 2022 to 2.9% in 2023. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO), but below the historical (2000-19) average of 3.8%. The rise in central bank interest rates to fight inflation and Russia's war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China had a dampening effect on growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, still above pre-pandemic (2017–19) levels of about 3.5%.

The IMF lowered its projection for the regional Gross Domestic Product (GDP) to 1.8% in 2023, 0.2 percentage points less than expected in October according to its World Economic Outlook (WEO). The expansion of regional GDP in 2023 will be one percentage points lower than that of global GDP, revised downward to 2.9%. With regard to Argentina, the third largest economy in Latin America, the IMF expects a 2% growth in 2023.

For Argentina, in December 2022, according to the National Institute of Statistics and Censuses (INDEC), the Manufacturing Industrial Production Index (IPI) shows a fall of 2.7% as compared to the same month of 2021. The cumulative January-December 2022 shows an increase of 4.3% as compared to the same period of 2021.

During 2022, as far as inflation is concerned, the INDEC published that accumulated inflation amounted to 98.49% in 2022, as compared with 50.9% in 2021. Similarly, the devaluation of the US dollar exchange rate recorded a change of 70% per year and closed in $177.16, as compared to $102.72 at the end of 2021. In addition, the Central Bank of the Argentine Republic (BCRA) maintained the provision stating that those who have principal maturities scheduled between October 15, 2020, and March 31, 2021 (successively extended until December 31, 2023) for financial indebtedness abroad of the private non-financial sector, or debt securities publicly registered in the country, such as Notes denominated in foreign currency, must submit a detail of the Refinancing Plan to the BCRA.

The Argentine Electricity Market

3. Demand

The domestic energy demand of the SADI during 2022 experienced a 3.6% increase as compared with the previous year, reaching 138,755 GWh net, due to an increase in residential demand (3.8%), and large commercial and industrial customers (7.1%). Energy exports during 2022 diminished 99% to 31 GWh. These exports were made to the Federative Republic of Brazil.

In 2021, there has been an increase of 5.2% to reach 133,877 GWh net, due to an increase in residential demand (1.3%) and large commercial and industrial customers (17.6%).

4. Generation and Imports

During 2022, there was a 2% decrease in the energy generated in respect of 2021, with a volume of 138.742 GWh and 141,793 GWh for 2022 and 2021, respectively.

The thermal generation system contributed 57%, while hydroelectric power generation accounted for 21%, nuclear generation covered 5%, other sources such as renewable energy represented 13% and the remaining 4% was supplied through electric power imports.

In 2022, the Company generated 6,815 GWh (net) of electric power, accounting for approximately 5% of the power generated in the SADI; while in 2021 the Company generated 8,180 GWh (net) of electric power, accounting for approximately 5.78% of the electric power generated by SADI generators.

5. Installed Capacity

The installed capacity in the SADI toward the end of 2022 amounts to approximately 43 GW, the same as in 2021.

Taking into account the Installed Capacity in the SADI as of December 31, 2022, AES Argentina, with an installed capacity of 2,985 MW (gross), holds a 6.9% share with respect to the total installed capacity of the SADI.

6. Power Prices

On April 18, 2022, the Secretary of Energy amended, by means of Resolution 238/2022, the pricing structure for power marketed under the “Base Energy” regulatory framework established by Resolution 440/2021, effective as from the business transactions held in February and June 2022, with average increases of 30% and 10%, respectively. In addition, the application of the Usage Factor, which could reduce the payment of capacity based on the generation of the last 12 months, was eliminated.

On February 12, 2022, the Secretary of Energy amended, by means of Resolution 826/2022, the pricing structure for power marketed in the “Base Energy” regulatory framework established by Resolution 238/2022, effective as from the business transactions for September 2022. It also set new remuneration values from the corresponding economic transactions from November 2022 and December 2022 and adjusted the remuneration values 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 fiscal years ended December 31, 2022 and 2021, as expressed in historical currency, are summarized below:

7. 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	in ARS/MWh
	Res. 826/2022				**Res. 238/2022**	**Res. 238/2022**	**Res. 440/2021**
	effective since August 2023	effective from February 2023 to July 2023	effective from December 2022 to January 2023	effective since February 2022	effective from June 2022 to October 2022	effective from February 2022 to May 2022	effective from February 2021 to January 2022
Generated Energy							
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	6,545	5,113	4,090	3,719	3,099	2,817	2,167
Operated Energy							
Thermal Power Plants	326	255	204	185	154	140	108
Hydraulic Power Plants	326	255	204	185	154	140	108

8. Power Remuneration for Thermal Plants:

Base Price per Technology and Scale	in ARS/MWh	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**	**Res. 440/2021**
	effective since August 2023	effective from February 2023 to July 2023	effective from December 2022 to January 2023	effective since February 2022	effective since June 2022	effective from February 2022 to May 2022	effective from February 2021 to January 2022
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

Price of Offered Guaranteed Power	in ARS/MWh	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**	**Res. 440/2021**
	effective since August 2023	effective from February 2023 to July 2023	effective from December 2022 to January 2023	effective since February 2022	effective since June 2022	effective from February 2022 to May 2022	effective from February 2021 to January 2022
Summer: December - January - February	1,402,562	1,095,752	876,601	796,910	664,092	603,720	464,400
Winter: June - July - August	1,402,562	1,095,752	876,601	796,910	664,092	603,720	464,400
Rest of the months of the	1,051,922	821,814	657,451	597,683	498,069	452,790	348,300

9. Power Remuneration for Hydraulic Power Plants:

Remuneration for Power	in ARS/MWh	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**	**Res. 440/2021**
	effective since August 2023	effective from February 2023 to July 2023	effective from December 2022 to January 2023	effective since February 2022	effective since June 2022	effective from February 2022 to May 2022	effective from February 2021 to January 2022
Large P > 300 MW	385,705	301,332	241,065	219,150	182,625	166,023	127,710
Median P > 120 and ≤ 300 MW	514,273	401,776	321,421	292,200	243,500	221,364	170,280
Small P > 50 and ≤ 120 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

This type of remuneration continues to violate the principle established in Law 24,065, which establishes a uniform fee for all agents at each place of delivery.

Resolution 59/2023

On February 7, 2023 the Secretary of Energy published Resolution 59/2023 which dollarized 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. It includes a voluntary adhesion plan where companies have up to 90 days to sign the contract with the market administrator, CAMMESA, and a commitment to 85% availability of the unit is required. The updated power prices are USD 2000 + 65% of the R826 Power Price in winter and summer, and USD 2000 + 85% of the R826 Power Price in spring and fall. The price of energy generated with gas increases to USD 3.5/MWh and with diesel oil to USD 6.1/MWh.

1. Fuels

In 2022, SADI's natural gas consumption for power generation decreased compared to the previous year, reaching an average of 38,900 cubic decameters/day compared to 44,795 cubic decameters/day in the previous year.

On the other hand, fuel oil and gas oil consumption increased with respect to 2021, in 48.7% and 20.2%, which amounted to 1,112 thousand tons and 2,435 thousand cubic meters, respectively.

The Company supplies itself with the mineral coal used by San Nicolás Thermal Power Plant (CTSN). The consumption of this fuel was reduced 2.6% this year, mainly due to the lower dispatch of CTSN Units 1, 2 and 5.

Management of the Company

2. Production of Energy and Operations

San Nicolás Thermal Power Plant

The San Nicolás Thermal Power Plant, located in the province of Buenos Aires, with an installed capacity of 675 MW, is the only thermoelectric plant in Argentina that can produce energy based on coal, fuel oil and/or natural gas. It was acquired by the Company in May 1993. The plant is made up of six units in total, four 75 MW steam turbines, another 350 MW steam turbine and a 25 MW open cycle gas turbine. In addition, the 20 kv output pipeline of Unit 5 has a 16 MW Battery Energy Storage System (BESS) that provides primary frequency regulation even when the generating unit is out of service.

The following table shows certain data related to CTSN for the years mentioned below:

	2022	2021	2020	2019	2018
Total Sales (GWh)	1,626	1,823	1,047	468	1,565
Days out of Service for Maintenance	20	18	7	8	7
Equivalent Availability Factor (EAF)	93.0%	93.7%	96.2%	96.3%	97.5%

The decrease in the production of San Nicolás Thermal Power Plant, as compared with the previous year, is mainly due to a lower dispatch of Units 1, 2 and 5 during the second half of 2022.

AES Paraná

AES Paraná is a combined cycle thermoelectric plant that can produce energy from natural gas, diesel (gasoil) and/or biodiesel, located in the province of Buenos Aires, on the same premises as CTSN, with an installed capacity of 845 MW, and two gas turbines and one steam turbine. The construction began early in 1999, and the plant obtained commercial operation in February 2001. With a 53% average efficiency, it is one of the most reliable power plants in the Argentine Electricity Market. Additionally, the plant has a 25 MW gas turbine.

The following table shows certain data related to the AES Paraná power plant for the years mentioned below:

	2022	2021	2020	2019	2018
Total Sales (GWh)	2,408	4,138	4,222	3,868	5,181
Days out of Service for Maintenance	37	12	2	14	18
Equivalent Availability Factor (EAF)	88.79%	93.79%	99.33%	96.00%	94.60%

The decrease in production at the AES Paraná Power Plant, as compared to the previous year, is mainly due to a lower dispatch during the second half of the year and major maintenance scheduled on gas turbine 1.

Alicurá Hydroelectric Power Plant

Alicurá is a dam hydroelectric power plant with a total installed capacity of 1,050 MW, located in the province of Neuquén on Limay River. The Company acquired the plant in August 2000 when it purchased the concession rights to be due in August 2023 from Southern Energy Inc. The Argentine government started the construction of Alicurá dam in 1979, and its commercial operation begun six years later, in 1985. The main duties of Alicurá dam are to regulate the volume of water in Limay River and to generate electricity. Alicurá has a dam with a capacity of 3,215 cubic hectometers (Hm3) sourced from the tributaries of Limay river with a historical mean value of 268 cubic meters per second (m3/sec). The generation plant has four 262.5MW Francis turbines manufactured by Allis Chalmers-Toshiba and four 280 MVA electric generators manufactured by Toshiba.

The following table shows certain data related to Alicurá plant for the periods stated below:

	2022	2021	2020	2019	2018
Total Sales (GWh)	1,553	1,147	1,671	1,689	1,992
Days out of Service for Maintenance	11	8	1	6	7
Equivalent Availability Factor (EAF)	97.270%	97.730%	99.80 %	99.10%	98.03%

The production of Alicurá Power Plant in 2022 improved with respect to 2021, but remained below those of an average year, so that the present decrease is purely due to hydrological matters. The average inputs of the year for the Limay River were better than those recorded in previous years, but lower than that of an average year.

Cabra Corral Hydroelectric Power Complex

This complex is made up of Cabra Corral Hydroelectric Power Plant with a total installed capacity of 102 MW and Peñas Blancas Offset Dike with a regulating capacity of 125 m3/sec, both located in the province of Salta on the Pasaje-Juramento-Salado river. The Company acquired Cabra Corral Hydroelectric Power Complex in December 1995 and holds the operation concession until November 2025.

The Argentine Government began its construction in 1966, started filling the reservoir in 1971 and begun its commercial exploitation in 1978. Cabra Corral Hydroelectric Power Complex, together with El Tunal Hydroelectric Power Complex located downstream from the first one and also operated by the Company, were built with the main purpose of regulating the flows of the high and middle-level basin of the Pasaje-Juramento-Salado river, providing water for consuming purposes in the provinces of Salta, Santiago del Estero and Santa Fe, and the generation of electricity for the SADI.

General Manuel Belgrano Reservoir, which feeds the Cabra Corral Hydroelectric Power Plant, has a current storage volume of about 2,500 Hm3 at its maximum limit and is fed with an annual average contribution flow of 29 m3/sec.

The following table shows certain data related to Cabra Corral Complex for the periods stated below:

	2022	**2021**	**2020**	**2019**	**2018**
Total Sales (GWh)	166	142	158	140	142
Days out of Service for Maintenance	12	8	10	9	14
Equivalent Availability Factor (EAF)	96.85%	97.77%	97.16%	97.41%	96.00%

El Tunal Hydroelectric Power Complex

El Tunal Hydroelectric Power Complex has a total installed capacity of 10 MW, and is located in the province of Salta on Pasaje-Juramento-Salado river approximately 170 km downstream of Cabra Corral Hydroelectric Power Complex. The Company acquired El Tunal Hydroelectric Power Complex in December 1995 and holds the operation concession until November 2025.

The Argentine Government started filling the reservoir in 1981 and its commercial exploitation was started by the Company in 1997. As with Cabra Corral Hydroelectric Power Complex, El Tunal Hydroelectric Power Complex helps to regulate the flows of the middle-level basin of Pasaje-Juramento-Salado river and the generation of energy is also delivered to the SADI.

General Martín Miguel de Güemes Reservoir, which feeds the El Tunal Hydroelectric Power Plant, has a current storage volume of about 192 Hm3 at its maximum limit and is fed with an annual average contribution flow of 42 m3/sec, incorporating the contribution of Medina and San Ignacio rivers from the middle-level basin of Pasaje-Juramento-Salado river.

	2022	**2021**	**2020**	**2019**	**2018**
Total Sales (GWh)	47	47	51	51	48
Days out of Service for Maintenance	13	20	8	9	14
Equivalent Availability Factor (EAF)	96.32%	94.56%	97.69%	97.46%	96.20%

Ullum Power Plant

Ullum is a run-of-the-river hydroelectric power plant located in the Province of San Juan, with an installed capacity of 45 MW. The plant has two Francis turbines. Ullum operates under a concession acquired by the Company in March 1996, which expires in February 2026.

Located in San Juan river in the middle of a waterfall of four hydroelectric power plants (Caracoles, Punta Negra, Ullum and Quebrada de Ullum), Ullum is a run-of-the-river hydroelectric power plant with a mean input of 53 m3/s. The inputs of the San Juan River come mainly from snowmelt during spring and early summer, and are the main source of irrigation water for the Ullum Valley and drinking water for the city of San Juan.

The following table shows certain data related to Ullum Power Plant for the periods stated below:

	2022	2021	2020	2019	2018
Total Sales (GWh)	108	105	146	183	198
Days out of Service for Maintenance	1	21	7	21	26
Equivalent Availability Factor (EAF)	99.96%	94.14%	99.00 %	95.58%	92.82%

The production of the Ullum Power Plant for the year 2022 remained at low values that are comparable to those of the year 2021, and also remain low compared to those of an average year, so that the present decrease in generation is purely due to hydrological issues. The average inputs of the year for the San Juan River remained below those of an average year.

Sarmiento Power Plant

Sarmiento Power Plant is an open cycle natural gas, gas oil and/or biodiesel fired thermoelectric power plant, located in the province of San Juan, with an installed capacity of 33 MW. The plant has three gas turbines. Sarmiento Power Plant was acquired by the Company in March 1996. Sarmiento Power Plant is located in the city of San Juan and the electricity it generates is generally dispatched to cover peak demand due to the lack of distribution line infrastructure.

The following table shows certain data related to Sarmiento Plant for the periods stated below:

	2022	2021	2020	2019	2018
Total Sales (GWh)	33	6	25	24	11
Days out of Service for Maintenance	5	4	19	24	9
Equivalent Availability Factor (EAF)	97.87%	98.80%	94.60%	93.90%	97.72%

The improvement in the production of the Sarmiento Power Plant in 2022 compared to that of the two previous years is clearly due to a better dispatch of the plant, associated to higher local demand requirements.

Vientos Bonaerenses Wind Plant

The Vientos Bonaerenses Wind Plant is located in the Province of Buenos Aires (district of Tres Picos). It has 30 wind turbines divided into two phases for generation, one that will supply the MATER (six 3.325 MW wind turbines) and another one that will supply the SADI, awarded under the RenovAr program (twenty-four 3.325 MW wind turbines).

	2022	2021	2020
Total Sales (GWh)	451	439	378
Equivalent Availability Factor (EAF)	90.52%	95.26%	91.21%

Vientos Neuquinos Wind Plant

Vientos Neuquinos Wind Plant is located in the Province of Neuquén. It has 29 wind turbines divided into two phases for generation that will supply the MATER with an installed capacity 100MW.

	2022	2021	2020
Total Sales (GWh)	376	351	169
Equivalent Availability Factor (EAF)	95.25%	94.18%	— (*)

(*) 100% of the wind plant was commissioned by the end of 2020 and no records are available.

In 2022, the wind plant showed an improvement in production compared to 2021, due to the better resource conditions (wind) recorded during the year.

b. Supply of Fuels

During 2022, AES Argentina used a total of 174 million cubic meters of natural gas, 35,125 tons of fuel oil and 347,568 cubic meters of gas oil. While during 2021, we used a total of 714.4 million cubic meters of natural gas, 28,940 tons of Fuel Oil and 143,230 cubic meters of Gas Oil.

The type of coal used for generation in Units 1, 2 and 5 of San Nicolás Thermal Power Plant had two different qualities: Colombian quality (including Drummond and Cerrejon quality subtypes) and Australian quality. The Company used 760,858 metric tons in 2022 and 734,120 tons in 2021.

c. Maintenance

Thermal Power Plants

During 2022, our thermal units underwent the required scheduled maintenance to ensure sustainable operation. In the case of units 1, 2, 3 and 4, preventive maintenance was made on critical equipment. In unit 5, work was performed on the equipment related to coal, ash and boiler lines and the rest of the critical equipment. In AES Paraná Combined Cycle, an annual scheduled maintenance was carried out, including major maintenance on gas turbine 1. In addition, the necessary preventive maintenance was carried out to ensure reliable operational continuity.

CTSN Units 1 and 2

No yearly maintenance with a set time range was performed during 2022 on Units 1 and 2; however, all scheduled maintenance was performed on critical equipment, with a special focus on coal and ash lines, which are the most impaired when using this fuel.

CTSN Units 3 and 4

No yearly maintenance with a set time range was performed during 2022 on Units 3 and 4; however, all scheduled maintenance was performed on critical equipment to ensure sustainable operation.

CTSN Unit 5

Unit 5 underwent annual maintenance during which corrective and preventive tasks were carried out to ensure the machine's availability and reliability. These include:

3. Maintenance in coal mills and power lines, and inspection of air preheaters.
- Preventive maintenance on boiler, which included replacement of welds in superheated steam zone tubes and subsequent nondestructive testing to verify integrity.
- Inspection of boiler, including burners, using drones, with very good results, since the boiler could be properly inspected

without the need to build scaffolding.

- Inspection of electrostatic precipitator and preventive maintenance tasks on equipment.
- Preventive maintenance on all engine control centers and power center of the block, as well as on the uninterruptible power supply and battery system.

1. Preventive maintenance of generator, excitation set, and transformers.
2. Condenser cleaning and detailed inspection of the condition of pipes to ensure that there was no cooling water filtration to the condensate circuit.
3. Repair of steam flow meter on high pressure steam line performed by an outsourced company.
4. Cleaning of rotary air/gas heat exchangers, which included disassembly and removal of parts, high-pressure water washing and reassembly.

Paraná Combined Cycle

A major inspection of gas turbine 1, inspection of gas turbine 2 combustors, inspection of steam turbine main valves, steam turbine servomotors and inspection of steam turbine low pressure stage were performed at the AES Paraná Combined Cycle Plant in 2022. In addition to the above, a major inspection of the GT1 generator and minor inspections of the GT2 generators were performed. In addition, the necessary preventive maintenance was carried out to ensure reliable operational continuity.

Annual maintenance was performed on the combined cycle auxiliary system, engines and associated instrumentation and control systems. The non-destructive testing indicated in the predictive maintenance plan of the unit and the annual testing of the fire protection systems were also completed.

Sarmiento Power Plant

In 2022, minor inspections and predictive controls were carried out on the three gas turbines. No major maintenance was required due to the low accumulation of running hours. In fall and spring, conversion of gas-liquid fuel, and vice versa, respectively, was carried out in order to operate three units throughout the year with the most efficient fuel.

Hydraulic Power Plants

Regarding our hydroelectric power plants, we continued with the execution of scheduled maintenance of all the power plants, focusing on our strategic pillars of Safety and Operational Excellence.

Alicurá Power Plant

During 2022, we continued with the scheduled maintenance plan of the different Plant generation units. As a milestone of the year, it should be mentioned that we carried out the predictive and preventive maintenance scheduled throughout the year of the different equipment and systems and the major maintenance of Unit 4 and the predictive controls and "premapro" inspections of Unit 1 and 2 were performed.

Ullum Power Plant

In 2022, on-site inspections and maintenance of the turbine of Units 1 and 2 were carried out, as well as predictive controls of the main generator, transformer and auxiliary equipment of both units, and annual maintenance of the submerged facilities and the 132Kv line.

Cabra Corral and El Tunal Power Plants

During 2022, we continued with the scheduled maintenance plan for the different units of Cabra Corral and El Tunal Power Plants, with no significant deviations from the planned schedule. At the Cabra Corral Power Plant, the inspection of the forced conduits of the units was planned for 2022, which was finally postponed a priori to 2023 to continue analyzing the emptying/filling procedure. As a result, the need to affect the units was somewhat lower than as initially planned, with 5, 26 and 5 days required for units CCO01, CCO02 and CCO03, respectively. Major works were also carried out in Units 1 and 2 of the El Tunal Power Plant, which required 9 and 17 days, respectively.

We continued in both plants with the implementation of the improvements in the SMART Maintenance processes, periodic audits by Global Risk Consultant, and O&M processes themselves as well as improvements related to electromechanical equipment related with dam safety, civil works and auscultation derived from the audits of Independent Consultants and periodic audits by ORSEP.

In particular, the Cabra Corral Hydroelectric Complex underwent Dam Safety Audits by Independent Consultants appointed by the Dam Safety Regulatory Agency (ORSEP, for its acronym in Spanish), with satisfactory results in all areas related to the performance of civil works and main closures, auscultation and general maintenance activities, conservation and operation of hydromechanical equipment, among other aspects reviewed.

d. Finance

Further to the financial policies adopted by the Company in the last years, during this fiscal year, AES Argentina continued giving priority to a stringent management of its Cash in order to secure the necessary financial resources required for the proper operation of its Plants and payment of debt services.

Notes:

On February 02, 2017, the Company issued in the international markets Class A Notes due on February 2, 2024 at a fixed rate of 7.75% for a nominal value of US$ 300 million, under the scope of our program of simple notes (not convertible into shares) for up to USD 500 million (or its equivalent in other currencies). The interest accrued on the debt shall be due and payable every six months, in February and August.

The funds obtained from the placement of Class A Notes for USD 300 million were allocated, according to the provisions of article 36 of the Negotiable Obligations Law, as follows: (i) to refinance the existing debt; (ii) to finance working capital in Argentina; (iii) to make investments in physical assets located in Argentina; and (iv) to cover expenses inherent in the transaction.

During the year ended December 31, 2021, the Company repurchased its notes at market values for a nominal amount of USD 22.5 million and during the year ended December 31, 2022, the Company repurchased its notes at market values for a nominal amount of USD 3 million, equivalent to 8.5% of the total issue, the net debt being USD 274.5 million as of the end of the year.

Banking Debts:

On September 15, 2020, the BCRA issued Communication “A” 7106, as amended/updated, where it provided that those who have principal maturities scheduled between October 15, 2020 and March 31, 2021, for financial indebtedness abroad, must submit before the BCRA a detail of the Refinancing Plan following the criteria established in such Communication.

These measures affected financial loans with Citibank New York and Goldman Sachs, with principal maturities as of that date of USD 26,666,667 million until March 31, 2021. On November 16, 2020, the Company executed an Addendum to the Loan

Agreement with Citibank New York to accommodate 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. On February 10, 2023, the Company entered into an addendum with Goldman Sachs whereby it agreed to extend the payment date of the USD 12 million balance 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.

Subsequently, by means of Communication A7230 issued by the BCRA on February 25, 2021, it is established that the provisions of item 7 of the aforementioned Communication A 7106 are extended to those who have scheduled principal maturities between April 1, 2021 and December 31, 2021 for the indebtedness detailed in the aforementioned regulation. For this reason, Citibank New York accepted on April 6, 2021 the second addendum to the Loan, in order to change the maturities from April 1, 2021 onwards, in accordance with the new reference standards. The debt with Citibank New York was fully repaid on its respective maturity date, being the last installment paid on June 1, 2022.

e. Human Resources

During 2022, the Company had the support and collaboration of 318 workers.

In order to attract talents for the Company, we have connections with educational organizations close to our plants, which are focused on attracting young professionals interested in working for the Company so as to forge and maintain long-term relationships.

Focusing on the sustainability of the Company and the benefit of our employees, we seek to enforce the development of our human team along with the organization, so that they can properly address present and future challenges, by adding value to the business and aligning their duties to the strategic goals of the Company. In order to manage our power generation portfolio efficiently and to consolidate our project portfolio, the Company is committed to attracting, developing and retaining the best people and, in turn, strengthening its human team by recruiting the right people for each position and with the development potential to handle new projects and to work out succession plans.

The investment of AES Argentina in Training and Organizational Development Plans in 2022 was approximately to 12175 training hours, which investment was distributed among Technical and Safety Training and Development Skills Programs. E-learning courses and workshops were offered to all employees at least once.

In 2022, AES globally continued to implement an Employee Assistance Program that provides counseling on a wide range of personal and professional challenges, such as healthy stress management, anxiety management, and work-related concerns.

The pandemic also changed the working habits and conditions of our employees in support areas. As a result, from 2022, employees who are not involved in plant operations and maintenance will be offered a hybrid work schedule that allows them to perform part of their work from home.

As a result, we continued to hold workshops focused on providing all employees with the tools they need to work virtually.

In order to promote the development of our employees at the start of each recruitment process, we give priority to the internal promotion process to encourage the development and growth of our employees.

We have an open-door policy: at AES Argentina, all employees have direct access to Human Resources representatives, their immediate supervisor, and all managers and board members. Our culture and environment of trust encourages and facilitates this approach, and we are always ready to talk, clarify doubts and receive suggestions of any kind.

Many people have spent most or all of their working lives at AES Argentina or one of its subsidiaries. Some even joined us in their first job and today are now leaders in different areas and plants. That is why we recognize the efforts and achievements of our employees on their anniversary.

At AES Argentina, our mission is to achieve total diversity and inclusion in the workplace, guaranteeing equal opportunities for both women and men. That is why we have been able to integrate female talent into the operational areas of our various plants, increasing the total number of women by 41% between 2020 and today. We consider these integrations an important milestone in the history of AES Argentina.

To ensure that the talent acquisition process focuses solely on the candidate's experience, competencies, skills and knowledge, it is critical to have a clear recruitment and selection process that promotes diversity and inclusion at every stage.

For this reason, in 2019 we updated our Recruitment and Selection Manual, which explicitly states that our company does not discriminate under any circumstances on the basis of race or ethnicity, nationality, socioeconomic status, language, ideology or political opinion, religion or belief, union membership or participation in trade organizations or lack thereof, gender, sexual orientation, gender identity, marital status, age, affiliation, personal appearance, and illness or disability.

We are focused on our desired goal and work every day on actions that will allow us to improve and become a more inclusive company.

During 2022, 119 employees were trained in English or Portuguese under our foreign language training program. Language training has enabled employees to acquire the language skills necessary to perform their jobs and has had a significant impact on the mobility and career development of Argentine employees.

In addition, the Company contributes to the development of its employees by providing post-graduate scholarships to certain employees. These scholarships partially finance the studies of employees who wish to undertake further training.

Having more skilled and better prepared employees allows them to advance their careers within the Company, either by competing in open competitions or through internal promotions to positions of greater responsibility.

In addition, we continued with the Performance Management Process as a key tool for fostering the performance of all the Company employees. The process consists of three phases: (i) definition of performance and development objectives; (ii) two reviews during the year; and (iii) a final evaluation of the objectives. All of the above have been implemented across the organization. The main objective of the process is to promote the professional development of each person by contributing to the performance of the position. Therefore, in addition to performance objectives, each employee is encouraged to work with his or her direct supervisor to establish at least one developmental objective focused on improving the skills and/or abilities that may be necessary to achieve the proposed objectives.

The Company uses the Workday, a system that facilitates and streamlines performance, compensation and talent management processes.

In 2022, we continued to offer training through the Workday Learning Module, giving employees access to hundreds of training courses through the platform.

In the context of the Great Place to Work climate survey, AES Argentina continued to belong to the Great Place to Work ranking of best companies to work for in Argentina, ranking 19th in the group of companies with 251 to 1000 employees, remaining as the only electricity generation company in the ranking. The Company participated in the survey for the ranking of the best companies to work for in 2023, but the results for this period have not yet been published. The main objective is to make comparisons with other important companies at the national level and to generate improvements in the current procedures and plans related to human resources management organizational atmosphere.

With regard to the activities of the Employee Benefits developed in 2022, they continued to promote the integration of the employee and his/her family into the Company and the feeling of belonging to the Company. In this regard, certain activities have been carried out, such as the delivery of gifts on special dates (Secretary's Day, Values Day), the delivery of school kits to the children of employees who have started kindergarten through high school, the presence of a nutritionist in the Company to help employees, the delivery of Christmas boxes, Innovation Days (APEX), AES awards for leadership, spirit, commitment to the environment, safety, community, along with preventive health checks and lectures on various occupational health topics (disease prevention, COVID 19 first aid and CPR, ergonomic risk, healthy eating, smoking and drug abuse prevention) and we also have a recognition program where every month our employees who have performed outstandingly are rewarded.

f. Safety and Environment

AES Corporation has explicitly recognized the value of sustainability in the declaration of its mission: “Accelerating the future of energy together”. At AES, we are committed to a smarter, more sustainable energy future and to leading our industry in the responsible transition to energy sources that minimize carbon emissions. As the world faces the reality of climate change, we are taking decisive and measurable steps to transform our own portfolio and create innovative solutions that will enable others to rapidly decarbonize their economies as well.

As part of this journey, in 2022 we announced our intention to phase out coal-fired generation by 2025. In addition, our objective is to achieve zero net carbon emissions associated with our electricity sales by 2040.

We also reaffirm our commitment to be carbon neutral by 2050 across all of our operations, including the direct and indirect carbon emissions associated with the use of our energy products. We also have an intermediate objective to achieve an intermediate carbon intensity target for 2030 in line with a sectoral decarbonization approach.

Recognizing that our decisions and activities affect our environment, we are committed to integrating the principles and practices of business sustainability into our culture and daily operations.

Economic, environmental and social aspects are taken into account from the planning stage and throughout the various stages of the decision-making process.

As defined in our Integrated Management System Policy, we always put the safety and health of all people working in our operations first, and we also recognize that environmental protection is essential to our business. As a result, we promote the conservation of areas and ecosystems of high biodiversity value within our operations by protecting and promoting knowledge of species to be conserved in these areas.

In that sense, 2022 was the year of the return to normality in reference to the COVID19 pandemic, although the necessary preventive actions were maintained to ensure compliance with our EHS standards.

Throughout 2022, we continued to implement a series of pandemic preparedness measures, such as:

5. Work from home continued for non-essential office staff, applying a criterion of flexibility that requires attendance at the offices two days a week and compliance with a protocol according to the moment.

- O&M staff continued to work at the plants as usual.
- Procedures for issuing remote work permits/distance protocols in control rooms continued.
- Technical training in the areas of safety, environment and occupational health was carried out as usual. In some cases, they were delivered in person in accordance with the provisions of the protocols, and the use of e-learning was increased.
- We continued our Employee Assistance Program (PAE, for its Spanish acronym), which is available 24 hours a day, seven days a week, 365 days a year to help employees with physical and mental health issues.
- Virtual active break workshops were conducted regularly to improve the physical health of employees.
- Periodic updates were made to the COVID 19 procedures and instructions designed to prevent the transmission of the virus.
- We have been working intensively on the rapid isolation of symptomatic cases, with subsequent PCR, antigen or antibody

testing, according to the criteria of the health sector, through agreements with private laboratories in all the locations where we operate.

- We continued to hold health talks with specialists on topics related to prevention, vaccination schedules and general recommendations.
- We monitored the health of both isolated and COVID-19-infected employees through discharge and return to work.

In conclusion, we can add that in 2022, 453 interventions were made by the Health/Safety Team to evaluate, isolate or test for COVID-19 in all our facilities in Argentina, according to the protocols established for AES employees and contractors. The process was successful because the goal of ensuring the operation of all of our facilities was never compromised. We recorded 357 confirmed positive cases of COVID-19 among our employees and contractors, of which 4 cases (1.12%) were due to infections attributable to the work environment and the remainder to external infections. No deaths from COVID occurred in 2022.

COVID-19 vaccination schedules were monitored and followed up. As of December 31, 2022, we had 79.5% with three doses and 14% with four doses, 5% with five doses of all our own personnel. Counseling sessions were held from time to time during the year to encourage vaccination.

Regular medical check-ups have been carried out at all our sites with the participation of all our key personnel, both operational and administrative, who have duly complied with all pandemic-related protocols.

In order to continue on the path of continuous improvement and to ensure compliance with legal requirements and safety, health and environmental standards, the management systems were further developed.

- In 2022, the Norte and Oeste Complex plants were included in the multi-site certification for ISO 45001 and 14001 standards, consolidating all of AES Argentina's operations.

To ensure compliance with regulatory requirements and safety, health and environmental standards, we have implemented a legal compliance audit and assessment program and have followed up on any findings resulting from such audits and assessments.

These audits are conducted both internally and with the assistance of external consultants as detailed below:

- Safety and environment legal compliance assessment,
- Internal safety and environmental audits (based on corporate standards and the Integrated Management System),
- External safety and environmental audits (conducted by third parties contracted by certification bodies).

All AES Argentina facilities are certified to international standards for quality (ISO 9001), health and safety (ISO 45001), and environment (ISO 14001).

With regard to dam safety, which is a key aspect in the operation of our hydraulic power plants, we have developed validation simulations for our hydraulic business together with the regulatory authority. In addition, all businesses maintain an emergency response team that receives ongoing training and participates in periodic simulations.

g. Corporate Social Responsibility

In every location where we operate, we contribute to the community through various corporate social responsibility programs with the same energy with which we provide service excellence.

At the corporate level, the Company developed an educational workshop called "*Aprendiendo con AES Argentina*" [Learning with AES Argentina], which aims to teach elementary school students the basic concepts of power generation, electrical safety tips, and recommendations for the rational use of electricity.

AES Argentina implements other programs according to the needs of the community. We also support cultural events in the communities where we operate. Below are the company's main activities in the various sectors in which we do business:

Centro Complex

During the year 2022, the following actions, mainly related to donations, are highlighted:

- Donation of notebooks, printers and other computer equipment to secondary schools (EEST N°2, EEST N°6, EEST FLB, EEST N°7 of Ramallo and Kindergarten 901) and to the Technological University of the city of San Nicolás.
- Donation of funds for the Math Olympiad trips and for the Exhibition of students from the Escuela Secundaria Técnica N6 of San Nicolás.

1. Donation of funds for the organization of the marathon for the benefit of the UTN FRSN Cultural Center.
2. Donation of spare parts for a mobile unit for Prefectura Naval Argentina
3. Donation of notebooks to NGOs, nursing home and children's home, Cooperative of San Felipe Hospital and Pediatrics of the same hospital in San Nicolás.
4. Donation of funds for the forestation project of the municipality of Tornquist.

- Donation of funds for painting for Tres Picos Elementary School No. 3
- Donation of underground cable for San Nicolás Elementary School No. 30
- Donation of paint for the Iglesia Evangélica Hermandad Cristiana of San Nicolás
- Donation of surplus material for the Sindicato de Luz y Fuerza.
- Donation of video service for an infographic for a festival organized by ELOHIM.
- Donation of candies to the neighborhood commissions near San Nicolás plant to celebrate children's day.

Argentina Norte Complex

The operation of the Hydroelectric Power Plants of Salta Complex is closely linked to the district of Coronel Moldes and the capital of the province.

In 2020, we renewed the Framework Cooperation Agreement originally signed in 2015, between the Company, "Cooperadora para la Nutrición Infantil (CONIN)" and "Fundación Nutrir Salta" for the creation and support of La Unión Nutritional Center, in Rivadavia Banda Sur, Province of Salta. During the year 2022, we continued to actively collaborate with this project.

During the course of 2022, the following actions will also be highlighted:

a. Continued collaboration with the Community Soup Kitchen located in the Parroquia San Bernardo in the town of Coronel Moldes, which operates from Monday to Friday at noon during the school period and is intended for elementary school children between the ages of 7 and 12. Typical assistance consists of providing all food for lunch preparation, propane gas refills, kitchen and dining room supplies, and possible staff assistance with building improvements (electrical, painting, repairs, etc.).
b. Continued collaboration with the "Unidad Educativa N° 4081 Es. Coronel José de Moldes", a public kindergarten,

through which the Company supports by providing materials and/or consumables in general for minor maintenance repairs of the building facilities.

- Collaboration with the public kindergarten "Posta de Yatasto N° 4414" with the delivery of a printer, shoes for the general service staff and food.
- Collaboration with the rural public school "La Troja N° 4548" with the delivery of gas cylinders and library items.

Alicurá Complex

During 2022, the Company continued to work with the support of educational institutions in the area, where support was provided to the Escuela Hogar N° 158 of Corralito (Province of Neuquén) through assistance in the maintenance and improvement of facilities and the contribution of materials for their maintenance. We also contributed food for the Children's Day celebrations and events throughout the school year, as well as supplies for Earth Day activities.

This year, still in the context of the Covid-19 pandemic, but already with the knowledge of how to deal with this danger and with the appropriate protective measures, we began to receive, little by little, visits from groups of different educational institutions in the area of Bariloche and the provinces of Neuquén and Rio Negro, in order to provide them with information about the production of energy through the use of different types of power generation plants. In particular, we were visited by the following institutions: students from Escuela Hogar No. 158 of Corralito (Province of Río Negro), students from the Mechanical Engineering course of the UTN of the City of San Carlos de Bariloche (Province of Río Negro) and students from the Nuclear Engineering and Mechanical Engineering courses of the Instituto Balseiro of the City of San Carlos de Bariloche (Province of Río Negro).

San Juan Complex

In San Juan, where Ullum and Sarmiento plants are located, we continued to work with the Escuela de Educación Especial Múltiple of Ullum, where the Company also helps maintain the facilities and collaborates with food and shoes for the children who attend special celebrations, such as the Children's Day, and other school ceremonies throughout the year.

With regard to educational visits, as in the case of the Alicurá plant, this year we began receiving some visits from educational institutions in San Juan, an activity that is expected to continue over time.

Vientos Neuquinos Wind Plant

In the area of the Vientos Neuquinos wind plant, this year we supported and collaborated with several organizations, among others:

- Municipality of Piedra del Águila (Neuquén): Donation of food for Children's Day, contribution to the celebration of the 125th anniversary of the city, support for the Piedra del Águila Family Office, an institution that promotes and protects the rights of children and adolescents.
- Piedra del Aguila Hospital: computer equipment was donated for hospital administration and an echocardiograph to provide first aid to the institution.
- Escuela N°10 de Piedra del Águila: Donation of equipment for the maintenance and care of the school's environment.
- Piedra del Águila Fire Station: Construction materials were donated for the improvement of the fire station's facilities.
- Piedra del Aguila Museum: audio visual equipment is donated for the presentation of "*temas locas*" (PEVN I) to visitors.

1. Students from different institutions visited the wind plant and were given a technical presentation and a tour of the plant: COPADE, EPET N°3 of Plottier, IPET N°1 of Plaza Huincul, ITP of Neuquén, all from Neuquén and CET N°9 of Cipolletti from Río Negro.

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Regular Statutory Auditor
On behalf of the Supervisory Committee

Operating profit (loss)

The following table has been obtained from the audited consolidated financial statements of the Company and shows the results of the operations for the years ended December 31, 2022 and 2021:

	2022	2021	2022/2021	
	(in thousands of pesos)		*(in thousands of*	*(in percentages)*
Income from ordinary activities	70,126,231	67,052,171	3,074,060	5 %
Sales cost	(54,186,012)	(44,429,237)	(9,756,775)	22 %
Gross profit	**15,940,219**	**22,622,934**	**(6,682,715)**	(30) %
Administrative expenses	(4,090,853)	(4,233,836)	142,983	(3) %
Marketing expenses	(5,763,918)	(1,935,162)	(3,828,756)	198 %
Other income and expenses	(66,117)	(166,351)	100,234	(60) %
Operating profit (loss)	**6,019,331**	**16,287,585**	**(10,268,254)**	(63) %
Financial income	11,724,436	10,956,278	768,158	7 %
Financial expenses	(8,644,927)	(12,276,332)	3,631,405	(30) %
Exchange gain (loss)	(1,815,466)	2,013,242	(3,828,708)	(190) %
RECPAM	(14,419,671)	(11,989,612)	(2,430,059)	20 %
Profit (loss) from investments in other companies	77,760	171,189	(93,429)	(55) %
Income (loss) before taxes	**(7,058,537)**	**5,162,350**	**(12,220,887)**	**(237)%**
Income tax	9,345,438	(2,177,967)	11,523,405	(529) %
Net income for the year	**2,286,901**	**2,984,383**	**(697,482)**	**(23)%**
Income attributable to				
Income (loss) attributable to owners of parent company	2,133,987	2,997,630		
Income (loss) attributable to non-controlling interests	152,914	(13,247)		
Income	**2,286,901**	**2,984,383**		

2. Net Sales

Net sales for 2022 and 2021 are broken down as follows:

	2022	2021	2022/2021	
	(in thousands of pesos)		*(in thousands of*	*(in percentages)*
Remuneration for energy [(1)]	45,431,592	38,418,811	7,012,781	18 %
Remuneration for capacity[(1)]	16,322,371	18,955,510	(2,633,139)	(14) %
Sales of energy and capacity under agreements [(2)]	7,966,789	9,112,634	(1,145,845)	(13) %
Other income	405,479	565,216	(159,737)	(28) %
Total	**70,126,231**	**67,052,171**	**3,074,060**	**5 %**

[(1)] Includes the notions of generated and operated energy and capacity pursuant to the remuneration provided for by Resolutions 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).

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The proceeds of sales for this year amounted to Th $70,126,231, an increase of 5% compared to Th $67,052,171 in 2021. This increase was primarily due to the 2022 tariff adjustment as a result of Resolutions 238 and 826, partially offset by reduced energy sales in Paraná of (1,696) GWh and CTSN of (197) GWh as a result of lower dispatch.

- Sales cost

Sales cost for 2022 and 2021 is broken down as follows:

	2022	2021	2022/2021	
	(in thousands of pesos)		*(in thousands of*	*(in percentages)*
Fuels used for generation, net	32,160,774	21,038,894	11,121,880	53 %
Operation and maintenance expenditures	4,890,627	4,971,365	(80,738)	(2) %
Cleaning expenses	87,593	27,537	60,056	218 %
Remunerations, social security contributions and other	3,904,200	3,738,303	165,897	4 %
Insurance	3,589,247	4,310,505	(721,258)	(17) %
Depreciation of property plant and equipment	6,263,463	7,519,954	(1,256,491)	(17) %
Fees and royalties	376,134	380,292	(4,158)	(1) %
Amortization of intangible assets	1,124,124	950,629	173,495	18 %
Purchase of energy and capacity	362,549	136,381	226,168	166 %
Professional services from related entities	217,611	291,929	(74,318)	(25) %
Safety and security services	137,222	134,418	2,804	2 %
Materials and other supplies	137,060	220,818	(83,758)	(38) %
Frequency regulation	155,509	56,679	98,830	174 %
Travel, mobility and transport expenses	126,725	53,086	73,639	139 %
Transmission costs	163,706	171,734	(8,028)	(5) %
Other market charges	218,116	189,170	28,946	15 %
Fees and remunerations to third parties	74,289	75,505	(1,216)	(2) %
Office and communications expenses	9,086	6,154	2,932	48 %
Sundry	92,367	65,560	26,807	41 %
Use of fields	95,610	90,324	5,286	6 %
Total	**54,186,012**	**44,429,237**	**9,756,775**	**22 %**

The sales cost for this year amounted to Th $54,186,012, a 22% increase as compared to Th $44,429,237 in 2021.

This increase was mainly due to:

- An increase of Th $11,121,880 in fuel costs mainly attributable to higher coal costs as a consequence of higher prices and higher generation
- An increase of Th $226,168 due to the increase in the cost for the purchase of energy and capacity
- An increase in amortization of intangible assets for software purchases and concession contract payments of Th $173,495
- An increase of Th $165,897 in salaries, social security contributions and other personnel costs due to the annual salary adjustment
- a decrease of Th $1,256,491 in depreciation of property, plant and equipment due to the end of the useful lives of fixed assets of the Paraná and CTSN plants.
- a decrease in insurance expense of Th $721,258, which is a translation effect due to an increase in the exchange rate of 2022 compared to the prior year, as the cost of the plant insurance policies is denominated in U.S. dollars.

a. Gross profit

Gross profit increased to Th $15,940,219, 30% less than the Th $22,622,934 recorded in the previous year, i.e. 23% of the sales in 2022 compared to 34% recorded in the previous year. This decrease in gross profits is primarily due to the increase in cost of sales resulting from the increase in coal purchase prices in 2022, partially offset by the increase in tariffs resulting from Resolutions 238 and 826 enacted during the current fiscal year.

b. Administrative expenses

Administrative expenses for 2022 and 2021 are broken down as follows:

	2022	2021	2022/2021	
	(in thousands of pesos)		*(in thousands of*	*(in percentages)*
Remunerations, social security contributions and other	652,674	630,613	22,061	3 %
Depreciation of property plant and equipment	363,780	366,406	(2,626)	(1) %
Taxes, rates and contributions	928,513	1,015,780	(87,267)	(9) %
Professional services from related entities	1,370,515	1,380,977	(10,462)	(1) %
Travel, mobility and transport expenses	20,834	15,203	5,631	37 %
Fees and remunerations to third parties	556,284	692,867	(136,583)	(20) %
Office and communications expenses	106,029	78,588	27,441	35 %
Sundry	92,224	53,402	38,822	73 %
Total	**4,090,853**	**4,233,836**	**(142,983)**	**(3)%**

Administrative expenses amounted to Th $4,090,853, a 3% decrease as compared to $4,233,836 recorded in the previous year. This change is mainly due to:

- A decrease of Th $136,583 in fees denominated in U.S. dollars affected by the depreciation of the peso.
- A decrease of Th $87,267 for taxes, rates and contributions.
- A decrease of Th $10,462 in fees received from related parties, mainly from AES Andes S.A., corresponding to management fees.

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1. Marketing expenses

Marketing expenses for 2022 and 2021 are broken down as follows:

	2022	2021	2022/2021	
	(in thousands of pesos)		*(in thousands of*	*(in percentages)*
Remunerations, social security contributions and other staff	245,084	232,660	12,424	5 %
Taxes, rates and contributions	1,041,772	902,481	139,291	15 %
Travel, mobility and transport expenses	2,895	972	1,923	198 %
Fees and remunerations to third parties	37,050	37,764	(714)	(2) %
Office and communications expenses	—	12	(12)	100 %
Sundry	1,041	20	1,021	5105 %
Bad debts	4,436,076	761,253	3,674,823	483 %
Total	**5,763,918**	**1,935,162**	**3,828,756**	**198 %**

Marketing expenses amounted to Th $5,763,918, a decrease of 198% compared to Th $1,935,162 recorded in the previous year.

The increase of Th $3,674,823 is due to the fact that in 2022 the Company adjusted its estimate of losses on trade receivable balances by recording a bad debt allowance on 100% of the receivables in Pesos, for which we took into account the significant increase in the risk of long-term trade receivables, with CAMMESA as a single counterparty, being this a company that has received and continues to receive financial support from the National State to meet its obligations, as well as the increase in the risk of default of the National State, among other factors.

2. Financial Income and Expense

Financial income and expense for 2022 and 2021 is broken down as follows:

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	Income (loss)			
	2022	2021	2022/2021	
	(in thousands of pesos)		(in thousands of	(in percentage)
Interest from financial assets	7,406,657	8,145,143	(738,486)	(9.1) %
Interest earned with related companies	3,100	2,540	560	100 %
Other financial income	4,314,679	2,808,595	1,506,084	54 %
Total financial income	**11,724,436**	**10,956,278**	**768,158**	**7 %**
Interest on financial debts	(7,803,002)	(8,380,029)	577,027	(7) %
Interest on tax debts	(3,904)	(28,301)	24,397	(86) %
Interest on trade payables	(11,712)	(44,850)	33,138	(74) %
Interest expense with related companies	(213,626)	—	(213,626)	100 %
Cost of interest on long-term benefit obligations	(246,600)	(263,747)	17,147	(7) %
Loss due to early debt redemption	(366,083)	(3,559,405)	3,193,322	(100) %
Total financial expenses	**(8,644,927)**	**(12,276,332)**	**3,631,405**	**(30)%**
Exchange differences from assets	27,361,204	16,304,706	11,056,498	68 %
Exchange differences from liabilities	(29,176,670)	(13,933,922)	(15,242,748)	109 %
Financial derivative instruments	—	(357,542)	357,542	(100) %
Total of exchange differences	**(1,815,466)**	**2,013,242**	**(3,828,708)**	**(190)%**
RECPAM	(14,419,671)	(11,989,612)	(2,430,059)	20 %
Total financial profit (loss)	**(13,155,628)**	**(11,296,424)**	**(1,859,204)**	**16 %**

Financial results for 2022 amounted to a loss of $13,155,628 with an increase in the loss of 16% over the previous year. The variation of Th $1,859,204 is mainly due to:

3. higher expenses for net exchange differences of Th $3,828,708 due to a net monetary position of assets and liabilities denominated in foreign currency of Th $4,186,250, partially offset by lower costs related to derivative financial instruments of Th $357,542; and

- higher losses due to the effect of RECPAM of Th$ 2,430,059, an effect that will be seen from 2020 when the Company changed its functional currency to Argentine pesos (until February 2020, the functional currency was the US dollar).
- an increase in interest income of Th $1,506,084 for interest on investments in financial placements and interest on bank deposits, partially offset by a decrease of Th $738,486 for interest on accounts receivable from Cammesa.
- a decrease in the cost of early extinguishment of debt of Th $3,193,322, due to the financial expenses associated with the repurchase of Class A Notes in 2021.

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• Profit (loss) of investments in other companies

Profit (loss) of investments in other companies for 2022 and 2021 are broken down as follows:

Investments in Subsidiaries	2022	2021	2022/2021	
	(in thousands of pesos)		(in thousands of	(in percentage)
CTGBSA	76,648	171,189	(94,541)	(55) %
Sierras del Buendía	1,112	—	1,112	100 %
Total profit (loss) from investments in	**77,760**	**171,189**	**(93,429)**	**(55)%**

Profit (loss) recognized by CTGB show a decrease due to the impact of the depreciation of the Argentine peso on their profit or loss.

Sierras del Buendía was acquired on May 26, 2022.

(1) Other income and expenses

Other income and expenses for 2022 and 2021 are broken down as follows:

	Income (loss)			
	2022	2021	2022/2021	
	(in thousands of pesos)		(in thousands of	(in percentage)
Profit (loss) from the sale of assets	33,662	442	33,220	(100) %
Income from settlement agreements	53,032	89,325	(36,293)	(41) %
Profit (loss) for the sale of fuel	42,136	—	42,136	100 %
Profit (loss) from deregistration of property, plant and	(33,902)	(40,857)	6,955	(17) %
Surrogate Payers on personal property	(44,258)	(147,863)	103,605	(70) %
Net charge for provision of legal claims	(116,404)	(167,294)	50,890	(30) %
Sundry	(383)	99,896	(100,279)	(100) %
Total	**(66,117)**	**(166,351)**	**100,234**	**(60)%**

• Income tax for the year

Income taxes represented a gain of Th $9,345,438, a 529% variation with respect to the loss of Th $2,177,967 recorded in the previous year. This variation is mainly due to:

- a gain of Th $11,523,405 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 a lower gross profit as a consequence of the increase in selling costs (higher coal purchase costs) as well as higher marketing costs, derived from the increase in bad debt allowance explained above and from the application of the adjustment for tax inflation derived from the provisions of the Income Tax Law in the Company and its subsidiaries.

- Net Income for the Year

Total net income for the fiscal year ended December 31, 2022 increased to Th $2,286,901, a 23% decrease with respect to the Th $2,984,383 recorded during the same period in 2021.

Net income per share rose to $0.185 and $0.260 in 2022 and 2021, respectively.

Economic and Financial Situation

Pursuant to the provisions of Title IV, Chapter III, Article 4 of the New Consolidated Text of the National Securities Commission (CNV) on the Rules for the Form of Presentation of Financial Statements before that Agency, the information relating to the economic and financial situation of the Company and its subsidiaries has been included in the Information Report attached to these financial statements.

Future Perspectives

According to the latest International Monetary Fund (IMF) forecasts, global growth is expected to be 3.4% in 2022 and 2.9% in 2023. The decrease in this projection is mainly due to higher-than-expected global inflation, a worse-than-expected slowdown in China, a consequence of the COVID-19 outbreak and lockdown, and further negative effects of the war in Ukraine.

In addition, according to the latest World Bank report, global growth is expected to slow to 1.7% in 2023, the third weakest pace in nearly three decades, after the global recessions of 2009 and 2020. Investment growth in emerging markets and developing economies is expected to remain below the average rate of the past two decades. Emerging market regions and developing economies face a number of challenges amid widespread high inflation and a rapid slowdown in global growth. In Latin America and the Caribbean, growth is projected to slow to 1.3% in 2023, before reaching 2.4% in 2024.

Meanwhile, the IMF estimates growth for Latin America at around 3.9% in 2022 and 1.8% in 2023, due to the expected slowdown in the economies of the United States and China, the region's main partners.

We can highlight an improvement in the growth outlook for the Argentine economy with a projected increase in Argentina's gross domestic product (GDP) to 2% by 2023.

At the Group's operating level, efforts will continue to focus on the works and improvements needed to keep the plants running and to meet the country's growing demand for electricity.

We will continue to prioritize conservative financial management through rigorous cash management to ensure that we have the financial resources necessary to operate our power plants properly and to meet our commitments.

Proposal from the Board of Directors

The results of the fiscal year showed a Net Income of $2,286,901,448. Therefore, considering that (i) the Legal Reserve is fully provisioned in accordance with the terms of the Business Companies Law 19550, and (ii) the 0.5% provided for in Article 11 of the Company's Articles of Incorporation has already been deducted from the income for the year to be distributed to the employees as a profit-sharing bonus, the Board of Directors proposes that the entirety of such Net Income be allocated to an Optional Reserve.

Likewise, the General Shareholders' Meeting will discuss and eventually decide on the allocation of retained earnings.

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Regular Statutory Auditor
On behalf of the Supervisory Committee

Final Considerations

Finally, we want to thank all the people who make AES Argentina Generación S.A. a leading company in the generation of electric power in Argentina. We warmly thank them, the shareholders who trust us, and our advisors, clients and suppliers.

San Nicolás de los Arroyos, March 8, 2023

The Board of Directors

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Schedule 1: REPORT ON THE IMPLEMENTATION OF THE PRINCIPLES AND BEST PRACTICES OF THE CORPORATE GOVERNANCE CODE - Resolution 797/2019 of the National Securities Commission (CNV)

Introduction

This report on the application of the principles and practices recommended by the corporate governance code is issued in order to comply with the provisions of General Resolution 797/2019 issued by the National Securities Commission ("CNV").

AES Argentina Generación S.A. ("AES Argentina" or the "Company", interchangeably) understands the importance for the Company to have a system of corporate governance to govern and structure the operation of corporate bodies with a view to the ethics, transparency and enforcement of anti-corruption mechanisms. This way, the Company focuses on the performance of a responsible business from an economic, environmental and social viewpoint.

Following the philosophy behind CNV General Resolution 797/2019, and taking as guidelines the principles of proportionality and flexibility that make a good Corporate Governance, the following are the principles and good practices that make up the Corporate Governance Code, indicating in each case whether or not they are applied by AES Argentina, and always justifying the response given (in one sense or another).

Also, in compliance with the new Code, in cases where a practice is not applied by the Company as of the date of issue of this report, AES Argentina describes whether it complies with the principle that inspires the practice in question through the application of another practice, whether measures are being evaluated or taken to incorporate the necessary elements to ensure observance of the principle or good practice, or the reasons why such principle, good practice and/or recommendation is not adopted, taking into account the feasibility, modality and timeliness of its implementation, as well as the particular characteristics of the Company and the current degree of corporate development.

A) FUNCTION OF THE BOARD OF DIRECTORS

Principles

i. The Company shall be managed by a professional and qualified Board of Directors, which shall be responsible for laying the necessary foundations to ensure the sustainable success of the Company. The Board of Directors is the guardian of the Company and the rights of all its Shareholders.
ii. The Board of Directors shall be responsible for determining and promoting corporate culture and values. In its performance, the Board of Directors shall ensure compliance with the highest standards of ethics and integrity in the best interest of the company.
iii. The Board of Directors shall be responsible for ensuring that the strategy is inspired by the vision and mission of the company and is consistent with its values and culture. The Board of Directors shall interact constructively with the management to ensure the correct development, implementation, monitoring and modification of the company's strategy.
iv. The Board of Directors shall exercise permanent control and supervision over the management of the company and shall ensure that the management takes actions to implement the strategy and the business plan approved by the Board of Directors.
v. The Board of Directors shall have the mechanisms and policies necessary to carry out its role and that of each of its members in an efficient and effective manner.

Practices

1. *The Board of Directors creates an ethical work culture and establishes the vision, mission and values of the company.*

COMPLIANT

Recently, in order to accommodate to the multiple changes occurred at a national and international level, the mission of the AES group at a global level ("**AES**" or the "**AES Group**") was updated and replaced by Accelerate the future of energy, together. In other words, at AES, we believe that by working together, we can improve lives by delivering the smarter, more sustainable energy solutions the world needs.

Likewise, also with a view to receiving the evolution experienced in the different elements that make up the company's business, as well as in order to reflect the evolution of AES as a company, the values of the AES Group were reformulated to express them in a simpler way, showing the Company's commitment to real change and preparation for the future, while acknowledging and embracing our history. Therefore, the new values of AES Argentina are as follows: Safety First; Highest Standards; and All Together, as described below:

(i) Safety first.

Safety is at the core of everything we do. We always identify potential risks to our people, contractors, customers, partners, and communities. We measure success by how safely we conduct our work together while contributing to a greener energy future.

Our absolute priority has always been, is and will continue to be the safety of our employees (both direct employees and subcontractors) in the performance of their duties. Prior to performing any work, our employees must ensure that the work is performed under appropriate safety conditions that do not present unnecessary risks to their lives, health and/or physical integrity. This is strongly emphasized by the Company's management team, through regular seminars on the importance of this value and how to implement it. This principle is also reinforced by the right and duty of every worker to stop a work if he/she believes that there is an unsafe condition.

(ii) Highest standards.

We act with the utmost integrity towards our people, customers and partners. Together, we deliver solutions that meet global standards of excellence.

Our management team and employees must act ethically and respectfully, creating an environment of trust, caring for the environment in which we do business, and complying with the law and our policies. Such policies include, without limitation, "Conflicts of Interest", "Gifts and Entertainment", and "Donations and Contributions".

This value also includes the need to act with agility, always striving for excellence. In this way, the AES Argentina team is able to make quick decisions and adapt to changes, taking responsibility for its actions and constantly seeking to maximize its potential, trying to provide the best possible solutions to the various challenges that arise day by day in the development of our business. This value focuses on the personal goals that each of our officers and employees must have in order to excel, rather than mechanically performing the tasks assigned to them.

(iii) All Together.

We work as a team with our customers and partners. We are agile in meeting our customers' changing needs, and we enjoy celebrating everyone's successes and solving big challenges as a team.

On the one hand, this value refers to enjoy working. At AES Argentina, we believe in the importance of collaboration to create value, and we take pride in what we and our team do, both internally and externally, with an awareness of our impact and importance to the communities we serve.

But it also underscores the importance of other stakeholders (suppliers, contractors, customers, regulators, investors, the communities where the different plants are located and which constantly interact with the company's activities) for AES Argentina in the pursuit of our goals and mission.

In this regard, the Company, as part of the AES Group at the global level, has an AES Values Guide, which is embodied in the AES Code of Conduct (the "AES Code of Conduct"), which is binding on all AES Argentina employees and is reviewed from time to time.

This AES Code of Conduct establishes the processes that ensure that each and every member of the AES Argentina team, through a 360° system, monitors the enforcement of the Code and, in any case, carries out the procedures established to resolve any conflict situations and impose penalties for violations.

AES Argentina is also implementing the position of Compliance Officer, who is responsible for promoting, monitoring and enforcing the Code of Ethics and Conduct.

However, the Company's Board of Directors places special emphasis on communicating AES Argentina's mission and values not only to its employees, but also to other stakeholders such as investors, customers and suppliers, among others. Some of the key tools used to achieve this dissemination are regular presentations and online courses for employees, the annual Values Day celebration, safety walks, delivery of the AES Code of Conduct to suppliers with a commitment to comply with it, and the publication of the Code of Conduct so that it is available to investors. AES Argentina also cares about the communities in which it operates and provides services. Therefore, with the approval of its Board of Directors, the Company makes various donations and participates in agreements with local authorities to contribute to the development and well-being of these communities.

In this way, the Board of Directors oversees and encourages the implementation of all the activities described in the previous paragraph, constantly seeking to implement new processes and mechanisms that reinforce both the mission and the values of the Company.

In fact, the Company's Board of Directors plays a fundamental role, as it is primarily responsible for creating and promoting the culture of work ethics and ensuring compliance with AES Argentina's Vision, Mission and Values.

2. *The Board of Directors sets forth the Company's overall strategy and approves the strategic plan developed by the management. In doing so, the Board of Directors takes into consideration environmental, social and corporate governance factors. The Board of Directors supervises its implementation by using key performance indicators and taking into account the best interest of the company and all its shareholders.*

<u>COMPLIANT.</u>

The Company has a strategic plan that has been developed by the senior management and analyzed together with the Board of Directors. To this end, the Board of Directors holds regular follow-up meetings among itself and with the members of its departments and with the heads of the various divisions. They analyze the degree of compliance with the strategic plan and they adjust expectations according to the variations of the Company's business. In addition, each member of the Board of Directors keeps abreast of the Company's business by meeting with the heads of the various divisions within AES Argentina. The strategic plan is reviewed each year by both senior managers and the Board of Directors and sets out the objectives for each fiscal year. Its ultimate purpose is to contribute to the creation of value for shareholders and investors through the achievement of the following objectives:

<u>Solid Cash Flow Generation</u>. Generating cash flow from operations is one of the cornerstones of our development funding strategy. Maximizing the efficiency of the Company's asset production will be the primary source of cash flow generation and shareholder return growth.

Focus on development. One of our main purposes is the permanent innovation applied to the development of our activity and, in this sense, the rapid adaptation to changes in the electric market with a view to maximizing our growth and productivity. Hence, for more than four years, we have been actively involved in the development of various renewable energy projects and have obtained the commercial operation ("*habilitación comercial*") of two of them, with a total capacity of 100MW each. Moreover, in spite of the extremely adverse economic context of the country, the Company is still analyzing possible investments in that kind of projects, so as to continue to increase the share of renewable energy generation within its portfolio.

A Leadership Position as Operator. Our goal is to become a leading operator by achieving the lowest development and operating costs, creating the greatest value for our shareholders, achieving the maximum return on our conventional production by continually reducing our operating costs, and sustaining our production levels with cost-effective primary, secondary and tertiary recovery.
We believe that the experience and knowledge of our management team and specialized team of professionals will enhance our ability to reduce our development and operating costs faster than other companies in the industry.

Retain our Financial Flexibility. We aim to maintain a sound balance sheet with an appropriate level of leverage by generating a solid cash flow from both our conventional and unconventional assets, and by investing temporary cash surpluses in instruments primarily designed to preserve capital, in accordance with the Corporate Treasury Policy.

Search for Profitable Growth Opportunities. We believe there are many opportunities to acquire assets that will enable growth in the exploration and production sector in this resource-rich country. In this sense, the Board of Directors and senior managers have relevant operational and managerial expertise in Argentina and throughout Latin America and have all the necessary skills to identify attractive growth opportunities for AES Argentina.

3. *The Board of Directors supervises the management and ensures that it develops, implements and maintains an adequate system of internal control with clear reporting lines.*

COMPLIANT.

Our Board of Directors meets at least quarterly to analyze the status of the Company's business, the degree of compliance with the strategic plan, and the performance of the Company's executive officers. These meetings are convened by the Chairman after agreeing the agenda with the other Board of Directors and Supervisory Committee members.

It should be noted that at its meetings, unless prevented by an emergency or an item on the agenda, the Board of Directors acquaints itself with the current situation and development of the Company's business. In other words, the Board of Directors is constantly informed about the Company and the performance of senior managers and/or area managers. Therefore, at these Board of Directors meetings and at meetings held individually by Board members with Company employees, they receive updates on the performance of management.

It is important to understand that AES Argentina is part of the AES Group, an international business group, and in this regard, the performance evaluation of each member of the senior management is not only carried out at the local level, but also at the international level in the case of those who hold managerial positions. In this sense, the role of the Board of Directors in these evaluations is relevant, as it is the body responsible for the management of the Company and for supervising the persons holding executive positions.

For its part, the Board of Directors prepares an annual report as required by law, which is an integral part of the financial statements submitted to the Shareholders' Meeting. In this document, the Board of Directors describes its activities and the management results of the previous year in order to provide an adequate and sufficient guide for the Shareholders' Meeting to evaluate the performance of its members.

In evaluating the performance of the Chief Executive Officer and other members of senior management, the Board of Directors considers the objectives established at the beginning of the fiscal year for each member, the fulfillment of the Company's principles and values, compliance with the AES Code of Conduct, and the economic, political and social situation on a national and international level. In addition, in accordance with the Company's policy, the Board of Directors takes into account variables that could not be foreseen at the beginning of the fiscal year in order to make a fair assessment. Consistent with the above, the Board of Directors considers "hard" and "soft" variables with the understanding that hard variables are the algebraic indices of results and soft variables are the compliance grade indices that require greater interpretation and subjectivity in their calculation by the evaluator. For example, to evaluate the performance of the Chief Executive Officer and the other members of senior management, the Board of Directors takes into account, as a hard variable, the business results based on the metrics established at the beginning of the cycle and reflected in an index called the "Scorecard" and, as a soft variable, the achievement of individual objectives as assessed by each manager's hierarchical superior.

The Performance Review for senior managers consists of three stages:

1. Definition of performance and personal development goals.

2. Mid-year review or feedback.

3. Final evaluation and closure.

This tool makes it possible to review the results of the employee being evaluated with his or her immediate manager. In turn, the employee participates in the definition of his or her work plan for the year, in terms of his or her performance objectives, but also in terms of training activities (development objectives), agreeing on priorities with his or her immediate manager.

With respect to compensation, we have established a Compensation Center of Excellence at the corporate level to develop and implement the firm's compensation strategy. External competitiveness and internal equity will be promoted. For this purpose, the compensation methodology of the HAY Group is used.

This tool is based on the correct definition based on the appropriate description of each position. The job is then evaluated under the profile and scale models to determine a level or degree for each position. Finally, each HAY level or degree has a defined salary range. The definition of a salary range is the result of studies conducted on salaries in the labor market.

In the case of senior management, compensation is made up as follows:

1. Fixed Monthly Salary

2. Annual bonus based on results and individual performance

3. Long-Term Compensation Plans (applicable to certain positions only).

The policy for assigning responsibilities to senior managers is included in the internal standards adopted by the Company's Human Resources Department, which, as a formalization scheme for the structure, prepares a "job description" that includes the missions and duties inherent in each position within the structure, which is also used to establish the relative weight of the position within the organization; all of this according to a standardized and world-renowned methodology prepared by the HAY Group. There is a procedure called "Job Description and Evaluation" that defines the guidelines, responsibilities, and steps to be followed for creating job descriptions and evaluations in the Company's organizational structure.

Succession plans for senior managers are defined through a "people review" process involving the AES Group Regional President, the Regional Vice President of Human Resources and the AES Group Vice Presidents.

4. *The Board of Directors sets corporate governance structures and practices, appoints a person responsible for their implementation, monitors their effectiveness, and suggests changes if necessary.*

COMPLIANT.

The Board of Directors also approves and supervises the Corporate Governance Policy, the structure and practices of which are included, in addition to the applicable laws and regulations, in the interaction of a set of codes and guidelines adopted by the same Board of Directors, which are in compliance with the applicable laws on corporate governance, as issued by the CNV, the Securities and Exchange Commission ("SEC") and the self-regulated markets in which the Parent Company trades its securities, including, without limitation, the AES Code of Conduct, the Values Guide, the Conflicts of Interest Policy, the Anti-Corruption Policy, the Gifts and Entertainment Policy, Insider Trading Policy and the AES Group Charitable Contributions and Political Contributions Policy.

Each year, the Board of Directors of the Company approves the Report on the Application of the Principles and Best Practices of the Corporate Governance Code, which is prepared in accordance with current CNV regulations and submitted to the shareholders and investors of AES Argentina. In this report, the Board of Directors analyzes compliance with corporate governance principles and the progress of the Company and its business. Thus, the Board of Directors takes this opportunity to monitor the effectiveness of each of the corporate governance structures, processes and practices adopted by the Company and to identify those that may require modification and/or updating due to their low level of compliance.

In the future, for a better implementation of the recommendations contained in the Corporate Governance Code and in order to ensure a better development of these recommendations, we will evaluate the implementation of a Corporate Governance Secretary, who will also coordinate the relationship between investors, management, the Board of Directors and the performance of the Board of Directors, in order to ensure the resources necessary for the development and periodic fulfillment of the good corporate governance system, considering the relationship between costs and benefits in the implementation of corporate governance practices, processes and structures, and taking into account the principles of flexibility and proportionality inherent in the good corporate governance practices.

With respect to investor communications, AES Group has a dedicated department responsible for keeping the holders of notes issued by the Company informed of all relevant facts relating to accounting, financial, corporate or other matters that may reasonably be of interest to them. This is in addition to complying with the reporting system required by the current regulations governing the public offering system (in particular the CNV Technical Standards and the BYMA Listing Regulations).

At present, given the size and structure of the Company, there are no committees of the Board of Directors or executive officers with delegated responsibilities to implement corporate governance structures and practices. Notwithstanding the foregoing, the Shareholders' Meeting has delegated to the Board of Directors certain powers with respect to the Company's Notes Program - including the Notes already issued and the new Notes to be issued under the Program - which have been subdelegated by the Board of Directors to certain of its members. The performance of the subdelegates is directly and periodically monitored by the Board of Directors, and the aforementioned subdelegation is subject to annual renewal by the Board of Directors in order to ensure its proper performance.

Similarly, everything related to compliance assessment, appointments, and compensation is done both locally and globally, as explained in Practice 3.

Considering that AES Argentina is a closed company owned by the AES Group, there will be no Corporate Secretary, as it is considered that the current corporate structure of the Group ensures a smooth communication between the Board of Directors, the Management and the Shareholders.

In light of the foregoing, the Company is deemed to have completed the evaluation and to have reached the conclusion that the current provisions contained in the Articles of Incorporation, together with the legal provisions applicable to the Company (mainly the Business Companies Law, Law 26,831, the CNV standards, the US laws and regulations applicable to the Company due to the fact that its parent company is listed on the NYSE), as well as various internal codes and policies, constitute an adequate regulatory framework with respect to corporate governance and the general and specific responsibilities of the Board of Directors and the

Senior Management. For this reason, and without prejudice to improvements and changes that may be made in the future, the Board of Directors has determined that, as of the date hereof, it is not necessary to fully and expressly incorporate the provisions of the Corporate Governance Code into the Articles of Incorporation.

5. *The Directors have sufficient time to perform their duties in a professional and efficient manner. The Board of Directors and its committees have clear and formalized rules for their operation and organization, which are disclosed through the company's website.*

COMPLIANT.

AES Argentina has an expert Board of Directors with vast experience. The Board of Directors also relies on the AES Argentina team, which consists of specialized personnel with extensive experience.

Pursuant to the Articles of Incorporation, the Board of Directors of the Company shall consist of five (5) regular directors and five (5) alternate directors elected by the Shareholders' Meeting of the Company. Directors are appointed for a term of one (1) fiscal year. The directors shall have unlimited and joint and several liability to the Company, the shareholders and third parties for any failure to perform their duties, for any violation of the law, the Articles of Incorporation or the Bylaws of the Company, if any, and for any other damages to third parties caused by willful misconduct, abuse of authority or gross negligence, as provided in Section 274 of the Business Companies Law No. 19,550 ("**BCL**").

In accordance with this practice and principle under analysis, AES Argentina has a specialized Board of Directors that is fully dedicated to the Company's business. In this regard, the Company's Directors do not hold positions in other companies that are not members of the AES Group, with all member companies of the Group in which they hold positions operating in the same industry. As a result, the Company's Board of Directors is fully involved in the development of the Social Business, an essential requirement for joining the Board of Directors, as was communicated to each of the Directors at the time of their appointment. The Board of Directors of AES Argentina, in addition to its business specialization and the vast experience of all its members, is characterized by its disciplinary diversity, since it is composed of professionals from different fields of study, which guarantees a global and dynamic vision. In addition, the Board of Directors is composed of directors of different ages and has a female alternate director, which contributes to gender diversity. To the extent possible, all directors participate in meetings and affairs of the Board of Directors.

In addition, because of the central role they play, the Company believes that each Director has the necessary elements to fulfill his or her responsibilities. In fact, the Board of Directors has a sufficient budget to fulfill its duties, to manage the Company and, in this sense, to assure shareholders and investors that the Board of Directors is qualified to fulfill its duties and to guide the Company in achieving its goals and pursuing its mission.

The following is a brief description of the background of the directors, including their specific abilities to develop the business of AES Argentina.

REGULAR DIRECTORS:

Martín José Genesio (Personal Id. "DNI" 25,715,530) was born in San Nicolás de los Arroyos, Province of Buenos Aires, on January 18, 1977. He has obtained a degree as Electronic Engineer from Universidad Tecnológica Nacional of Argentina. He obtained a master's degree in Electricity and Natural Gas Market from the Instituto Tecnológico de Buenos Aires (ITBA) and an Executive MBA (Magna Cum Laude) from the IAE Business School at Universidad Austral. He joined Termoandes S.A., a subsidiary of AES, as Business Manager in 2006. He was then appointed as Chief Executive Officer for Termoandes and Chief Executive Officer and COO for AES Argentina Generación S.A. in Argentina. He is currently President of AES Argentina. Before joining Termoandes, he served as International Sales Manager at EDF Global Solutions, a company that is member of Electricité de France holding. He has more than 13 years of experience in the Argentine and regional electricity market.

Vicente Javier Giorgio (Personal Id. "DNI" 21,022,116) was born in San Nicolás de los Arroyos, Province of Buenos Aires, on

July 10, 1969. He joined AES in 1997, first as Commercial Manager of the distribution business and then as Chief Executive Officer of the generation business. In 2006, he was appointed Chief Executive Officer of Electricidad de Caracas, and in 2007 he became Country Manager of AES Panamá. In 2009, he moved to Chile where he was appointed as Vice President of Operations for AES Gener S.A., Vice President of Operations for the Andes SBU in 2012, and recently, in 2016, President of the Andes SBU.

Fabián Carlos Giammaría (Personal Id. "DNI" 18,211,356) was born in San Nicolás de los Arroyos, Province of Buenos Aires, on November 3, 1967. He is a lawyer with a degree from Universidad de Buenos Aires and holds a Master's in Business Law from Universidad Austral. He completed a postgraduate degree in Human Resources at the Universidad de Belgrano.
At present, he is regular board member 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., Energética Argentina S.A., Termoandes S.A., Gener Argentina S.A., Interandes S.A., and Energen S.A., and regular board member of AES Caracoles S.R.L. and Termoeléctrica Guillermo Brown S.A. He works at AES Argentina. He joined AES in 2004. Prior to joining AES Argentina, he worked as Senior Legal Advisor in Diego & Associates (2001-2004).

Iván Diego Durontó (DNI 23,471,261) was born in the city of Buenos Aires, on September 25, 1973. He is a lawyer with a degree from Universidad de Buenos Aires and holds a Master's in Business Law from Universidad Austral. He is regular 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 Energética Argentina S.A.; alternate director of Vientos Neuquinos I S.A., Termoandes S.A., Gener Argentina S.A., Interandes S.A., Energen S.A., Termoeléctrica José de San Martín S.A. and Termoeléctrica Guillermo Brown S.A., and statutory auditor of Termoeléctrica Manuel Belgrano S.A. He works in AES Argentina since 2006. Prior to joining AES Argentina, he worked as Head of the Legal Department at Empresa Distribuidora La Plata S.A. (2002-2006) and as an associate at Klein & Franco Abogados.

Luis Barnabas Casas (Personal Id. "DNI" 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. Then, he served as Development Manager at AES Servicios América S.R.L. and as
Administration Manager at AES Argentina Generación S.A. He currently works at AES Gener S.A., a Chilean company of the AES group, where he holds the position of Financial Controller for Argentina, Chile and Colombia. He has more than 15 years of experience in the Argentine and regional electricity market.

ALTERNATE DIRECTORS:

Guillermo Daniel Paponi (Personal Id. "DNI" 17,241,855) was born in the city of San Nicolás, Province of Buenos Aires, on December 8, 1964. He is a Mechanical Engineer specializing in Engineering Management, graduated from Universidad Tecnológica Nacional, San Nicolás Regional School. He is alternate board member 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.R.L., Energética Argentina S.A., Termoandes S.A., Gener Argentina S.A., Interandes S.A. and Energen S.A. He has been working in AES Argentina since 1993, where he served as Operations and Maintenance Manager at CTSN, San Nicolas Power Plant Manager (CTSN – AES Paraná), Thermal Generation Officer and Operations Officer at AES Argentina S.A. Before joining AES Argentina S.A., he worked in Aguas y Energía Sociedad del Estado as Maintenance and Operational Control Planning Manager (1984-1993).

Rubén Néstor Zaia (Personal Id. "DNI" 17,233,857) was born in the city of Buenos Aires, on September 26, 1964. He has obtained a diploma as Electricity Engineer from 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 Business Development Officer and during the last few years he participated in the development and execution of the 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) wind projects.

Adriana Beatriz Brambilla (Personal Id. "DNI" 24,838,940) was born in Quilmes, Province of Buenos Aires, on July 2, 1975. She is a Public Accountant graduated from the University of Buenos Aires and holds a postgraduate degree in International Taxation from Universidad Argentina de la Empresa (UADE). Her career was developed in companies such as Pricewaterhouse.

She joined AES Argentina Generación in June 2003 to serve as Compliance Tax Manager of the Hidroeléctrica Alicurá group companies, based in San Carlos de Bariloche, province of Rio Negro, Argentina. She currently serves as Tax Manager for AES Group companies in Argentina, and performs her duties in the City of Buenos Aires.

Diego Andrés Parodi (DNI 22,265,429). was born in the city of Buenos Aires, on August 2, 1971. He is an Accountant graduated from Universidad Argentina de la Empresa, and obtained 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 Chief Executive Officer since 2013. Before 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 Company guarantees the availability of information relevant to the decision-making process of the Board of Directors. In this regard, article 23 of the Articles of Incorporation sets out that the invitation to the meetings of the Board of Directors is made by written notice to all its members. Likewise, there is direct consultation mechanism for management lines to be used by all the directors.

The decisions relating to the management of the Company are taken at meetings of the Board of Directors, the frequency of which varies according to the needs of the Company, but which must be held at least once every three months, as provided for by Article 267 of Business Companies Law 19,550 and Article 23 of the Articles of Incorporation.

All matters submitted to the Board of Directors for consideration include an analysis of the risks associated with the decisions that may be taken. To this end, each responsible area provides, as appropriate, its analysis and opinion on the area under its responsibility so that the Board of Directors can weigh all the risks associated with the decision, taking into account the level of risk that the Company has determined to be acceptable. In this regard, the advice and opinion of independent professionals is usually required to assess and report these risks to the Board of Directors.

During the regular meetings of the Board of Directors, compliance with the approved budget and, consequently, with the business plan is monitored. Budgetary control is mainly focused on the monitoring of the main financial, economic and operational variables of the Company, such as: Volumes and prices, income statement and cash flow statement, investments, sales, fixed costs and working capital investments. These indicators are monitored in different time dimensions: Monthly, accumulated and yearly.

As set forth in Practice 3, the Board of Directors prepares an annual report with the frequency required by law, which is an integral part of the financial statements submitted to the Shareholders' Meeting for consideration. In this document, the Board of Directors describes its activities and the management results of the previous year in order to provide an adequate and sufficient guide for the Shareholders' Meeting to evaluate the performance of its members.

In addition, although the General Shareholders' Meeting is not required to evaluate the Board of Directors' compliance with the objectives, it approves its management and the financial statements of the Company, together with the Annual Report and the Corporate Governance Code Report, in accordance with the provisions of the BCL and the current regulations of the CNV and Bolsas y Mercados Argentinos S.A. ("BYMA").

The operation and organization of the Board of Directors are fully governed by the provisions of the BCL and the Articles of Incorporation of AES Argentina, which are widely known to all Directors, being both documents readily available to the public as they are published on the CNV website (which contains a link to the AES Argentina website). In the light of the foregoing, and given the size and lack of committees, the Board of Directors does not believe it is necessary to further regulate its operations by issuing a regulation.

B) CHAIRMAN OF THE BOARD OF DIRECTORS AND SECRETARY OF THE COMPANY

Principles

vi. The Chairman of the Board is responsible for ensuring the effective performance of the duties of the Board of Directors and for providing leadership to the directors. The Chairman should create a positive working dynamic and encourage the constructive participation of its members. Moreover, the Chairman should ensure that members have all the elements and information necessary for the decision-making process. This also applies to the Chairmen of each Board Committee according to the duties entrusted to them.

vii. The Chairman of the Board shall lead processes and establish the structures aimed at the commitment, objectivity and competence of the Board members, as well as at improving the operation of the Board of Directors as a whole and its evolution according to the needs of the Company.

viii. The Chairman of the Board shall ensure that the Board of Directors as a whole is involved in and is responsible for the succession of the Chief Executive Officer.

Practices

6. *The Chairman is responsible for the proper organization of the meetings of the Board of Directors, prepares the agenda with the cooperation of the other directors and ensures that they receive the necessary materials sufficiently in advance to participate in the meetings in an efficient and informed manner. The Committee Chairmen have the same responsibilities for their meetings.*

COMPLIANT.

The Chairman of the Board of Directors exercises the legal representation of the Company and coordinates the activities of the Board of Directors in a diligent and prudent manner, in accordance with the standard of a good businessman as provided in the BCL and the CNV standards. In this regard, Martín José Genesio, in his capacity as Chairman of the Board of Directors of the Company, is responsible for convening the meetings of the Board of Directors and coordinating the dates and agenda with the other Directors. He also chairs and manages the Board meetings, ensuring the participation and involvement of all Board members.

As noted above, the Company does not have a Corporate Secretary. Notwithstanding the foregoing, the Secretary's duties shall be performed by the Company's General Legal and Regulatory Affairs Department. In this sense, the preparation and organization of the meetings of the Board of Directors are entrusted to the Company's Legal Department.

As stated in paragraph 5 above, the availability of information relevant to the decision-making process of the Board of Directors is duly guaranteed. Directors are provided in advance with all documents to be submitted to the Board for approval so that they can make a proper individual analysis of such documents before they are discussed at Board meetings.

All the Board members have direct access to the management lines to make inquiries; and all the matters to be considered by the Board of Directors have already been subject to an analysis of the risks related to the decisions that can be made.

Similarly, the Chairman, assisted by the General Legal and Regulatory Affairs Department, is responsible for the organization and conduct of Shareholders' Meetings, which are convened with sufficient notice, and for which, in addition to the publication of legal notices, minority shareholders are directly notified and for which the documents to be examined have been previously distributed. In addition, the General Legal and Regulatory Affairs Department is responsible for the preparation of the necessary corporate documentation so that the Shareholders' Meeting can be validly held.

7. *The Chairman oversees the proper internal functioning of the Board of Directors through the implementation of formal annual evaluation processes.*

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

As mentioned above, the management of the Board and the individual performance of its members are not periodically evaluated by the Board or its Chairman, but by the Shareholders' Meeting, which is the governing body of the Company. This procedure has been effective to date, as the members of the Board of Directors are not involved in the evaluation of their own performance.

This evaluation, which is carried out annually, takes into account the overall performance of the financial year, based on financial and economic results, accounting documents audited by independent experts and any other documents that the shareholders may request in the exercise of their right to information prior to the date scheduled for the Shareholders' Meeting. This procedure is supported by the BCL, which stipulates that the Shareholders' Meeting is the only body that can relieve the Board of Directors of its responsibilities. The information on which the assessment of the Shareholders' Meeting is based includes, but is not limited to, the financial statements, the annual report and the report on the Corporate Governance Code (both prepared by the Board of Directors). These documents show both the development of the Company's activities during the year under review and the performance of the aforementioned corporate bodies.

In addition, another body of the Company, the Supervisory Committee, monitors the actions of the Board of Directors and its members on a daily basis; therefore, in the event of questionable actions, this Supervisory Committee has the power to initiate an investigation and, if necessary, to present to the Shareholders' Meeting the responsibilities of the Board of Directors - or any of its members - during its performance. In addition, the Supervisory Committee evaluates and approves the financial statements, thereby providing dual oversight of the performance of the Board of Directors. Supervision is carried out by the Supervisory Committee, as it is also provided for in the Business Companies Law.

Moreover, each of the board members is subject to a Performance Review established at a global level for the companies belonging to the AES Group (see Practice 3). This process takes into account, among other things, the fulfillment of the objectives set at the beginning of the fiscal year for each individual member, the fulfillment of the principles and values of the Company, and the ability to deal with situations that arise during the development of the Company's business.

Notwithstanding the foregoing, although at present the Board of Directors of AES Argentina has not implemented a formal annual evaluation process, other than the review of its management by the Shareholders' Meeting and the permanent control of the Supervisory Committee, there is a periodic self-control of the performance of the Board of Directors as a whole, as well as of the individual acts of each director, in the meetings of this corporate body. In fact, as stated above, one of the purposes of Board meetings is to ensure that this body is kept informed of the day-to-day management of the Company and, therefore, of the good or bad performance of its members. Similarly, in the event of adverse events or difficulties, all issues are disclosed during these meetings in order to find the most appropriate and effective solution, thus ensuring the proper functioning of the Board of Directors. As is already known, these meetings are chaired by the President of the Company.

8. *The Chairman generates a positive and constructive working space for all members of the Board of Directors and ensures that they receive ongoing training to stay up-to-date and be able to perform their duties properly.*

<u>COMPLIANT.</u>

In accordance with the above practices, the Board of Directors of AES Argentina is a specialized Board that functions as a whole and none of its members are there merely to occupy their positions.

The role of the Chairman is to coordinate the functioning of this body, i.e. the involvement, participation and interaction of its members. In this context, the Chairman of the Board of Directors endeavors to ensure that all members of the Board of Directors actively participate in the meetings of the Board of Directors according to their possibilities and capacities. To this end, the Chairman coordinates the meeting with them in advance and provides them with information on the agenda to be discussed and the documents to be reviewed.

Similarly, the Chairman will seek to ensure that all members of the Board of Directors are kept abreast of developments in all areas of the Company, without prejudice to the management functions assigned to each Director (see Practice 7). With regard to financial information, the Board of Directors together with the audit team and the external auditors prepares quarterly and annual financial statements, which are published and made available to the public investors. Although the Board of Directors has not approved a training policy for directors and senior managers, there is a regional training policy provided by the AES Group that has been in effect since October 2015. This policy makes no distinction between senior management and the remaining levels of the organization.

As part of this policy, the Company has participated over time in a number of management training and refresher courses. The purpose of these programs is to provide tools and methodologies that enable the development of sustainable growth and value creation strategies by enhancing the Company's key capabilities.

The Board of Directors does not consider it necessary to adopt a training policy for members of the Executive Committee and first line managers in the short term, as the training and development policy applicable to the entire organization has so far proved satisfactory for the Company. Currently, each Board member is individually responsible for his or her own development and training, and has a budget for this purpose. In this regard, each department of the Company, with the support of the Human Resources Department, organizes training programs and actions in accordance with the guidelines of the above-mentioned policy and practices common to companies with characteristics such as the Company, and keeps the Board of Directors informed, through the Human Resources Department, of the general guidelines of the actions implemented.

However, the Company adheres to the guidelines that the AES Group offers to its executives at a global level in terms of development plans, which include training programs in management skills (leadership, negotiation, interpersonal relations, change management, innovation, coaching, business vision, and others) in recognized institutions at a national and international level, addressed to directors and executive officers.

9. ***The Corporate Secretary supports the Chairman in the effective administration of the Board of Directors and collaborates in the communication between shareholders, board members and management.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

As stated above, the Company has elected not to have a Corporate Secretary, taking into account the size of the Company and other characteristics of the Company. In this way, the General Legal and Regulatory Affairs Department of the Company is responsible for assisting the Chairman in his duties regarding the administration of the Board of Directors and the communication with the minority shareholders.

AES Group owns 99.8% of the capital stock. The remaining 0.2% is held by minority shareholders who participate in three of the Company's stock ownership plans. Prior to each Shareholders' Meeting, the General Legal and Regulatory Affairs Department shall duly and directly
contact all minority shareholders in order to inform them of the Shareholders' Meeting to be held in the Company (in addition to the publication of the legal notices required by law), of the agenda to be discussed and to send them the documents to be considered at such meeting.

With respect to communication between directors and management, as noted above, all directors have direct access to management for inquiries, a procedure that is followed on an ongoing basis.

In addition, given the importance of investors to AES Argentina, communication between them and the Company is specifically managed by the Investor Relations Department, whose main function is to maintain relations with investors, assist them and keep them informed. Finally, the interactions between the Company and its various stakeholders, given their diversity, are addressed directly by each of the Company's departments, as appropriate.

10. ***The Chairman of the Board of Directors shall ensure that all Directors participate in the development and approval of a succession plan for the Chief Executive Officer.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

Given the size, characteristics and development of the Company's business, we have decided not to appoint a Chief Executive Officer and therefore there is no succession plan for this position.

In addition, the Board of Directors has not deemed it necessary to establish a Nomination Committee, and therefore the internal and external recruitment process is initially under the responsibility of the AES Group Shared Services Center, operated by AES Servicios América S.R.L.. The final selection and appointment of Company employees, including promotions, is the responsibility of the head of the requesting division or department. The Board of Directors intervenes only in cases where the appointment is to a key position in the Company's organizational structure. In addition, in order to establish a system of compensation for each position, management uses widely recognized internal methodologies such as the HAY methodology, the process for which is informed as frequently as required by the Board of Directors.

C) STRUCTURE, APPOINTMENT AND SUCCESSION OF THE BOARD OF DIRECTORS

Principles

ix. The Board of Directors shall have an appropriate level of independence and diversity to enable it to make decisions in the best interests of the Company and to avoid groupthink and decision making by dominant individuals or groups within the Board of Directors.

x. The Board of Directors shall ensure that the Company has formal procedures for nominating and appointing candidates for Board positions as part of a succession plan.

Practices

11. ***The Board of Directors has at least two members who are independent in accordance with the current criteria established by the National Securities Commission.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

The Board of Directors of the Company consists of a total of 5 regular members and 5 alternate members, all of whom are classified as executive and non-executive directors. Notwithstanding the absence of independent directors, we believe that the composition of the Board of Directors is appropriate given the Company's capital structure, as it allows the Company to have the bodies required by applicable regulations.

While the Company does not have an Executive Committee within the Board of Directors, many of the Directors hold executive positions and therefore oversee the day-to-day operations of the Company and are actively involved in the decision-making process.

It should be noted that, pursuant to Article 109 of Law 26831, only companies whose shares are listed on a stock exchange are required to establish an Audit Committee composed of three (3) or more members of the Board of Directors, the majority of whom must be independent, in accordance with the criteria established by the CNV. Given that the Company is not required by law to establish an Audit Committee with a majority of independent directors, the Company's shareholders have decided not to appoint independent directors, considering that the absence of independent directors does not prevent the Company from ensuring the impartiality and diversity necessary to make decisions in the best interest of the Company, given the disciplinary diversity that characterizes the Board of Directors (as set forth in Practice 5).

In fact, as explained above, the Company's Board of Directors is composed of professionals with extensive experience in all areas, but from very different fields that are more or less related to the electricity market and the Company's business. This ensures a diversity of views, promotes debate on the issues considered by the Board and allows for comprehensive solutions that cover all aspects of the issues submitted for evaluation.

12. ***The company has a Nomination Committee that is composed of at least three (3) members and is chaired by an independent board member. If the Chairman of the Board of Directors chairs the Nomination Committee, he/she shall refrain from participating in any discussion related to the appointment of his/her own successor.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

As stated in the previous item, in view of the size, characteristics, capital structure and current business development of the Company, the Company does not consider it necessary to establish a Nomination Committee. The election and appointment of the members of the Board of Directors, as set forth in the BCL, is the exclusive power of the Shareholders' Meeting, and we have established a replacement system in the event of resignation, removal or impediment, which is regulated by the provisions of the Articles of Incorporation of AES Argentina. This appointment system has so far been satisfactory to the Company in view of its capital structure, development and activities. With respect to executive officers, their appointment is determined by the Board of Directors in accordance with guidelines proposed by the Company's shareholders. In addition, with regard to the selection and appointment of the Company's personnel, the Management applies internationally recognized methods, such as the HAY method, with the Board of Directors being informed of the process as often as necessary.

13. ***The Board of Directors, through the Nomination Committee, develops a succession plan for its members that directs the shortlisting process to fill any vacancies and takes into account the non-binding recommendations made by its members, the Chief Executive Officer and the Shareholders.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

As stated in the above-mentioned practice, the Company does not currently consider it necessary to establish a Nomination Committee, taking into account its corporate structure, the development of its business and the satisfactory results of the procedure it has followed for many years. As noted above, the election and appointment of directors is the exclusive responsibility of the Shareholders' Meeting, and we have established a replacement system in the event of resignation, removal or disability as provided in the Articles of Incorporation.

14. ***The Board of Directors implements a mentoring program for its newly elected members.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

In view of the fact that all members of the Board of Directors of the Company are appointed on the basis of their extensive experience and solid background in the performance of similar positions, the Board of Directors of the Company does not currently provide a mentoring program for its newly elected members. In any case, in the event of any doubt as to their duties, any of the newly elected Directors may directly contact the Chairman of the Board of Directors and/or the General Legal and Regulatory Affairs Department, who are fully familiar with and informed about the functioning and meetings of the Board of Directors.

D) COMPENSATION

Principles

xi. The Board of Directors shall provide incentives through compensation to align management, led by the Chief Executive Officer, and the Board of Directors itself with the long-term interests of the Company, so that all directors perform their duties to all shareholders equally.

Practices

15. The company has a Compensation Committee that is made up of at least three (3) members. All of its members are independent or non-executive.

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

The Company does not have a Compensation Committee, as its corporate structure, the development of its business, the abundance of information on its economic results and the closeness of communication between the shareholders at the meeting that annually approves the compensation of the Board of Directors and the Statutory Auditors have not required the creation of such a committee. In the future, the Company will assess whether its implementation would be appropriate within the framework of the objectives and new needs that the market requires for its development.

All matters relating to executive and employee compensation and general increases are determined by the Excellence Compensation Committee of AES Corporation (the parent company of the AES Group) in consultation with the Company's Board of Directors. In addition, the day-to-day management of these matters is carried out by the Human Resources Department of AES Argentina, in compliance with current legislation and the compensation policy established by the Excellence Committee of the AES Group. Through the above-mentioned procedures, the Company ensures that compensation decisions are made in an objective and independent manner (since there is no Excellence Committee made up of AES Argentina's Executive Directors), and that gender equity is taken into account.

In addition, as explained in Practice 3, the Excellence Committee uses the HAY Group's methodology for determining salary ranges, which takes into account the salary market for each position by comparing the Company's practices with those of other market participants.

As we can see, the Board of Directors of the Company is continuously informed about everything related to the current compensation system, both by the Excellence Committee and by the Human Resources Department of AES Argentina, whose head, Fabián Carlos Giammaría, is also a member of the Board of Directors.

In addition, although AES Argentina does not have its own Compensation Committee, the Excellence Compensation Committee at the global level performs the functions assigned to the Compensation Committee by the Corporate Governance Code. Consequently, the Company considers that the current compensation policy for directors, managers and other employees is satisfactory, taking into account the characteristics of the Company and the results that this policy has achieved in recent years in relation to the short, medium and long term objectives of AES Argentina.
16. ***The Board of Directors, through the Compensation Committee, establishes a compensation policy for the Chief Executive Officer and Board members.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.
Idem Practical Justification 15.

E) CONTROL ENVIRONMENT

Principles

xii. The Board of Directors shall ensure that a control environment, consisting of internal controls developed by management, internal audit, risk management, regulatory compliance and external audit, is in place to provide the necessary lines of defense to ensure the integrity of the Company's operations and financial reporting.
xiii. The Board of Directors shall ensure that a comprehensive risk management system is in place to enable management and the Board of Directors to effectively steer the Company towards the achievement of its strategic objectives.
xiv. The Board of Directors shall ensure that a person or department (depending on the size and complexity of the Company, the nature of its business and the risks involved) is responsible for the Company's internal audit function. This audit, which is intended to evaluate and review the company's internal controls, corporate governance processes and risk management, must be independent and objective, with clear reporting lines.
xv. The Audit Committee of the Board of Directors shall be composed of qualified and experienced members and shall perform its duties in a transparent and independent manner.

xvi. The Board of Directors shall establish appropriate procedures to ensure the independent and effective performance of the external auditors.

Practices

17. The Board of Directors determines the Company's risk appetite and oversees and ensures the existence of a comprehensive risk management system that identifies, assesses, manages and monitors the risks to which the Company is exposed, including, but not limited to, environmental, social and other risks inherent in the business in both the short and long term.

COMPLIANT.

AES Argentina's Board of Directors identifies and evaluates key risk factors specific to the Company and its business, monitors risks, and implements appropriate mitigation measures. In addition, the Board of Directors continuously promotes best practices in sustainability by establishing and periodically reviewing measurement targets and tools. Although the Board of Directors does not report on the results of risk management oversight in the annual report or financial statements, it does prepare a general management analysis for the fiscal year, which is shared with senior managers.

As part of the AES Group, the Company has adopted the guidelines of the 2004 Enterprise Risk Management - Integrated Framework issued by the "Committee of Sponsoring Organizations" (COSO) as a reference framework for risk management. By applying these guidelines, the Company seeks to identify, measure, monitor, and mitigate risks that could interfere with the development of our strategy.

In addition, the Company has incorporated an assessment of its risk management culture to provide a foundation for continuous improvement, measuring the alignment of the Company's leaders, risk governance, decision making under uncertainty, and skills for effective and efficient risk management.

The Board of Directors receives and analyzes reports on the main risk factors of the business, which are prepared by the regional management of the AES Group. The senior managers, in turn, are part of the AES South American Risk Management Committee ("SA Risk Management Committee" or "SA RMC").

The financial reporting risk assessment is performed as part of the Sarbanes Oxley Act Section 404 certification and uses the 2013 Internal Control - Integrated Framework issued by COSO as a reference framework.

In addition, the Company has the AES Group Internal Control Program, which is based on the COSO methodology, and in accordance with this guide, management has established various integrated evaluation activities that provide an appropriate level of assurance with respect to: (i) effectiveness and efficiency of operations; and (ii) reliability of financial information and (iii) compliance with the laws, regulations and standards applicable to the business.

One of these activities is the annual internal and external risk assessment. The AES Group has identified financial reporting risks and financial fraud risks for all of its businesses. These risks are categorized by business cycle and area of responsibility. Its purpose is to assess the magnitude of risks so that management can identify areas where it should redouble its efforts to improve the effectiveness and efficiency of its controls.

Another activity related to risk management is the Control Self-Assessment, a biannual activity whose primary objective is to assess the design, effectiveness and efficiency of internal controls over financial reporting and to make process owners aware of their responsibilities in managing objectives, risks and controls.

The Board of Directors defines the Company's risk appetite in each case through the application of and on the basis of the procedures described above, which may vary according to the particularities of each operation evaluated and proposed by management.

18. ***The Board of Directors oversees and reviews the effectiveness of the independent internal audit function and provides resources for the implementation of an annual risk-based audit plan and a direct reporting line to the Audit Committee.***

PARTIALLY COMPLIANT AND COMPLIANT WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

According to Article 109 of Law 26831, only companies that list their shares on the stock exchange should create an Audit Committee. As the Company is not listed, we have decided not to appoint a local Audit Committee.

Notwithstanding the foregoing, the Company has a Regional Internal Audit Department that reports hierarchically to the Global Head of Internal Audit of the AES Group at the global level and reports functionally to the Audit Committee of the AES Group at the global level. The Audit Department provides independent services to the operating departments and covers the assurance and consulting objectives designed to add value and improve the operations of the Company and its affiliates in Argentina, contributing to the achievement of corporate objectives, bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

These services include planning, managing, coordinating and implementing all activities aimed at providing assurance on the effectiveness of AES Argentina's internal control system to ensure the efficiency of operations, the safeguarding of capital, the accuracy of information and compliance with internal and external regulations governing the Company's business, thereby minimizing organizational risks and generating value for the Company and its shareholders.

The Regional Internal Audit Department has developed policies and procedures that establish guidelines for the function and define its mission, scope of work, authority and responsibilities, which are reviewed from time to time by the Global Head of Internal Audit.

In addition, the Company has a local internal audit function. This area fulfills some of the responsibilities of the Audit Committee. In this regard, the Internal Audit Department is responsible, among other things, for monitoring the functioning of the internal control systems and the administrative and accounting system, as well as the reliability of the latter and of all financial information.

19. ***The internal auditor or members of the internal audit function are independent and highly qualified.***

COMPLIANT.

The independence of the audit function is determined on the basis of the organizational chart of the AES Group and is guaranteed by the following elements:

• The Audit Department does not report hierarchically to the Chairman of the Board of Directors or to the General Management of the Company, as it functionally reports to the Audit Committee of the AES Group as a whole at a global level, but not to any particular member.

• The annual audit plan is approved by the Audit Committee at the global/regional level and reported to the Board of Directors and senior managers at the local level.

• The Internal Audit Department has unrestricted access to the senior officers and managers and to all the operating areas of the Company.

• The Audit Department is not involved in any operational or accounting activities, both in terms of assurance and consulting services provided to the organization.

Neither the Audit Department nor the internal auditors individually have authority over and/or direct responsibility for the activities they audit, and the internal auditors shall avoid conflicts of interest in the performance of their duties. The Audit Committee of the

AES Group shall be informed by the member of the Audit Committee of any circumstances that may compromise the independence or objectivity of the Audit Department, any member of the Board of Directors or any senior manager.

The Internal Audit Department has an autonomous budget that provides for the cost of travel and tuition for its members to attend ongoing training programs in matters related to their work.

20. ***The Board of Directors has an Audit Committee that is governed by a set of regulations. The committee is mostly made up of and chaired by independent directors, without including the Chief Executive Officer. Most of its members have professional experience in financial and accounting areas.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

Idem Practical Justification 18.

21. ***The Board of Directors, with the advice of the Audit Committee, approves a policy for the selection and oversight of the external auditors, including the indicators to be considered when recommending to the Shareholders' Meeting the retention or replacement of the external auditors.***

COMPLIANT.

Currently, while the Company does not have a policy regarding the selection and oversight of external auditors at the local level, The AES Corporation has a standard policy included in its Financial Policies Manual that is followed by the Audit Committee of that company when selecting external auditors for the AES Group at the global level. Therefore, it is advisable for AES Argentina to select the same auditor to take advantage of the audit procedures that are mandatory to meet the requirements to which AES Corporation is subject. Therefore, given the existence of a comprehensive policy for the selection and oversight of external auditors that the Company follows at the local level, it is not considered necessary for the Board of Directors to approve a different policy, provided that the current system ensures the proper functioning and oversight of our external auditors, as well as their effectiveness and competence.

F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

xvii. The Board of Directors must design and establish appropriate structures and practices to promote a culture of ethics, integrity, and compliance that prevents, detects, and addresses serious corporate or individual misconduct.

xviii. The Board of Directors will ensure the implementation of formal mechanisms to prevent or otherwise manage conflicts of interest that may arise in the management of the Company. It shall have formal procedures designed to ensure that arm's length transactions are conducted in the best interests of the Company and the equitable treatment of all its shareholders.

Practices

22. ***The Board of Directors approves a Code of Ethics and Conduct that reflects the ethical and integrity values and principles, as well as the company's culture. The Code of Ethics and Conduct is communicated and applies to all directors, managers and employees of the company.***

COMPLIANT.

As part of the AES Group on a global level, the Company has the AES Values Guide, on which the AES Code of Conduct is based. The AES Code of Conduct, as mentioned above, includes the Conflict of Interest Policy. This policy describes how to avoid situations that could create, or appear to create, a conflict between personal interests and the interests of AES. The policy applies to all AES employees and sets expectations for temporary workers, consultants, agents, representatives and others who work for AES. In this sense, it is worth mentioning here that the policy is constantly reinforced through mandatory training for all employees and is also included as part of the induction process for new AES employees.

Any violation of the provisions of the Conflicts of Interest Policy may be reported to the AES Helpline.

In addition, the Company has mechanisms to prevent conflicts of interest based on the BCL, mainly in articles 59, 271, 271 and 273, and in the current regulations of the CNV. Therefore, directors may only enter into agreements with the Company that are related to the business in which the Company is engaged and that are at arm's length. Agreements that do not meet the above requirements may be executed only with the prior approval of the Board of Directors or the Supervisory Committee, if the former does not have a quorum. Moreover, the Shareholders' Meeting shall be informed of these transactions. If the agreements are rejected by the Shareholders' Meeting, the members of the Board of Directors or the Supervisory Committee, as the case may be, shall be jointly and severally liable for the damages suffered by the Company.

In this sense, Directors who have to resolve matters in which they have an interest contrary to that of the Company should inform the Board of Directors and the Supervisory Committee and abstain from participating in the discussion.

In order to ensure the development of a culture of ethics and integrity, in addition to the approval of the AES Code of Conduct, the Board of Directors encourages AES Argentina to develop marketing and/or communication activities aimed at its business environment in a responsible manner. The Company's marketing activities reflect its ethical standards, provide reliable information and comply with all regulations relating to the interaction with its business environment.

The Board of Directors of AES Argentina also promotes the integrated intervention of its employees in the market, in accordance with the values of AES Argentina and the principles of the AES Code of Conduct. It should be noted that AES Argentina employees are required to comply with the terms of the AES Code of Conduct in their dealings with third parties, just as they are required to comply with the terms of the AES Code of Conduct in their dealings with other employees and members of the Board of Directors. In addition, all third parties working with AES Argentina must agree to comply with the AES Code of Conduct, and for this purpose AES Argentina selects third parties based on their reputation and technical and economic criteria. The AES Code of Conduct defines how AES Argentina conducts its business and is designed to help AES Argentina meet its commitments, create a culture of respect and act with integrity in the marketplace, always under the rule of good behavior.

AES Argentina understands that customers, third parties working in partnership with the AES Group, and the community in general, expect upright and respectful behavior in accordance with applicable laws. By meeting these expectations, AES Argentina strengthens the confidence of third parties, avoids damage to its reputation and lays the foundation for the sustainable development of its activities.

The Company's Board of Directors encourages compliance with the AES Code of Conduct and recognizes upright conduct; promotes ethical decision making; fosters an open work environment in which the AES Argentina team feels comfortable and able to raise concerns; seeks to prevent and avoid retaliation against those who raise concerns, including for reporting contrary behavior; and encourages cooperation to resolve any "ethical dilemmas" that may arise. The AES Code of Conduct aims to prevent discrimination, occupational harassment, and violence. This goal is specifically treated by our Discrimination and Harassment Prevention Policy. It also recognizes and promotes human rights and workplace safety, and seeks to identify and prevent conflicts of interest. In addition, through the AES Code of Conduct, AES seeks and supports treatment to prevent substance abuse.

The AES Code of Conduct regulates and promotes the enforcement of the principles of ethics in the development of social enterprises for the AES Group team. In this regard, the Code describes situations and details the expected conduct with respect to (i) conflicts of interest; (ii) the enforcement of anti-corruption principles governed by the U.S. Foreign Corrupt Practices Act, the General Administrative Responsibility Act of the United Mexican States and Law 27401 of the Republic of Argentina; and (iii) the detection of money laundering and/or fraud. All of these issues are addressed in detail in the AES Conflict of Interest and Anti-Corruption Policy.

Each year, AES Argentina carries out several initiatives linked to the confirmation of the understanding and acceptance of the aforementioned Code of Conduct by all members of the Company. In this regard, each member of the AES Argentina team must acknowledge that he/she has read, understands and agrees to comply with this Code. In other words, the AES Code of Conduct is not just a statement of principles; it is a set of standards that must be understood and enforced by every member of the AES Argentina team. This knowledge is periodically revalidated through employee participation in various workshops conducted by the Company's Ethics and Compliance Department, which include simulations of situations in which the AES Code of Conduct must be applied in order to assess employee understanding and acceptance.

In addition, AES Argentina has established internal and external channels to ensure compliance with the Code. Among the internal channels, we should mention the role of department heads and managers. Senior management ensures compliance with the AES Code of Conduct, provides guidance and receives reports of non-compliance, and leads by example so that their behavior inspires and is emulated by all employees. Notwithstanding the foregoing, any employee is free to raise any concern regarding the Company's ethical values or issues with the Compliance Officer.

With respect to specific procedures for the receipt of gifts, entertainment and entertainment expenses, charitable contributions and lobbying, the Company has adopted the Gifts and Entertainment Policy, the Charitable Contributions Policy, the Political Contributions Policy and the Lobbying Policy, as noted above.

In the event of a violation of the AES Code of Conduct, the Company will take all appropriate actions, including disciplinary action, up to and including termination of employment, depending on the nature and severity of the violation, or, in the event of a violation of law, any civil and/or criminal penalties imposed by any governmental authority or court.

23. The Board of Directors periodically establishes and reviews an ethics and integrity program based on risk, size and economic capacity. The plan is visibly and unambiguously supported by senior management, which appoints an internal manager to develop, coordinate, monitor and periodically evaluate the effectiveness of the program. The program provides for: (i) periodic training of directors, officers and employees on ethics, integrity and compliance issues; (ii) internal channels for reporting irregularities that are open to third parties and properly disseminated; (iii) a policy to protect whistleblowers against retaliation and an internal investigation system that respects the rights of any person under investigation and imposes effective sanctions for violations of the Code of Ethics and Conduct; (v) mechanisms for periodic risk analysis, monitoring and evaluation of the program; and (vi) procedures for verifying the integrity and reputation of third parties or business partners (including due diligence to verify irregularities, wrongful acts or vulnerabilities in business transformation and procurement processes), including suppliers, distributors, service providers, agents and intermediaries.

COMPLIANT.

AES Argentina's Ethics and Integrity Program is defined by the AES Code of Conduct and many specific policies that supplement the Code, as detailed in the preceding practice. Similarly, periodic training in this area (subparagraph (i)) has been informed and developed in Practice 22.

In addition, the AES Code of Conduct provides internal and external channels for reporting violations, which are also open to third parties (subparagraph (ii)).

In this regard, as part of various corporate governance policies adopted at the global level, the Company has established a helpline (the "AES Helpline") as the exclusive channel for reporting, in strict confidence, any suspected irregularity or violation of the AES Code of Conduct. The AES Helpline provides information about AES Group values and a place to report concerns about inappropriate behavior and is available to both employees and third parties. To ensure confidentiality, the AES Helpline is managed by an outside vendor. The AES Helpline is available 24 hours a day, 7 days a week, and you can call a local number for free. The AES Helpline website (www.aeshelpline.com) is also available. The third-party vendor that manages the AES Helpline forwards all reports received by telephone and via the website to the Ethics and Compliance Department of AES Corporation in Arlington, Virginia, United States. Company-relevant reports are referred to the local Ethics and Compliance office for local follow-up. The Company will not tolerate retaliation against any employee of the Company for raising concerns or reporting suspected improprieties in good faith (subsection (iii)). On the contrary, AES Argentina encourages its employees to contact the AES Helpline with questions and concerns whenever they deem it necessary.

As indicated in Practice 22, the Company has established a policy to protect whistleblowers from retaliation. In addition, internal and external research systems have been established to ensure the independence of researchers and respect for the rights of those under investigation. In the event of violations of the Code, the Code provides for the imposition of sanctions to be determined based on the seriousness and extent of the violation.

As mentioned above, the AES Code of Conduct also applies to third parties that contract with AES Argentina, and therefore they are subject to the same systems of investigation and sanctions for non-compliance that apply to employees. In this line, to contract with third parties, AES Argentina conducts selection processes based on integrity and reputation (subsections iv, v and vi). In addition, it has specific instructions for contractors that are provided to and must be followed by any third party or business partner that deals with AES. They are also required to adopt the principles of ethics and integrity that govern all of AES Argentina's actions and its way of doing business in a sustainable and responsible manner.

24. ***The Board of Directors ensures that formal mechanisms are in place to prevent and manage conflicts of interest. In the case of arm's length transactions, the Board of Directors approves a policy that defines the role of each corporate body and how to identify, manage and disclose those transactions that are detrimental to the Company or only to certain investors.***

COMPLIANT.

The AES Code of Conduct, as stated in previous practices (see Practice 22), provides for the applicable internal and external mechanisms to prevent and address conflicts of interest. While the conflict of interest itself is not necessarily a violation, all employees are required to report the existence of such a conflict and to abstain from participating in the discussion and determination of the matter.
There is a specific policy that governs all matters relating to the existence of a conflict of interest and the conduct expected of our employees when such a matter arises.

If the conflict of interest is not reported and the violation of the AES Code of Conduct is confirmed, the Company will initiate an investigation and may impose a sanction as described in Practice 22.

As a result of the foregoing, the Company believes that it has sufficient formal mechanisms in place to effectively prevent and manage any conflicts of interest that may arise and to operate ethically in the case of arm's length transactions. In this regard, the Board of Directors periodically monitors compliance with the AES Code of Conduct by AES Argentina employees, together with the managers of the various areas and the Ethics and Compliance Department.

In addition to the mechanisms established by the AES Code of Conduct, the internal audit processes mentioned in the previous paragraphs (see Practices 18, 19 and 20) are another effective tool to strengthen the control of the proper performance of all AES Argentina employees, especially in the case of potential conflicts of interest or arm's length transactions. As a result, the Board of Directors has not currently approved a specific related party transaction policy.

G) SHAREHOLDERS AND STAKEHOLDERS' INVOLVEMENT

Principles

xix. The company shall treat all Shareholders fairly. The company must ensure equal access to non-confidential and relevant information for the decision-making process of the shareholders' meeting.
xx. The company shall encourage the active participation of all shareholders by providing them with adequate information, in

particular with regard to the nomination of members of the Board of Directors.
xxi. The company shall have a transparent Dividend Policy that is consistent with its strategy.
xxii. The company takes into account the interests of its stakeholders.

Practices

25. *The Company's website provides financial and non-financial information to all investors on a timely and equal basis. The website has a special section for investor inquiries.*

COMPLIANT.

AES Argentina maintains an up-to-date, publicly accessible website that provides relevant information about the Company: https://www1.aesargentina.com.ar/

The Company's website contains, among other things, information about the Company's portfolio, goals, values and non-financial information. There is also a special section for the company's financial information that links to the AES Argentina website within the CNV website: https://www.cnv.gov.ar/SitioWeb/Empresas/

In addition, the Company's website has a special "Contact Us" section that allows any potential or interested investor to voice their concerns, questions and comments, thus contributing to ensuring equal access to information.

26. *The Board of Directors shall ensure that there is a procedure for identifying and classifying its stakeholders and a channel for communicating with them.*

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

At present, the Company does not have a formal stakeholder engagement plan, as we believe that the identification and classification of stakeholders and communication with stakeholders (both internal and external) is adequately ensured. In terms of classification, stakeholders are mainly divided into internal (shareholders and employees) and external. The latter group also includes a variety of social actors with whom AES Argentina regularly interacts, the most important of which are customers, suppliers, regulators, creditors, financial institutions, business partners, investors and communities.

As for their employees, as mentioned in previous paragraphs, we organize periodic activities to keep them informed and involved in the daily development of the company, promoting interest in the activities of AES Argentina and commitment to the values and objectives of the Company. In addition, as we have seen, both employees and third parties have anonymous mechanisms for expressing their views and reporting behavior they consider inappropriate. Furthermore, employees participate in the annual evaluation processes, which, in their various stages, allow for a specific interaction regarding the individual performance of each employee, consisting not only of the evaluation made by their managers, but also of the self-assessment made by each employee. Finally, AES Argentina encourages daily and fluid communication between each employee and his or her peers and managers.

With regard to external stakeholders, communication with them is an absolute priority for each of the departments that interact with the different social actors involved in AES Argentina's activities (i.e. customers, suppliers, public and/or private authorities, etc.). For example, the procurement and contractor management departments are responsible for supplier relations, while customer relations are primarily the responsibility of the business team. In addition, this team, along with the Business Development team, is responsible for identifying and negotiating with third parties that, based on their track record and reputation, are potential business partners for AES Argentina. Regarding investors, as mentioned in Practice 4, the AES Group has a dedicated department that manages relationships with investors. In addition, the Finance and Treasury teams deal with the Company's financial institutions and creditors on a daily basis. Finally, relations with the various governmental bodies are handled by the corporate department that is most appropriate from a technical and political point of view, depending on the subject matter.

27. *The Board of Directors shall send to the shareholders, prior to the date fixed for the Shareholders' Meeting, a "Provisional*

Information Package", which shall enable the shareholders, through a formal channel of communication, to make non-binding comments and to express dissenting opinions with respect to the recommendations made by the Board of Directors. The Board of Directors is obliged to send a final information package and to give an explicit opinion, if necessary, on the comments received.

PARTIALLY COMPLIANT AND COMPLIANT WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

While the Company's capital structure is largely closed, the Board of Directors allows and encourages the participation of minority shareholders in the Shareholders' Meetings. In this sense, all shareholders, without exception, will receive timely notice of each Shareholders' Meeting - and its respective agenda - and, where applicable, all documents to be considered at the said Shareholders' Meeting. In addition, most of the Shareholders' Meetings held by the Company are of a unanimous nature.

Currently, there is no formal mechanism for delivering an "interim information package" prior to the delivery of the final package containing the Board of Directors' response to shareholder comments on the first package. Notwithstanding the foregoing, shareholders have direct contact with the Board of Directors and the General Legal and Regulatory Affairs Department, with whom they maintain smooth communication, which allows them to clarify doubts and/or raise concerns or objections prior to the time scheduled for the Shareholders' Meeting. Given the unanimous nature of most Shareholders' Meetings, shareholders have the opportunity to raise and include items on the agenda at the time of the Shareholders' Meeting (if they have not used the above communication channels prior to the Shareholders' Meeting).

28. ***The Company's Articles of Incorporation provide that shareholders may receive the information packages for the Shareholders' Meeting through virtual media and participate in the Shareholders' Meeting through electronic means of communication that allow the simultaneous transmission of sound, images and words, thus ensuring the principle of equal treatment of participants.***

NOT COMPLIANT, BUT IT COMPLIES WITH THE PRINCIPLE THAT INSPIRES THE PRACTICE.

At present, the Company's Articles of Incorporation do not provide for the possibility of participating in the Shareholders' Meeting by means of simultaneous video and audio transmission. In addition, the Company does not have a formal mechanism for the delivery of preliminary information packages - as mentioned in the previous point - and therefore the Articles of Incorporation do not provide for the possibility of delivery by virtual means. Nevertheless, in accordance with the Business Companies Law, the information for each Shareholders' Meeting is available in paper form for the shareholders, who may collect it at the registered office of the Company 15 days in advance. The shareholders have the right to request the information provided for in this standard by submitting an extension of information, if necessary, to the Supervisory Committee through the appropriate channel.

In addition, the General Department of Legal and Regulatory Affairs is responsible for sending to shareholders, by e-mail or through digital platforms, all the information and documents required for each Shareholders' Meeting, although this practice has not yet been implemented.

In addition, due to the public health emergency declared by the World Health Organization and the National Government as a result of the epidemic caused by the spread of the COVID-19 virus, and pursuant to the emergency regulations issued by the CNV and the Province of Buenos Aires Legal Authority, which allowed the holding of Board and Shareholders' Meetings remotely, even if such procedure was not provided for in the Articles of Incorporation, throughout 2020, the Board of Directors and Shareholders' Meetings of AES Argentina were held by electronic means that allowed the simultaneous transmission of sound, images and words (specifically through the Microsoft Teams platform) and in accordance with the requirements established by the aforementioned standards.
Thus, among other items on the agenda, the General Shareholders' Meeting examined the 2019 financial statements and unanimously appointed the Company's authorities.

29. ***The Dividend Policy is consistent with the strategy and clearly sets out the criteria, frequency and conditions under which dividends will be paid.***

NOT COMPLIANT.

The distribution of dividends by the Company is governed primarily by the provisions of the BCL, which ensure compliance with all requirements and limitations set forth in the relevant regulations. The Articles of Incorporation then specifically provide that the liquid and realized profits shall be distributed by the General Shareholders' Meeting as follows (a) FIVE PERCENT (5%) in order to reach TWENTY PERCENT (20%) of the subscribed capital, at least for the legal reserve fund; (b) the remuneration of the members of the Board of Directors and of the Supervisory Committee, within the limits established by Article 261 of Law 19550 (text organized in 1984); (c) the payment of the interest accrued on the employee profit sharing bonds; (d) any voluntary reserves or provisions that the Shareholders' Meeting may decide to create; (e) the remaining balance shall be distributed as a dividend to the shareholders, regardless of their class.

In accordance with the foregoing, it is the responsibility of the Shareholders' Meeting to determine the distribution of dividends each year based on the availability of earnings for such purpose. Consequently, there is no Dividend Policy, as the distribution of dividends should be decided by the Shareholders' Meeting, following a proposal by the Board of Directors in the Annual Report, in accordance with the BCL, the CNV standards and the Articles of Incorporation, based on the results of the fiscal year and the availability of liquid and realizable profits.

In addition, based on the characteristics of the capital structure, results, business and satisfactory operation of the Company to date, this policy was not considered necessary. Note that the Company has not made any public offerings and would be subject to these rules if it had issued debt securities, and therefore its corporate structure is not segmented in this sense.

Another key factor in determining the absence of a dividend policy is the extreme economic instability that characterizes the country, which prevents any future projection in terms of distribution of profits to shareholders, due to the constant changes in the country's foreign exchange policy, resulting in more and more restrictions on access to the foreign exchange market and, therefore, the payment of dividends.

The Company will evaluate whether it is necessary or advisable to adopt a dividend policy in the future based on the estimated results, future greater stability of the country and conditions for its development.

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THE BOARD OF DIRECTORS

Table of Contents of the Consolidated Financial Statements

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 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

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 and 2021
(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

		December 31	
	Note	**2022**	**2021**
Income from ordinary activities	22	70,126,231	67,052,171
Cost of sales	23	(54,186,012)	(44,429,237)
Gross profit		**15,940,219**	**22,622,934**
Administrative Expenses	23	(4,090,853)	(4,233,836)
Selling expenses	23	(5,763,918)	(1,935,162)
Other income and expenses	25	(66,117)	(166,351)
Operating income		**6,019,331**	**16,287,585**
Financial income	24	11,724,436	10,956,278
Financial expenses	24	(8,644,927)	(12,276,332)
Exchange gain (loss)	24	(1,815,466)	2,013,242
Loss on net monetary position (“RECPAM” for its acronym in Spanish)	24	(14,419,671)	(11,989,612)
Income from investments in other companies	6	77,760	171,189
(Loss) Income before tax		**(7,058,537)**	**5,162,350**
Income tax	10.2	9,345,438	(2,177,967)
Net income for the year		**2,286,901**	**2,984,383**
Income attributable to			
Owners of parent company		2,133,987	2,997,630
Non-controlling interest		152,914	(13,247)
Net income for the year		**2,286,901**	**2,984,383**
Net earnings per share for the year:			
Basic and diluted, net earnings for the year attributable to holders of ordinary equity instruments	26	0.185	0.260

Signed for identification purposes with
our report dated March 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)
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By the Supervisory Committee

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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 and 2021
(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

		December 31	
	Note	**2022**	**2021**
Net income for the year		**2,286,901**	**2,984,383**
Other comprehensive income that shall not be reclassified to income in subsequent years			
Exchange difference due to translation	2.2.2 / 16.5	—	—
Actuarial gains (losses) from employee benefits	16.5	(108,668)	12,356
Effect of income tax related to employee benefits	16.5	38,032	—
Proceeds from the sale of interest in subsidiaries	16.5	—	(82,501)
Other comprehensive income that shall be reclassified to income in subsequent years			
Exchange difference due to translation of investments in subsidiaries	2.2.2 / 16.5	(1,976,511)	(3,984,810)
Gain (loss) from derivative valuation differences	16.5	—	(262,896)
Effect of Income Tax from derivatives	16.5	—	76,442
Other comprehensive income for the year		**(2,047,147)**	**(4,241,409)**
Net comprehensive income for the year		**239,754**	**(1,257,026)**
Other comprehensive income attributable to:			
Owners of parent company		(2,032,471)	(4,387,699)
Non-controlling interest		(14,676)	146,290
Other comprehensive income for the year		**(2,047,147)**	**(4,241,409)**
Net comprehensive income attributable to:			
Owners of parent company		101,516	(1,390,069)
Non-controlling interest		138,238	133,043
Net comprehensive income for the year		**239,754**	**(1,257,026)**

The accompanying notes are integral part of these financial statements.

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our report dated March 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)	Andrés Leonardo Vittone	Ivan Diego Durontó
Certified Public Accountant (U.B.A.)	Lawyer C.P.A.C.F. Vol. 67- Fo. 212	Titular Director
C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3	Regular Statutory Auditor	in exercise of the Presidency
Tax Identification (“CUIT”) No: 20-20795867-1	By the Supervisory Committee	

AES Argentina Generación S.A.
Consolidated Statement of Financial Position
as of December 31, 2022 and 2021
(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

		December 31	
	Note	**2022**	**2021**
NON-CURRENT ASSETS			
Investments in Subsidiaries	6	300,702	275,295
Property, plant and equipment	7	76,361,962	85,873,819
Intangible assets	8	4,532,165	5,536,957
Inventories	9	1,968,215	1,968,215
Accounts receivable from related parties	11	8,514	11,384
Other financial assets	12	142,731	2,507,443
Tax assets	10.1	2,856,881	726,679
Other non-financial assets	13	314,381	400,006
Trade receivables and other accounts receivable	14	17,504,764	32,728,216
Deferred tax assets	10	5,000,847	618,643
Total non-current assets		**108,991,162**	**130,646,657**
CURRENT ASSETS			
Inventories	9	12,883,568	8,837,739
Accounts receivable from related parties	11	78,417	115,501
Tax assets	10.1	3,224,206	5,999,162
Other financial assets	12	2,143,622	—
Other non-financial assets	13	228,763	330,903
Trade receivables and other accounts receivable	14	20,450,523	21,122,985
Cash and Cash Equivalents	15	11,670,847	9,543,880
Total current assets		**50,679,946**	**45,950,170**
TOTAL ASSETS		**159,671,108**	**176,596,827**

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Titular Director
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AES Argentina Generación S.A.
Consolidated Statement of Financial Position (continued)
as of December 31, 2022 and 2021
(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

		December 31	
	Note	**2022**	**2021**
SHAREHOLDERS' EQUITY			
Issued Capital	16	1,152,527	1,152,527
Capital adjustment		11,793,134	11,793,134
Irrevocable contributions		321,455	321,455
Additional paid-in capital		3,118,852	3,118,852
Legal Reserve		3,212,904	3,212,904
IFRS Special Reserve		7,395,192	7,395,192
Optional reserve		39,146,813	36,394,542
Other reserves		23,676,322	25,708,793
Retained earnings		2,133,987	2,997,630
Shareholders' Equity Attributable to Controlling Group		**91,951,186**	**92,095,029**
Shareholders' Equity Attributable to Non-Controlling third Parties		**328,280**	**190,042**
TOTAL SHAREHOLDERS' EQUITY		**92,279,466**	**92,285,071**
NON-CURRENT LIABILITIES			
Liabilities for employee compensations and benefits	17	596,897	578,386
Tax liabilities	10.1	402,034	826,095
Deferred tax liabilities	10.2	1,018,120	6,429,440
Provisions	18	429,984	489,865
Accounts payable to related parties	11	280,895	69,148
Financial Liabilities	19	48,461,097	61,478,139
Total non-current liabilities		**51,189,027**	**69,871,073**
CURRENT LIABILITIES			
Liabilities for employee compensations and benefits	17	1,573,794	1,609,284
Tax liabilities	10.1	364,156	338,051
Accounts payable to related parties	11	2,337,933	1,850,497
Financial Liabilities	19	7,271,410	6,057,059
Trade creditors and other accounts payable	20	4,655,322	4,585,792
Total current liabilities		**16,202,615**	**14,440,683**
TOTAL LIABILITIES		**67,391,642**	**84,311,756**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**159,671,108**	**176,596,827**

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AES Argentina Generación S.A.
Consolidated Statement of Changes in Equity
for the years ended December 31, 2022 and 2021
(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

	Contributions of Shareholders				Reserves								
Detail	Issued capital	Capital adjustment	Irrevocable contributions	Additional paid-in capital	Legal reserve	IFRS Special Reserve	Optional reserve	Other reserves[1]	Total reserves	Retained earnings	Shareholders' Equity Attributable to Controlling Group	Shareholders' Equity Attributable to Non-Controlling third Parties	Total Shareholders' Equity
Balance as of December 31, 2020	**1,152,527**	**11,793,134**	**321,455**	**3,118,852**	**3,212,904**	**7,395,192**	**30,464,964**	**30,096,492**	**71,169,552**	**6,111,876**	**93,667,396**	**56,999**	**93,724,395**
Net income (loss) for the year	—	—	—	—	—	—	—	—	—	2,997,630	**2,997,630**	**(13,247)**	**2,984,383**
Other comprehensive income	—	—	—	—	—	—	—	(4,387,699)	(4,387,699)	—	**(4,387,699)**	**146,290**	**(4,241,409)**
Creation of an optional reserve	—	—	—	—	—	—	6,111,876	—	6,111,876	(6,111,876)	—	—	—
Dividend distribution April 2021	—	—	—	—	—	—	(182,298)	—	(182,298)	—	**(182,298)**	—	**(182,298)**
Balance as of December 31, 2021	**1,152,527**	**11,793,134**	**321,455**	**3,118,852**	**3,212,904**	**7,395,192**	**36,394,542**	**25,708,793**	**72,711,431**	**2,997,630**	**92,095,029**	**190,042**	**92,285,071**
Net income (loss) for the year	—	—	—	—	—	—	—	—	—	2,133,987	**2,133,987**	**152,914**	**2,286,901**
Other comprehensive income	—	—	—	—	—	—	—	(2,032,471)	(2,032,471)	—	**(2,032,471)**	**(14,676)**	**(2,047,147)**
Creation of an optional reserve	—	—	—	—	—	—	2,997,630	—	2,997,630	(2,997,630)	—	—	—
Dividend distribution April 2022	—	—	—	—	—	—	(245,359)	—	(245,359)	—	**(245,359)**	—	**(245,359)**
Balance as of December 31, 2022	**1,152,527**	**11,793,134**	**321,455**	**3,118,852**	**3,212,904**	**7,395,192**	**39,146,813**	**23,676,322**	**73,431,231**	**2,133,987**	**91,951,186**	**328,280**	**92,279,466**

[1] See structure and evolution in Note 16.5.

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AES Argentina Generación S.A.
Consolidated Statement of Cash Flows
for the years ended December 31, 2022 and 2021
(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

		December 31	
	Note	**2022**	**2021**
Operating Activities			
Net income for the year		**2,286,901**	**2,984,383**
Adjustments for reconciliation of results			
Depreciation and amortization expenses	7 and 8	7,751,367	8,836,989
Loss for withdrawals of property, plant and equipment	25	33,902	40,857
Exchange gain or loss and (Loss) Gain on net monetary position		15,095,947	6,466,994
Interest and other financial income	24	(11,724,436)	(10,956,278)
Loss on partial repurchase of notes	24	366,083	3,559,405
Income from investments in other companies	6	(77,760)	(171,189)
Income tax loss	10.2	(9,345,438)	2,177,967
Cost of provisions for legal claims	25	116,404	167,294
Accrued interest expenses	24	7,995,415	8,532,827
Bad debt allowance	23	4,436,076	761,253
Expenses for pension plans	17.1	290,718	312,116
Adjustments for changes in Balance sheet accounts			
Inventories		(4,045,753)	(6,910,946)
Trade receivables and other accounts receivable		(2,052,002)	13,972,229
Accounts receivable from related parties		(3,291,172)	(3,491,447)
Other non-financial assets		461,506	1,920,709
Trade creditors and other accounts payable		776,437	(3,064,274)
Accounts payable to related parties		1,978,052	1,417,761
Other liabilities and provisions		46,133	(55,367)
Tax assets		561,971	912,656
Other tax liabilities		709,212	(1,423,174)
Liabilities for employee compensations and benefits		791,646	661,901
Income tax paid		(4,948,619)	(5,821,542)
Hedging derivative instruments	19.2	—	(357,542)
Interest income from trade receivables		1,783,600	2,195,982
Net cash flow from operating activities		**9,996,190**	**22,669,564**

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AES Argentina Generación S.A.
Consolidated Statement of Cash Flow (continued)
for the years ended December 31, 2022 and 2021
(Amounts expressed in thousands of Argentine pesos, unless otherwise stated)

		December 31	
	Note	**2022**	**2021**
Investment Activities			
Purchase of property, plant and equipment		(2,499,607)	(2,938,892)
Purchase of intangible assets		(261,384)	(258,341)
Sale of participating interest		—	136,080
Interest received		4,655,508	2,812,278
Dividends received		39,256	121,547
Sale of short-term investments		983,697	3,698,671
Purchase of short-term investments		(515,705)	(1,944,676)
Net increase of mutual funds		(638,573)	(2,373,838)
Loans granted to related parties		8,394	(55,550)
Net cash flows used in investing activities		**1,771,586**	**(802,721)**
Financing Activities			
Amounts from third-party loans	19.2	25,051,395	7,744,364
Margin deposit		—	1,645,178
Principal paid due to third-party loans	19.2	(25,236,679)	(23,099,701)
Interests paid due to third-party loans	19.2	(7,904,115)	(7,788,870)
Loans received from related parties	19.2	1,098,358	—
Amounts paid to related parties		(1,093,705)	—
Dividends paid		(152,893)	(130,529)
Payments of lease liabilities	7.1/19.2	(9,054)	(10,056)
Net cash flows resulting from (used in) financing activities		**(8,246,693)**	**(21,639,614)**
Effect of exchange difference and RECPAM on cash and cash equivalents		(188,541)	(428,225)
Increase (decrease) in cash and cash equivalents, net		**3,332,542**	**(200,996)**
Cash and cash equivalents at the beginning of the year(1)	15	3,091,391	3,292,387
Cash and cash equivalents at the end of the year(1)	15	**6,423,933**	**3,091,391**

(1) See note 15 regarding cash and cash equivalents at the beginning and end of the year.

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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) (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:

2. Alicura Power Plant (Alicura): Hydroelectric power plant located in the Province of Neuquén with an installed capacity of 1,050 MW.
3. Cabra Corral Power Plant: Hydroelectric power plant located in the Province of Salta with an installed capacity of 102 MW.
4. El Tunal Power Plant: Hydroelectric power plant located in the Province of Salta with an installed capacity of 10 MW.
5. Ullum Power Plant: Hydroelectric power plant located in the Province of San Juan with an installed capacity of 45 MW.
6. 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.
7. San Nicolás Thermal Power Plant (CTSN): Thermal power plant located in the Province of Buenos Aires with an installed capacity of 675 MW.
8. Sarmiento Thermal Power Plant: Thermal power plant located in the Province of San Juan with an installed capacity of MW 33.
9. Vientos Bonaerenses Wind Plant: Wind power plant located in the Province of Buenos Aires with an installed capacity of 100 MW.
10. 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.

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 and 2021.

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:

2. has power over the investee,

3. is exposed, or has rights, to variable returns from its involvement with the investee, and
4. 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%

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.

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
Balance at the beginning of the year	**26,058,262**
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)
Subtotal	**(1,976,511)**
Balance at the end of the year	**24,081,751**

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

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(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.

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.

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

2. 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.

3. 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.

4. 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.

5. 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.

6. 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 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.

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:

- 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
Argentine Peso (AR$)	177.16	102.72

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.

Signed for identification purposes with
our report dated March 8, 2023
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
C.P.C.E. Province of Bs. As. Vol. 1, Fo. 196 - Book 196

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C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3	Regular Statutory Auditor	in exercise of the Presidency
Tax Identification ("CUIT") No: 20-20795867-1	By the Supervisory Committee	

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:

2. 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
3. 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 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.
4. 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.
5. 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 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 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 and 2021.

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

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	Addional %	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:

b. 25% on the income tax assessed in 2021, net of withholdings, if this tax exceeds 100,000.
c. 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.

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.

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.

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.

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.

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

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.

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:

2. fair value hedges;
3. 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."

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.”

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.

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

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.

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.

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.

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

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:

b. Replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies;
c. 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

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.

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

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

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:

- 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*	*in ARS/MWh*
	Res. 826/2022				**Res. 238/2022**	**Res. 238/2022**	**Res. 440/2021**
	effective since August 2023	*effective from February to July 2023*	*effective from December 2023 to January 2023*	*effective for November 2022*	*effective from June 2022 to October 2022*	*effective from February 2022 to May 2022*	*effective from February 2021 to Janaury 2022*
Generated Energy							
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
Operated Electric Power							
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	*in ARS/Month*	*in ARS/Month*	*in ARS/Month*	*in ARS/Month*	*in ARS/Month*	*in ARS/Month*	*in ARS/MWh*
	Res. 826/2022				**Res. 238/2022**	**Res. 238/2022**	**Res. 440/2021**
	effective since August 2023	*effective from February to July 2023*	*effective from December 2023 to January 2023*	*effective for November 2022*	*effective from June 2022 to October 2022*	*effective from February 2022 to May 2022*	*effective from February 2021 to Janaury 2022*
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

Price of Offered Guaranteed Power	in ARS/Month	in ARS/Month	in ARS/Month	in ARS/Month	in ARS/Month	in ARS/Month	in ARS/Month
	Res. 826/2022				Res. 238/2022		Res. 440/2021
	effective since August 2023	*effective from February to July 2023*	*effective from December 2023 to January 2023*	*effective for November 2022*	*effective from June 2022 to October 2022*	*effective from February 2022 to May 2022*	*effective from February 2021 to Janaury 2022*
Summer: December - January - February	1,402,562	1,095,752	876,601	796,910	664,092	603,720	464,400
Winter: June - July - August	1,402,562	1,095,752	876,601	796,910	664,092	603,720	464,400
Rest of the months of the 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	in ARS/Month	in ARS/Month	in ARS/Month	in ARS/Month	in ARS/Month	in ARS/Month	in ARS/Month
	Res. 826/2022				Res. 238/2022		Res. 440/2021
	effective since August 2023	*effective from February to July 2023*	*effective from December 2023 to January 2023*	*effective for November 2022*	*effective from June 2022 to October 2022*	*effective from February 2022 to May 2022*	*effective from February 2021 to Janaury 2022*
Large P > 300 MW	385,705	301,332	241,065	219,150	182,625	166,023	127,710
Median P > 120 and ≤ 300 MW	514,273	401,776	321,421	292,200	243,500	221,364	170,280
Small P > 50 and ≤ 120 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. <u>Regulatory Framework valid from February 2022 to November 2022: Resolution SE No. 238/2022</u>

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. <u>Regulatory Framework valid from February 2021 to January 2022: Resolution SE No. 440/2021</u>

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.

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:

2. 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 Cammesa 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.

3. 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 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%.

4. 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").

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.

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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.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%.

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.

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/(Decrease)	Effect on income/(loss) 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

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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
Total Assets	**58,352,062**
Total Non-Current Liabilities	48,921,373
Total Current Liabilities	10,915,491
Total Liabilities	**59,836,864**

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

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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.

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:

	December 31, 2022	December 31, 2021
Net income for the year	**2,286,901**	**2,984,383**
Income tax	(9,345,438)	2,177,967
Other income and expenses	66,117	166,351
Income from investments in other companies	(77,760)	(171,189)
Financial income	(11,724,436)	(10,956,278)
Financial expenses	8,644,927	12,276,332
Exchange gain (loss)	1,815,466	(2,013,242)
RECPAM	14,419,671	11,989,612
Depreciation and amortization	7,751,367	8,836,989
Adjusted EBITDA	**13,836,815**	**25,290,925**

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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.

b. Evolution and changes in the investment of the subsidiary:

Investments in Subsidiary	Country of origin	Functiona l 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**

c. Summary financial information of the subsidiary:

	December 31, 2022						
Investments in Subsidiaries[(1)]	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 Buendia	—	3,096	1,249	—	1,847	—	(18,188)

[(1)] The financial information from the subsidiaries is for the fiscal year ended December 31, 2022.

	December 31, 2021						
Investments in Subsidiary	Non-Current Assets	Current Assets	Shareholders' equity	Non-Current Liabilities	Current liabilities	Ordinary	Net Income
CTGBSA[(1)]	90,225	769,211	458,826	30,529	370,081	1,396,019	285,315

[(1)] The financial information from the subsidiary is for the fiscal year ended December 31, 2021.

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NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

	December 31, 2022		
Classes	**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 (1)	102,818	(5,949)	96,869
Total	**135,591,111**	**(59,229,149)**	**76,361,962**

	December 31, 2021		
Classes	**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 (1)	36,467	(4,968)	31,499
Total	**138,909,867**	**(53,036,048)**	**85,873,819**

(2) 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:

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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

Find below the changes in properties, plant and equipment:

	Construction Work in Progress	Lands	Buildings, net	Plant and equipment, net	IT equipment, net	Furniture, fixture and fittings, net	Motor vehicles, net	Other Property, Plant and Equipment, net	Total
Balance as of January 1, 2022	**349,668**	**36,076**	**967,859**	**84,169,433**	**162,651**	**57,213**	**99,420**	**31,499**	**85,873,819**
Additions	597,655	—	—	2,198,798	2,835	3,137	51,408	68,828	**2,922,661**
Withdrawals	—	—	—	(32,562)	—	—	(1,340)	—	**(33,902)**
Depreciation expense	—	—	(49,319)	(6,423,440)	(105,841)	(18,865)	(28,232)	(1,546)	**(6,627,243)**
Translation effect	(6,747)	—	—	(5,763,333)	(482)	(119)	(780)	(1,912)	**(5,773,373)**
Finished works	(628,806)	—	—	562,149	66,657	—	—	—	**—**
Transfers	—	—	—	—	(888)	—	888	—	**—**
Balance as of December 31, 2022	**311,770**	**36,076**	**918,540**	**74,711,045**	**124,932**	**41,366**	**121,364**	**96,869**	**76,361,962**

	Construction Work in Progress	Lands	Buildings, net	Plant and equipment, net	IT equipment, net	Furniture, fixture and fittings, net	Motor vehicles, net	Other Property, Plant and Equipment, net	Total
Balance as of January 1, 2021	**410,489**	**36,076**	**1,050,783**	**100,616,000**	**287,267**	**73,780**	**119,927**	**69,881**	**102,664,203**
Additions	1,482,308	—	—	1,486,874	10,375	2,640	8,581	—	**2,990,778**
Withdrawals	—	—	—	(40,857)	—	—	—	(21,932)	**(62,789)**
Depreciation expense	—	—	(82,924)	(7,618,270)	(134,149)	(18,937)	(28,786)	(3,294)	**(7,886,360)**
Translation effect	(16,478)	—	—	(11,800,965)	(842)	(270)	(302)	(13,156)	**(11,832,013)**
Finished works	(1,526,651)	—	—	1,526,651	—	—	—	—	**—**
Balance as of December 31, 2021	**349,668**	**36,076**	**967,859**	**84,169,433**	**162,651**	**57,213**	**99,420**	**31,499**	**85,873,819**

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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 and 2021 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[(1)]	Battery energy storage equipment[(1)]	Total
Balance as of December 31, 2020	**12,780**	**278,267**	**291,047**
Additions	9,598	—	9,598
Amortization	(13,466)	(192,679)	(206,145)
Balance as of December 31, 2021	**8,912**	**85,588**	**94,500**
Additions	8,156	444,483	452,639
Amortization	(8,711)	(166,184)	(174,895)
Balance as of December 31, 2022	**8,357**	**363,887**	**372,244**

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:

	Lease of offices	Battery energy storage equipment(2)	Debt for lease liabilities
Balance as of December 31, 2020	**9,711**	**712,666**	**722,377**
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)
Balance as of December 31, 2021	**8,913**	**598,337**	**607,250**
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)
Balance as of December 31, 2022	**8,357**	**1,003,886**	**1,012,243**

(1) Included under the heading Buildings in Property, Plant and Equipment
(2) 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.

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
Total	**29,305,932**	**(24,773,767)**	**4,532,165**
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
Total	**29,305,932**	**(24,773,767)**	**4,532,165**

	December 31, 2021		
	Gross value	Amortization	Net value
Finite lived intangible assets	29,192,225	(23,655,268)	5,536,957
Total	**29,192,225**	**(23,655,268)**	**5,536,957**
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
Total	**29,192,225**	**(23,655,268)**	**5,536,957**

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

Below are the changes in intangible assets:

	Software	Concession agreement	Acquisition and development of renewable projects	Intangible Assets, total
Balance as of January 1, 2022	263,285	2,163,336	3,110,336	**5,536,957**
Additions	96,493	83,708	—	**180,201**
Amortization	(106,012)	(993,880)	(24,232)	**(1,124,124)**
Translation effect	(292)	—	(60,577)	**(60,869)**
Balance as of December 31, 2022	**253,474**	**1,253,164**	**3,025,527**	**4,532,165**

	Software	Concession agreement	Acquisition and development of renewable projects	Intangible Assets, total
Balance as of January 1, 2021	195,153	2,965,879	3,260,098	**6,421,130**
Additions	168,332	20,173	—	**188,505**
Amortization	(97,569)	(822,716)	(30,344)	**(950,629)**
Translation effect	(2,631)	—	(119,418)	**(122,049)**
Balance as of December 31, 2021	**263,285**	**2,163,336**	**3,110,336**	**5,536,957**

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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:

	December 31, 2022	December 31, 2021
Alicurá Plant	470,725	1,260,952
Cabra Corral Plant	316,863	370,127
El Tunal Plant	149,915	169,368
Ullum Plant	315,661	362,889
Total Concession Contracts	**1,253,164**	**2,163,336**

NOTE 9 - INVENTORY

The detail of the inventory is as follows:

	Current		Non-current	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Coal	11,574,001	7,718,996	—	—
Gas Oil	1,675	2,986	—	—
Fuel Oil	4,883	8,702	—	—
Materials, spare parts and supplies	1,303,009	1,107,055	1,968,215	1,968,215
Total	**12,883,568**	**8,837,739**	**1,968,215**	**1,968,215**

The detail of recognized costs is shown in the following table:

	December 31, 2022	December 31, 2021
Coal(1)	32,037,047	20,920,661
Total	**32,037,047**	**20,920,661**

(1) The coal costs charged to income are included within fuels used for generation in Note 23.

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Coal supply

During the year ended December 31, 2022, the supply of coal was covered by the contracts with Interocean Coal Sales LLC and Glencore International AG. The Company received approximately 660,982 and, 813, metric tons in 2022 and 2021, respectively.

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, 2022	December 31, 2021
Value Added Tax	1,383,501	4,627,328	—	706,601
Gross income tax	5,493	102,750	135,690	20,078
Income tax	1,795,698	1,177,343	2,721,191	—
Credit balance due to withholding taxes	35,042	86,564	—	—
Sundry	4,472	5,177	—	—
Total tax assets	**3,224,206**	**5,999,162**	**2,856,881**	**726,679**

Tax liabilities

	Current		Non-Current	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Income tax	—	—	299,135	695,457
Value Added Tax	—	—	—	—
Fees and royalties	116,927	60,834	—	—
Personal property tax	50,978	117,402	—	—
Safety and hygiene rate	143,224	117,866	79,729	92,005
Gross income tax	3,422	2,931	—	2,341
Sundry	49,605	39,018	23,170	36,292
Total tax liabilities	**364,156**	**338,051**	**402,034**	**826,095**

10.2- Current Income Tax and Deferred Tax

The charge to income for income tax expense is as follows:

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	December 31, 2022	December 31, 2021
Current tax	(77,428)	(4,123,576)
Deferred tax, net	9,422,866	1,945,609
Total	**9,345,438**	**(2,177,967)**

The tax rate for the Group is 35% for December 2022 and 2021 (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 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	Addional %	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:

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	December 31, 2022	December 31, 2021
Income before taxes	(7,058,537)	5,162,350
Current tax rate	35 %	35 %
Subtotal	2,470,488	(1,806,823)
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
Difference for adjustment of property, plant and equipment and intangible assets	1,889,110	3,964,779
Overall tax adjustment effect	(2,851,527)	(4,175,559)
Accounting restatement effect	160,965	(641,621)
Sundry	35,955	159,157
Total Income Tax	**9,345,438**	**(2,177,967)**

The amount of the temporary differences associated with investments in CTGBSA and other companies has not been recognized.

The composition of the net deferred tax assets is as follows:

	December 31, 2022	December 31, 2021
Difference between depreciable values and amortization of property, plant and equipment and intangible assets	1,988,843	867,764
Overall tax adjustment	(1,071,375)	(3,174,635)
Tax losses	4,053,580	2,914,993
Others	29,799	10,521
Total deferred assets, net	**5,000,847**	**618,643**

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
Total deferred liability, net	**(1,018,120)**	**(6,429,440)**	**(8,488,343)**

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.

The evolution of the net deferred tax assets during the fiscal year is as follows:

	Total
As of January 1, 2020	405,553
Charged to the income statement - Income	320,536
Charged to other comprehensive income	(97)
Charged to other comprehensive income - Translation Difference	23,297
As of December 31, 2020	**749,289**
Charged to the income statement - (loss)	(15,711)
Charged to other comprehensive income	(657)
Charged to other comprehensive income - Translation Difference	(114,278)
As of December 31, 2021	**618,643**
Charged to the income statement - gain	4,078,549
Charged to other comprehensive income	(382)
Charged to other comprehensive income - Translation Difference	304,037
As of December 31, 2022	**5,000,847**

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The evolution of the net deferred tax liabilities during the year is as follows:

	Total
As of January 1, 2021	**8,488,343**
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)
As of December 31, 2021	**6,429,440**
Charged to the income statement - Loss	(5,344,317)
Charged to other comprehensive income - Translation Difference	(28,971)
As of December 31, 2022	**1,018,120**

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 is defined based on 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:

Accounts receivable from related parties					Current		Non-Current	
Company	**Country**	**Transaction description**	**Nature of the relation**	**Currency**	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
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	—	—
AES Energy Ltd. - Buenos Aires Branch	Argentina	Professional Services	Common parent	ARS	—	5,893	5,088	5,746
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	—	—
AES Andes	Chile	Miscellaneous services	Common parent	USD	1,655	1,870	—	—
AES Servicios América S.R.L.	Argentina	Recovery of costs	Common parent	USD	—	960	—	—
The AES Corporation	United States	Miscellaneous services	Parent	USD	499	1,168	—	—
Shazia S.R.L.	Argentina	Recovery of costs	Shareholder	ARS	45	88	308	1,953
AES Caracoles S.R.L.	Argentina	Professional Services	Common parent	ARS	—	—	—	—
AES Changuinola S.A.	Panamá	Miscellaneous services	Common parent	USD	—	—	3,118	3,521
Central Termoeléctrica Guillermo Brown S.A.	Argentina	Recovery of costs	Subsidiary	ARS	—	4,491	—	—
AES Andres DR, S.A.	Dominican	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	—	—	164
Total					**78,417**	**115,501**	**8,514**	**11,384**

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b) The balances of accounts payable between the Group and its related companies are as follows:

Accounts payable to related parties					Current		Non-Current	
Company	**Country**	**Transaction description**	**Nature of the relation**	**Currency**	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
AES Andes S.A.	Chile	Professional Services	Common parent	USD	913,096	552,352	—	—
AES Laurel Mountain	United States	Leased Assets	Common parent	USD	783,340	598,337	220,546	—
AES Paraná Operations S.R.L.	Argentina	Professional Services	Common parent	ARS	298,345	377,862	578	651
AES Globales B.V.	Holland	Dividends payable	Shareholder	ARS	93,321	87,939	—	—
AES Paraná Operations S.R.L.	Argentina	Recovery of costs	Common parent	ARS	92,091	111,105	—	—
AES Servicios América S.R.L.	Argentina	Professional Services	Common parent	ARS	100,293	83,142	—	—
The AES Corporation	United States	Miscellaneous services	Parent	USD	14,611	—	—	—
Inversora de San Nicolás S.A.	Argentina	Miscellaneous services	Shareholder	USD	19,112	21,583	—	—
Shazia S.R.L.	Argentina	Dividends payable	Shareholder	ARS	9,172	17,891	—	—
AES Alicura Holdings S.C.A.	Argentina	Dividends payable	Shareholder	ARS	—	—	—	—
AES Changuinola S.A.	Panamá	Miscellaneous services	Common parent	USD	—	—	3,999	4,516
Termoandes S.A.	Argentina	Recovery of costs	Common parent	ARS	6,419	—	—	—
AES Latin America	Panamá	Recovery of costs	Common parent	USD	—	—	402	454
AES Energy Ltd. - Buenos Aires Branch	Argentina	Professional Services	Common parent	ARS	2,730	—	—	—
AES Panamá	Panamá	Miscellaneous services	Common parent	USD	—	—	23,696	26,760
AES Paraná Gas S.A.	Argentina	Professional Services	Common parent	ARS	1,896	286	—	—
Central Termoeléctrica Guillermo Brown	Argentina	Recovery of costs	Subsidiary	ARS	3,507	—	—	—
Dominican Power Partners (Branch)	Dominican Rep.	Miscellaneous services	Common parent	USD	—	—	31,674	35,768
Inversora de San Nicolás S.A.	Argentina	Dividends payable	Shareholder	ARS	—	—	—	—
Shazia S.R.L.	Argentina	Recovery of costs	Shareholder	USD	—	—	—	999
Total					**2,337,933**	**1,850,497**	**280,895**	**69,148**

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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 fiscal year	
Company	**Country**	**Transaction description**	**Nature of the relation**	**December 31, 2022**	**December 31, 2021**
AES Alicura Holdings S.C.A.	Argentin	Loans granted	Common parent	1,424	1,955
AES Electroinversora BV	Holland	Loans granted	Common parent	1,676	585
Total Revenues				**3,100**	**2,540**
AES Servicios América S.R.L.	Argentin	Professional Services	Common parent	(879,008)	(846,582)
AES Servicios América S.R.L.	Argentin a	Loans received	Common parent	(213,626)	—
AES Andes S.A.	Chile	Professional Services	Common parent	(402,580)	(452,703)
AES Paraná Operations S.R.L.	Argentin a	Professional Services	Common parent	(203,440)	(263,136)
AES Paraná Operations S.R.L.	Argentin a	Recovery of costs	Common parent	(58,812)	(59,702)
AES Energy Ltd. - Buenos Aires	Argentin	Services	Common parent	(32,430)	(31,653)
AES Paraná Gas S.A.	Argentin	Provision of Services	Common parent	(3,480)	(3,067)
AES Alicurá Holdings S.C.A.	Argentin	Personal Property Tax - Surrogate	Shareholders	(21,341)	(71,300)
AES Globales B.V.	Holland	Personal Property Tax - Surrogate	Shareholders	(13,754)	(45,952)
Inversora de San Nicolás S.A.	Argentin	Personal Property Tax - Surrogate	Shareholders	(8,929)	(29,830)
Shazia S.R.L.	Argentin	Personal Property Tax - Surrogate	Shareholders	(139)	(464)
Total expense				**(1,837,539)**	**(1,804,389)**

Moreover, AES Laurel Mountain billed 202,365 and 257,370 for asset leases during the fiscal years ended December 31, 2022 and 2021, respectively.

Transactions with related companies in general consist of transactions inherent in the business of the Group.

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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 and 2021, 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 and 202,209 for the years ended December 31, 2022 and 2021, 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 and 2021. 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, 2022**	**December 31, 2021**
Restricted Cash	2,143,622	—	—	2,420,694
Investments in other companies	—	—	142,731	86,749
Total	**2,143,622**	**—**	**142,731**	**2,507,443**

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).

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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. 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, 2022**	**December 31, 2021**
Advance Payments to Suppliers	146,914	223,062	298,550	376,711
Insurance and other expenses to be accrued	33,997	29,621	—	—
Expenses paid in advance	10,559	41,163	—	—
Stamp tax to be recovered	732	2,088	15,831	22,031
Advance payment to employees	12,832	18,650	—	—
Sundry	23,729	16,319	—	1,264
Total	**228,763**	**330,903**	**314,381**	**400,006**

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, 2022	December 31, 2021
CAMMESA trade receivables, gross (Note 14.2)	19,094,494	19,744,092	22,803,655	35,763,912
Renovar contracts (Note 14.2)	508,968	449,734	—	—
MATER contracts	841,580	926,454	—	—
Other trade receivables	8,605	8,790	127,910	114,503
Bad debt allowance (Note 14.3)	(3,124)	(6,085)	(5,426,801)	(3,150,199)
Trade receivables and other accounts receivable	**20,450,523**	**21,122,985**	**17,504,764**	**32,728,216**

The fair values of trade receivables and other accounts receivable are not significantly different from their carrying values.

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14.2 CAMMESA Trade Receivables

The composition of the credits with Cammesa is as follows:

	December 31, 2022	December 31, 2021
CAMMESA common receivables (Note 3.a.)	**11,421,492**	**11,163,504**
Renovar contracts	**508,968**	**449,734**
Receivable accrued interest from Generators Agreement (Note 3.f.2.)	**350,105**	**304,834**
Receivables under Generators Agreement (Note 3.f.2.)	**24,827,649**	**36,488,982**
Update year 2009	235,537	266,044
Update year 2010	2,834,177	3,200,505
Receivables for LVFVD year 2011	—	—
Update year 2011	9,528,875	10,760,518
Receivables for LVFVD year 2012	—	—
Update year 2012	6,301,478	7,118,562
Receivables for LVFVD year 2013	—	—
Update year 2013	134,545	143,186
Interests Generators Agreement - Rate LIBOR	1,140,786	2,872,085
Interest updated	4,572,700	12,109,860
Uncollected exchange difference	79,551	18,222
Receivables for Trust Additional Remuneration (Note 3.f.3) (1)	**2,947,387**	**4,199,886**
Receivables for LVFVD year 2013 Res 95/2013	—	—
Receivables for LVFVD year 2014 Res 95/2013	59,780	116,428
Receivables for LVFVD year 2015 Res 95/2013	157,906	307,539
Receivables for LVFVD year 2016 Res 95/2013	125,231	243,901
Receivables for LVFVD year 2017 Res 95/2013	10,538	20,524
Interests Art 3º Resolution 406/03	2,593,932	3,511,494
Non-recurring maintenance receivables (Note 3.f.4.) (1)	**2,351,516**	**3,350,798**
Non-recurring maintenance receivables (Resolution 529/2014)	343,898	669,780
Interests Art 3º Resolution 406/03	2,007,618	2,681,018
Total CAMMESA receivables	**42,407,117**	**55,957,738**

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

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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.

Bad debt allowances concerning trade receivables are as follows:

	Balance
Balance as of January 1, 2021	**3,595,660**
Year increases - commercial expenses	954,355
Year recoveries - commercial expenses	(193,102)
RECPAM	(1,200,629)
Balance as of December 31, 2021	**3,156,284**
Year increases - commercial expenses	4,529,620
Year recoveries - commercial expenses	(93,544)
RECPAM	(2,162,435)
Balance as of December 31, 2022	**5,429,925**

NOTE 15 – CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash	414	697
Bank balances	302,252	421,779
Short-term deposits	6,121,267	2,668,915
Mutual funds [(1)]	5,246,914	6,452,489
Total	**11,670,847**	**9,543,880**

[(1)] 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 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%
	Total	**100%**

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 and 2021, 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 and 2021 amounts to 1,152,527.

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[1]	Inflation Adjustment	Total distributable income[3]
Before December 31, 2017	—	18,483,138	18,483,138
Years 2018 to 2021 [2]	5,397,105	15,266,570	20,663,675
Year 2022	2,133,987	—	2,133,987
	7,531,092	**33,749,708**	**41,280,800**

[1] At year-end currency of each financial year
[2] Net of anticipated dividends
[3] 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) 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.

16.5 Evolution of Other Reserves

	Reserve for Exchange Differences due to Translation					
	Not to be reclassified to profit or loss[1]	**To be reclassified to profit or loss**	**Reserve for Cash Flow Hedges**	**Reserve for Defined Benefit Plans**	**Other variations**	**Total**
Balance as of January 1, 2021	**30,493,506**	**(450,434)**	**184,027**	**(69,017)**	**—**	**30,158,082**
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)
Balance as of December 31, 2021	**30,493,506**	**(4,435,244)**	**(2,427)**	**(56,661)**	**(82,501)**	**25,916,673**
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)
Balance as of December 31, 2022	**30,493,506**	**(6,411,755)**	**(2,427)**	**(127,297)**	**(82,501)**	**23,869,526**

[1] Includes 193,204 and 207,880 as of December 31, 2022 and 2021, 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.

The components of the balance are:

	December 31, 2022	December 31, 2021
Seniority and retirement benefits	586,360	578,386
Provisions for bonuses to staff and holidays	10,537	—
Total non-current	**596,897**	**578,386**
Provisions for bonuses to staff and holidays	1,335,673	1,398,794
Remunerations	153,555	125,487
Seniority and retirement benefits	43,053	41,417
Social security contributions payable	41,513	43,586
Total current	**1,573,794**	**1,609,284**
Total	**2,170,691**	**2,187,670**

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
Balance at the beginning of the year	**619,803**	**607,734**
Current service cost (*)	44,118	48,369
Interest cost(**)	246,600	263,747
Actuarial Losses (Gains) - Financial Assumptions	107,576	(14,543)
Contributions paid	(3,473)	(5,426)
Exchange gain (loss)	—	2,135
Translation difference	(1,040)	(6,223)
RECPAM	(384,171)	(275,990)
Balance at the end of the year	**629,413**	**619,803**

(*) Charged to “cost of sales” or “administrative expenses,” as appropriate, in the comprehensive income statement.
(**) Charged to “financial result” in the comprehensive income statement.

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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
Nominal discount rate used	57.41%	57.41%
Average job turnover rate		
Staff covered by a collective bargaining agreement	0.29%	0.29%
Staff not covered by a collective bargaining agreement	3.80%	3.80%
Expected rate of salary increases in actual terms	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
Average age of employees	44	44
Average years of service	14	14
Average expected life of plans (years)	15	15

(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

NOTE 18 - PROVISIONS

The balances of provisions are as follows:

Non-Current	December 31, 2022	December 31, 2021
Provision for legal claims	299,616	432,325
Dismantling costs	128,596	55,540
Other provisions	1,772	2,000
Total	**429,984**	**489,865**

Movements in provisions

Balance as of January 1, 2021	**521,372**
Increase for the fiscal year (*)	179,777
Other transactions	2,000
Translation difference	(38,852)
RECPAM	(174,432)
Balance as of December 31, 2021	**489,865**
Increase for the fiscal year (*)	125,269
Other transactions	947
Translation difference	64,191
RECPAM	(250,288)
Balance as of December 31, 2022	**429,984**

(*) Charged to "Other income and expenses" in the consolidated statement of comprehensive income.

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C.P.C.E. Province of Bs.As. Vol. 133 Fo. 70 Book 34380/3	Regular Statutory Auditor	in exercise of the Presidency
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NOTE 19 - FINANCIAL LIABILITIES

19.1 Composition of the Item

Balances are as follows:

	Current		Non-current	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Notes [(a)]	1,570,357	1,793,681	48,461,097	55,211,710
Bank loans [(b)]	5,692,696	4,254,465	—	6,266,429
Financial leases (Note 7.1)	8,357	8,913	—	—
Total	**7,271,410**	**6,057,059**	**48,461,097**	**61,478,139**

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.

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.

				Current		Non-Current	
Series	**Currency**	**Annual nominal rate**	**Maturity year**	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Class A	USD	7.75%	2024	1,570,357	1,793,681	48,461,097	55,211,710
				1,570,357	**1,793,681**	**48,461,097**	**55,211,710**

(b) **Bank Loans**

			Current		Non-Current	
	Currency	**Nominal / Effective Annual Rate**	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Citibank New York (1)	USD	5.60%	—	1,317,923	—	—
ICBC Argentina (2)	USD	9.22%	3,497,370	2,910,769	—	3,870,655
Goldman Sachs(3)	USD	6.36%	2,141,074	6,223	—	2,395,774
Current account overdraft agreement	ARS	69.73%	54,252	19,550	—	—
Total			**5,692,696**	**4,254,465**	**—**	**6,266,429**

(1) The loan was canceled on June 1, 2022.
(2) The loan consists of 1 outstanding increasing installments payable on a quarterly basis. 3-Month LIBOR rate plus spread of 5.50%.
(3) 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%.

19.2 Evolution of interest-bearing debts and derivative instruments

	At the beginning of the year	Cash outflow[(2)]	Cash inflow [(3)]	Changes other than cash: Others [(1)]	Changes other than cash: Accrued interest	Changes other than cash: Translation/Exchange gain or loss / RECPAM	At the end of the year
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**

(1) 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.
(2) Includes cash outflows for hedges classified as operating activities.
(3) 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	Current: December 31, 2021
Trade payables	4,652,911	4,583,367
Sundry	2,411	2,425
Total	**4,655,322**	**4,585,792**

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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 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[1]	—	37,955,287	—	37,955,287
Cash and Cash Equivalents	302,666	6,121,267	5,246,914	11,670,847
Total	**302,666**	**46,449,838**	**5,246,914**	**51,999,418**

[1] Includes bad debt allowance

December 31, 2021	Cash and Cash Equivalents	Financial Assets at amortized cost	Assets at fair value through profit or loss 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[1]	—	53,851,201	—	53,851,201
Cash and Cash Equivalents	422,476	2,668,915	6,452,489	9,543,880
Total	**422,476**	**59,154,444**	**6,452,489**	**66,029,409**

[1] Includes bad debt allowance

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
Total	**63,006,657**	**63,006,657**

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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
Total	**74,040,635**	**74,040,635**

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:

- 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

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:

a) Market assumptions such as spot prices and other price projections, credit risk (own and counterpart) and rates.
b) Discount rates such as risk-free rates, sovereign and counterparty spread (based on risk profiles and information available in the market).
c) 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.

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.

As of December 31, 2022 and 2021 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 and 2021 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
Remuneration for energy [1]	45,431,592	38,418,811
Remuneration for capacity [1]	16,322,371	18,955,510
Sales of energy and capacity under agreements[2]	7,966,789	9,112,634
Other income	405,479	565,216
Total	**70,126,231**	**67,052,171**

(1) Includes the notion of generated and operated energy pursuant to the remuneration provided for by Resolutions 826/2022, 238/2022, 1037/2021, 440/2021, 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).

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
Total	**54,186,012**	**4,090,853**	**5,763,918**	**64,040,783**

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The details for the fiscal year ended December 31, 2021 are as follows:

	December 31, 2021			
	Cost of Sales	**Administrative expenses**	**Selling expenses**	**Total**
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
Total	**44,429,237**	**4,233,836**	**1,935,162**	**50,598,235**

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23.2 Remunerations, social security contributions and staff expenses

	December 31, 2022	December 31, 2021
Wages and salaries[(1)]	3,890,940	3,608,699
Short-term employee benefits[(1)]	663,428	735,587
Employment termination benefits	75,359	78,648
Other long-term benefits	43,263	39,836
Other staff costs	128,968	138,806
Total	**4,801,958**	**4,601,576**

[(1)] Includes social security contributions.

NOTE 24 – FINANCIAL RESULTS

	December 31, 2022	December 31, 2021
Interest from financial assets	7,406,657	8,145,143
Interest earned with related parties	3,100	2,540
Other financial income	4,314,679	2,808,595
Total financial income	**11,724,436**	**10,956,278**
Interest on financial debts	(7,803,002)	(8,380,029)
Interest on tax debts	(3,904)	(28,301)
Interest on trade payables	(11,712)	(44,850)
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)
Total Financial Expenses	**(8,644,927)**	**(12,276,332)**
Exchange differences from assets	27,361,204	16,304,706
Exchange differences from liabilities	(29,176,670)	(13,933,922)
Financial derivative instruments	—	(357,542)
Total of exchange differences	**(1,815,466)**	**2,013,242**
RECPAM	(14,419,671)	(11,989,612)
Total financial profit (loss)	**(13,155,628)**	**(11,296,424)**

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NOTE 25 – OTHER INCOME AND EXPENSES

Income (loss)	December 31, 2022	December 31, 2021
Debt cancellation	—	—
Income from settlement agreements	53,032	89,325
Proceeds from the sale of assets	33,662	442
Technical advise	42,136	—
Results from disposal of property plant and equipment	(33,902)	(40,857)
Surrogate payers on personal property	(44,258)	(147,863)
Net charge for provision of legal claims	(116,404)	(167,294)
Sundry	(383)	99,896
Total	**(66,117)**	**(166,351)**

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,	December 31, 2021
Net income for the year attributable to holders of ordinary equity instruments	2,133,987	2,997,630
Available profit or loss for ordinary shareholders, basic	**2,133,987**	**2,997,630**
Weighted average number of shares, basic	11,525,267,740	11,525,267,740
Basic and diluted earnings per share in pesos	**0.185**	**0.260**

There are no transactions or items generating dilutive effect.

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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.

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.

a. The guarantor (AAG) undertakes to maintain a minimum equity of 7,500 million during the whole life of the loan.
b. 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.

c. 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.

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.

NOTE 29 – ASSETS AND LIABILITIES IN CURRENCY OTHER THAN PESO OR WITH ADJUSTMENT CLAUSE

Item	Foreign Currency/ Adjustment Clause		Foreign exchange rate	December 31, 2022	December 31, 2021
	Detail	Amoun			
FONINVEMEM credits and generators' agreement	(1)	98,017	177.16	17,364,712	27,827,627
Accounts receivable from related parties	USD	17,600	177.16	3,118	3,521
Other financial assets	USD	—	177.16	—	2,420,694
Total Non-Current Assets				**17,367,830**	**30,251,842**
FONINVEMEM credits and generators' agreement	(1)	40,559	177.16	7,185,398	8,144,672
Interest on FONINVEMEM and generators	USD	1,976	177.16	350,105	304,834
Renovar receivables	USD	2,873	177.16	508,968	449,735
Accounts receivable from related parties	USD	426	177.16	75,505	81,256
Trade receivables and other accounts receivable	USD	5,044	177.16	893,539	929,894
	EUR	121	189.92	22,980	—
Other financial assets	USD	12,100	177.16	2,143,622	—
Cash and Cash Equivalents	USD	243	177.16	43,115	368,990
Total Current Assets				**11,223,232**	**10,279,381**
Total Assets				**28,591,062**	**40,531,223**
Provisions	USD	736	177.16	130,368	57,540
Accounts payable to related parties	USD	1,582	177.16	280,317	68,497
Financial Liabilities	USD	274,500	177.16	48,630,420	61,787,622
Liabilities for employee compensations and benefits	USD	46	177.16	8,221	—
Total Non-Current Liabilities				**49,049,326**	**61,913,659**
Liabilities for employee compensations and benefits	USD	27	177.16	4,783	—
Financial Liabilities	USD	40,694	177.16	7,209,287	6,009,808
Trade creditors and other accounts payable	USD	32,691	177.16	5,791,555	4,330,043
	EUR	27	189.92	5,171	74,103
Accounts payable to related parties	USD	9,766	177.16	1,730,159	1,172,272
Total Current Liabilities				**14,740,955**	**11,586,226**
Total Liabilities				**63,790,281**	**73,499,885**

(1) The credits from Generators' Agreement are adjusted based on changes in the US dollar rate.

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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
NON-CURRENT ASSETS								
Accounts receivable from related parties	—	—	—	—	—	—	8,514	**8,514**
Other financial assets	—	—	—	—	—	—	142,731	**142,731**
Trade receivables and other accounts receivable	—	—	—	—	—	—	17,504,764	**17,504,764**
Tax assets	—	—	—	—	—	—	2,856,881	**2,856,881**
CURRENT ASSETS								
Accounts receivable from related parties	—	—	34,543	42,027	—	1,847	—	**78,417**
Other financial assets	—	—	—	2,143,622	—	—	—	**2,143,622**
Tax assets	—	—	1,480,289	274,780	1,370,492	98,645	—	**3,224,206**
Trade receivables and other accounts receivable	1,458,411	—	13,559,601	1,810,837	1,810,837	1,810,837	—	**20,450,523**
NON-CURRENT LIABILITIES								
Liabilities for employee compensations and benefits	—	—	—	—	—	—	596,897	**596,897**
Tax liabilities	—	—	—	—	—	—	402,034	**402,034**
Provisions	—	—	—	—	—	—	429,984	**429,984**
Accounts payable to related parties	—	—	—	—	—	—	280,895	**280,895**
Financial Liabilities	—	—	—	—	—	—	48,461,097	**48,461,097**
CURRENT LIABILITIES								
Liabilities for employee compensations and benefits	—	—	1,185,888	129,302	129,302	129,302	—	**1,573,794**
Tax liabilities	—	—	313,178	—	50,978	—	—	**364,156**
Accounts payable to related parties	1,043,307	400,318	786,863	35,815	35,815	35,815	—	**2,337,933**
Financial liabilities	—	—	7,265,223	2,234	2,300	1,653	—	**7,271,410**
Trade creditors and other accounts payable	44,364	—	4,610,958	—	—	—	—	**4,655,322**

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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.

OVERVIEW OF THE YEARS ENDED
December 31, 2022, 2021, 2020, 2019 and 2018

According to the provisions of article 4, Chapter III, Title IV, of the New Consolidated Text of the National Securities Commission (CNV) on rules concerning the form of presentation of the Financial Statements before that Agency, the Board informs as follows:

1. **General Comments on the Group's Business (Information not contained in the Independent Auditors' report)**

In the fiscal year from January 1, 2022 to December 31, 2022, the Company recorded income from ordinary activities in the amount of Th$70,126,231. The Gross Profit obtained in the fiscal year under analysis amounted to Th$15,940,219 (23% on the net revenues from ordinary activities). The net income for the year was of Th$2,286,901.

During 2020, both Vientos Bonaerenses and Vientos Neuquinos Wind Plants, each with an installed capacity of 100MW, obtained commercial operation. During 2021, the operations of the renewable energy companies were consolidated and a generation of 790 GWh was recorded in December 2021, compared to 547 GWh in December 2020.

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.

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.

In addition, 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 last month of the fiscal year to be settled.

2. Summary of Accounting Information

a. Comparative Equity Structure as of December 31, 2022, 2021, 2020, 2019 and 2018

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
			(in thousands of pesos)		
ASSETS					
Non-current assets	108,991,162	130,646,657	170,314,973	167,512,043	134,366,343
Current assets	50,679,946	45,950,170	46,075,227	49,768,712	73,156,112
Total Assets	**159,671,108**	**176,596,827**	**216,390,200**	**217,280,755**	**207,522,455**
TOTAL SHAREHOLDERS' EQUITY	**92,279,466**	**92,285,071**	**93,724,395**	**88,440,645**	**88,359,531**
LIABILITIES					
Non-current liabilities	51,189,027	69,871,073	99,427,388	105,783,741	99,966,235
Current liabilities	16,202,615	14,440,683	23,238,417	23,056,368	19,196,688
Total Liabilities	**67,391,642**	**84,311,756**	**122,665,805**	**128,840,109**	**119,162,923**
Total liabilities and shareholders' equity	**159,671,108**	**176,596,827**	**216,390,200**	**217,280,754**	**207,522,454**

b. Comparative Income Structure as of December 31, 2022, 2021, 2020, 2019 and 2018

	2022	2021	2020	2019	2018
			(in thousands of pesos)		
Operating income	**6,019,331**	**16,287,585**	**15,745,925**	**21,996,073**	**29,043,346**
Financial income	11,724,436	10,956,278	9,984,720	13,323,219	10,275,705
Financial expenses	(8,644,927)	(12,276,332)	(10,448,407)	(8,951,208)	(7,081,804)
Exchange gain (loss)	(1,815,466)	2,013,242	817,514	(8,527,979)	(9,491,417)
Loss on net monetary position	(14,419,671)	(11,989,612)	(5,820,494)	—	—
Income from investments in other companies	77,760	171,189	224,388	490,660	924,021
Income before tax	**(7,058,537)**	**5,162,350**	**10,503,646**	**18,330,765**	**23,669,851**
Income tax	9,345,438	(2,177,967)	(4,392,916)	899,280	(14,108,669)
Net income for the year	**2,286,901**	**2,984,383**	**6,110,730**	**19,230,045**	**9,561,182**
Other comprehensive income for the year	**(2,047,147)**	**(4,241,409)**	**(563,988)**	**6,666,211**	**24,024,050**
Net comprehensive income for the year	**239,754**	**(1,257,026)**	**5,546,742**	**25,896,256**	**33,585,232**

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c. Comparative Cash Flows Structure as of December 31, 2022, 2021, 2020, 2019 and 2018

	2022	2021	2020	2019	2018
			(in thousands of pesos)		
Cash flows from operating activities	9,996,190	22,669,564	23,544,118	26,556,595	25,827,575
Cash flows used in investment activities	1,771,586	(802,721)	(22,923,402)	(39,229,381)	(12,656,692)
Cash flows used in financing activities	(8,246,693)	(21,639,614)	(11,191,429)	(12,857,902)	(13,538,563)
Total of funds generated (applied)	**3,521,083**	**227,229**	**(10,570,713)**	**(25,530,688)**	**(367,680)**
Effect of exchange difference and RECPAM on cash and cash equivalents	(188,541)	(428,225)	1,219,358	(1,164,726)	22,817,439
Increase (decrease) in cash and cash equivalents, net	**3,332,542**	**(200,996)**	**(9,351,355)**	**(26,695,414)**	**22,449,759**

3. Energy production (Information not contained in the Independent Auditors' report)

Bellow there is a detail of the Net Generation (GWh) of each of the plants of AES Argentina Generación for the fiscal years ended December 31, 2022, 2021, 2020, 2019 and 2018:

Plants	**2022**	**2021**	**2020**	**2019**	**2018**
Paraná	2,443	4,140	4,222	3,868	5,181
San Nicolás	1,636	1,830	1,047	468	1,565
Alicurá	1,547	1,122	1,671	1,689	1,992
Cabra Corral	167	141	158	140	142
El Tunal	47	48	51	51	48
Ullum	106	105	146	183	198
Sarmiento	32	4	25	24	11
Vientos Bonaerenses (1)	456	439	378	21	—
Vientos Neuquinos (2)	380	351	169	—	—
Total Sales (GWh)	**6,814**	**8,180**	**7,867**	**6,444**	**9,137**

(1) Phase I was started in October 2019 and Phase II in February 2020.
(2) The operation of both phases began between July and September 2020.

4. Financial Indexes

The following indexes are calculated on a comparative basis for fiscal years ended December 31, 2022, 2021, 2020, 2019 and 2018:

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Indexes	2022	2021	2020	2019	2018
Liquidity (Current assets / Current liabilities)	3.128	3.182	1.983	2.159	3.811
Solvency (Shareholders' equity / Total liabilities)	1.369	1.095	0.764	0.686	0.742
Indebtedness (Total liabilities / Shareholders' equity)	730	914	1.309	1.457	1.349
Immobilization of capital (Non-current assets / Total Assets)	683	740	787	771	647

5. Prospects for Fiscal Year 2023 (Information not contained in the Independent Auditors' report)

According to the latest International Monetary Fund (IMF) forecasts, global growth is expected to be 3.4% in 2022 and 2.9% in 2023. The decrease in this projection is mainly due to higher-than-expected global inflation, a worse-than-expected slowdown in China, a consequence of the COVID-19 outbreak and lockdown, and further negative effects of the war in Ukraine.

In addition, according to the latest World Bank report, global growth is expected to slow to 1.7% in 2023, the third weakest pace in nearly three decades, after the global recessions of 2009 and 2020. Investment growth in emerging markets and developing economies is expected to remain below the average rate of the past two decades. Emerging market regions and developing economies face a number of challenges amid widespread high inflation and a rapid slowdown in global growth. In Latin America and the Caribbean, growth is projected to slow to 1.3% in 2023, before reaching 2.4% in 2024.

Meanwhile, the IMF estimates growth for Latin America at around 3.9% in 2022 and 1.8% in 2023, due to the expected slowdown in the economies of the United States and China, the region's main partners.

We can highlight an improvement in the growth outlook for the Argentine economy with a projected increase in Argentina's gross domestic product (GDP) to 2% by 2023.

In the operating area of the Group, the efforts will continue to be directed towards making the works and improvements required so that the plants may continue to operate and meet the growing power demand in the country.

The Group will continue to prioritize a conservative management of finance, through a stringent cash management in order to ensure that the required financial resources for the proper operation of our power plants will be obtained and that the commitments made will be met.