GENNEIA S.A.

Consolidated Financial Statements as of and for the year ended December 31, 2022 presented for comparative purposes with the corresponding amounts of the fiscal year ended December 31, 2021 together with the Independent Auditor´s Report

GENNEIA S.A.

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CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

GENNEIA S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022

(Presented for comparative purposes with the corresponding amounts of the fiscal year ended December 31, 2021 - amounts expressed in thousands of United States dollars - Note 2.1)

	December 31, 2022	December 31, 2021
Current Assets		
Cash and banks (Note 5.a)	76,685	60,655
Investments (Note 5.b)	72,384	170,858
Trade receivables (Note 5.c)	70,825	62,195
Other receivables (Note 5.d)	14,903	14,539
Inventories (Note 5.e)	1,242	1,297
Total current assets	236,039	309,544
Non-current assets		
Other receivables (Note 5.d)	59,145	20,731
Investments (Note 5.b)	53,035	47,919
Inventories (Note 5.e)	8,550	9,964
Fixed assets (Note 5.f)	1,030,941	1,018,697
Intangible assets (Note 5.f)	17,948	21,635
Total non-current assets	1,169,619	1,118,946
Total assets	1,405,658	1,428,490
Current liabilities		
Accounts payable (Note 5.g)	78,075	63,243
Loans (Note 5.h)	187,568	202,955
Salaries and social security payable (Note 5.i)	6,110	5,745
Taxes payable (Note 5.j)	6,263	4,893
Income tax payable (Note 5.j)	26,169	20,705
Other liabilities (Note 5.k)	10,299	2,234
Provisions (Note 5.l)	1,391	1,581
Total current liabilities	315,875	301,356
Non-current liabilities		
Other liabilities (Note 5.k)	5,990	7,917
Loans (Note 5.h)	562,946	679,423
Deferred income tax liability (Note 5.r)	210,386	220,853
Total non-current liabilities	779,322	908,193
Total liabilities	1,095,197	1,209,549
Shareholders' equity (per corresponding statements)		
Capital stock	19,491	19,491
Share premium	276,029	276,029
Capital contributions	5,323	5,323
Legal reserve	1,221	1,221
Accumulated other comprehensive income	5,340	879
Unappropriated retained earings (losses)	3,057	(84,002)
Shareholders' equity attributable to owners of the Company	310,461	218,941
Total liabilities and shareholders' equity	1,405,658	1,428,490

Notes 1 to 16 are an integral part of these consolidated financial statements.

Osvaldo Hector Baños
Authorized Director

GENNEIA S.A.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022
(Presented for comparative purposes with the corresponding amounts of the fiscal year ended December 31, 2021 - amounts expressed in thousands of United States dollars, except for per share amounts expressed in United States dollars - Note 2.1)

	December 31, 2022	December 31, 2021
Net sales (Note 5.m)	278,125	277,216
Cost of sales (Note 5.n)	(103,611)	(98,575)
Gross profit	174,514	178,641
Selling expenses (Note 5.o)	(2,869)	(2,711)
Administrative expenses (Note 5.o)	(18,165)	(12,930)
Other expenses, net (Note 5.p)	(3,845)	(10,288)
Income (loss) on long term investment in joint ventures	5,132	(1,685)
Financial expense, net (Note 5.q)	(63,318)	(91,728)
Net profit before income tax	91,449	59,299
Income tax (Note 5.r)	(4,390)	(107,709)
Net profit (loss) for the year	87,059	(48,410)
Other comprehensive income		
Translation differences from investments in companies [(1)]	4,461	3,813
Total other comprehensive income	4,461	3,813
Total comprehensive profit (loss) for the year	91,520	(44,597)
Profit (loss) attributable to:		
Owners of the Company	87,059	(48,410)
Net profit (loss) for the year	87,059	(48,410)
Total comprehensive profit (loss) attributable to:		
Owners of the Company	91,520	(44,597)
Total comprehensive profit (loss) for the year	91,520	(44,597)
Profit (loss) per share (basic and diluted) (Note 3.18):	0.84	(0.47)

(1) May be reclassified subsequently to profit or loss at the moment of the sale of the investment or the full or partial reimbursement of the principal.

Notes 1 to 16 are an integral part of these consolidated financial statements.

Osvaldo Hector Baños
Authorized Director

GENNEIA S.A.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022
(Presented for comparative purposes with the corresponding amounts of the fiscal year ended December 31, 2021 - amounts expressed in thousands of United States dollars - Note 2.1)

	Shareholders' contributions					Retained earnings			Equity attributable to:	
	Capital stock	Issuance premiums	Subtotal	Capital contributions	Total	Legal Reserve	Accumulated other comprehensive income (loss) (1)	Unappropriated retained results	Owners of the Company	Total
Balances as of beginning of the year 2021	19,491	276,029	295,520	5,323	300,843	1,221	(2,934)	(35,592)	263,538	263,538
Net loss for the year	-	-	-	-	-	-	-	(48,410)	(48,410)	(48,410)
Other comprehensive income for the year	-	-	-	-	-	-	3,813	-	3,813	3,813
Balances as of December 31, 2021	19,491	276,029	295,520	5,323	300,843	1,221	879	(84,002)	218,941	218,941
Net profit for the year	-	-	-	-	-	-	-	87,059	87,059	87,059
Other comprehensive income for the year	-	-	-	-	-	-	4,461	-	4,461	4,461
Balances as of December 31, 2022	19,491	276,029	295,520	5,323	300,843	1,221	5,340	3,057	310,461	310,461

(1) Corresponds to the effect of the translation of the financial statements of investments in companies with functional currencies other than the U.S. dollar.

Notes 1 to 16 are an integral part of these consolidated financial statements.

Osvaldo Hector Baños
Authorized Director

GENNEIA S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

(Presented for comparative purposes with the corresponding amounts from the fiscal year ended December 31, 2021 - amounts expressed in thousands of United States dollars - Note 2.1)

	December 31, 2022	December 31, 2021
Cash flows provided by operating activities		
Net profit (loss) for the year	87,059	(48,410)
Adjustments to reconcile net profit (loss) for the year to net cash flows provided by operating activities:		
Depreciation and amortization of non-current assets	63,338	66,415
Income tax	4,390	107,709
(Income) loss from long term investment in joint ventures	(5,132)	1,685
Allowances and provisions net decrease	(190)	(993)
Interest expense recognized in profit or loss	54,783	73,368
Issuance costs and withholdings	8,296	11,393
Result from exchange negotiable debt obligations	-	9,344
Exchange differences and others	20,409	8,858
Impairment loss of fixed assets	-	8,156
Changes in assets and liabilities:		
Trade receivables	(11,552)	9,120
Other receivables	(2,699)	3,744
Inventories	1,469	(948)
Accounts payable	8,923	(3,378)
Salaries and social security payable	2,147	737
Taxes payable (6)	(3,020)	(5,684)
Other liabilities	(1,960)	1,192
Interest payments	(52,980)	(95,529)
Net cash flows provided by operating activities	173,281	146,779
Cash flows used in investing activities (2) (3)		
Payments for fixed assets acquisitions	(112,186)	(9,156)
Loans collected from related parties	656	8,320
Acquisitions of investments not considered cash and equivalents	(31,714)	(60,375)
Proceeds of investments not considered cash and equivalents	-	76,044
Sales of fixed assets	15,000	-
Deposits in guarantee (Note 5.d)	-	2,566
Net cash flows (used in) provided by investing activities	(128,244)	17,399
Cash flows used in financing activities (4)(5)		
Proceeds from issue of negotiable debt obligations, net of transaction costs	52,419	131,877
Payment of negotiable debt obligations	(133,784)	(124,785)
Proceeds from loans, net of commissions	4,831	4,351
Payment of loans	(50,731)	(49,013)
Payment of leasings	-	(654)
Net increase in other liabilities with related companies (Note 6)	8,098	-
Bank overdraft	(8,250)	9,976
Net cash flows used in financing activities	(127,417)	(28,248)
Exchange differences on cash and cash equivalents	(31,778)	(10,968)
(Decrease) increase in cash and cash equivalents (1)	(114,158)	124,962
Cash and cash equivalents at the beginning of the year (1)	231,513	106,551
Cash and cash equivalents at the end of the year (1)	117,355	231,513

(1) Cash and short-term investments with maturity up to three months at the acquisition date (Note 5).

(2) As of December 31, 2022 cash used in investing activities includes payments of adquisitions of fixed assets made during the preceding year and is net of financed acquisitions of fixed assets at the end of the year for a net amount of (3,684); aditionally includes advanced payments to fixed assets suppliers made during the year and is net of advanced payments to fixed assets suppliers made during preceding years for a net amount of 36,582. As of December 31, 2021 cash used in investing activities includes payments of adquisitions of fixed assets made during the preceding year and is net of financed acquisitions of fixed assets at the end of the year for a net amount of 62; aditionally includes advanced payments to fixed assets suppliers made during the year and is net of advanced payments to fixed assets suppliers made during preceding years for a net amount of (1,772).

(3) Includes 5,489 corresponding to capitalized interest payments on fixed assets for the year ended December 31, 2022.

(4) See Note 5.h for a reconciliation between opening and closing balances of liabilities arising from financing activities.

(5) As of December 31, 2022 and 2021, the proceeds from the issuance of negotiable obligations obtained are net of issuance costs and commissions for 448 and 6,651, respectively.

(6) Includes 1,241 corresponding to income tax advances for the year ended December 31, 2022.

Notes 1 to 16 are an integral part of these consolidated financial statements.

Osvaldo Hector Baños
Authorized Director

GENNEIA S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

(Presented for comparative purposes with the corresponding amounts and other information of the fiscal year ended December 31, 2021 - Amounts stated in thousands of United States dollars, except where otherwise indicated - Note 2.1)

NOTE 1 - BUSINESS OF THE COMPANY

GENNEIA S.A. ("GENNEIA" or the "Company") is a "sociedad anónima" (stock corporation) incorporated under the laws in force in Argentina, with a registered office at Nicolas Repetto 3676, 3rd Floor, Olivos, Province of Buenos Aires, Argentina.

The main activities of GENNEIA, its subsidiaries and joint ventures comprise three business units: (i) the electric power generation from renewable sources; (ii) the electric power generation from conventional sources; and (iii) the trading on its own, on behalf of third parties or associated to third parties, of natural gas and/or its transportation capacity and of electric power.

We are an Argentine independent power generation company whose mission is to provide reliable and sustainable energy. We prospect, develop, build and operate a diverse portfolio of renewable (wind and solar power) and conventional (thermal power) power plants. As of December 31, 2022, GENNEIA, its subsidiaries, and joint ventures had an installed capacity of 1,229 MW (866 MW of renewable energy and 363 MW of conventional energy). The installed capacity of the joint ventures amounts to 179 MW. We primarily derive our revenues from long-term U.S. dollar-denominated PPAs, which provide us with stable and predictable cash flows.

Business unit – Electric power generation from renewable sources

As of December 31, 2022, we had a consolidated installed capacity of 687 MW, and additionally it has an additional 300 MW under construction of renewable energy from wind and solar power sources. Net revenues from this business unit totaled US$ 227 million in 2022, or 81% of consolidated net revenues. Additionally, it maintains interest in joint ventures with an installed capacity of 179 MW.

Renewable Energy Law

Law No. 27,191, published in the Official Gazette on October 21, 2015, amended the National Promotion Regime for the Use of Renewable Sources of Energy, originally established by Law No. 26,190 (the "Promotion Regime").

The amendments set up a legal framework to promote investments in renewable energy and the diversification of the national energy matrix, increasing the share of renewable energy in the Argentine power market.

Law N° 27,191 among other matters, set the following conditions:

(i) At an initial stage, the share of renewable energy should reach 8% of the national consumption of electric power as of December 31, 2017. At a second stage, this share should rise to 20% of electric power consumption as of December 31, 2025.
(ii) Modifies and extends the tax benefit scheme applicable to eligible projects.
(iii) Creates the Renewable Energy Promotion Fund ("FODER").
(iv) Imposes obligations upon Large Users and Large Producers, setting an objective of mandatory compliance for energy consumption from renewable sources. If these obligations were not met as from December 31, 2017, a fine equivalent to the generation cost with imported fuel will be levied to those parties not complying with this requirement.
(v) Grants exemptions related to access and use of renewable energy sources.

On March 31, 2016, Regulatory Decree 531/2016 of Law 27,191 was published in the Official Gazette.

GENNEIA S.A.

Farms subject to PPA with Cammesa

Rawson I & II Wind Farms

In 2009, we participated in an international auction (RFP No. 1/2009) named GENREN to develop and operate new renewable energy. In 2010, we signed PPAs (Power Purchase Agreement) with ENARSA to develop and operate two wind farms located in Rawson in the Province of Chubut. In early 2012, Rawson I & II wind farms reached commercial operation. Combined installed capacity totals 84 MW.

The main terms and conditions of the PPAs are the following (i) PPAs expire if any of two things happen (a) 15 years have passed since the commercial operation day, (b) total dispatched energy matches ENARSAs total committed energy purchases (2,400 GWh for the Rawson wind farm I and 1,425 GWh for the Rawson wind farm II), (ii) grants ENARSA the option to renew the PPAs for another 18 months if neither conditions mentioned before (i) (a) and (i) (b) have been met, (iii) amounts payable to the Company under these PPAs are denominated in U.S. dollars and payable in Argentine pesos at the wholesale reference exchange rate quoted by the Central Bank pursuant to Communication "A" 3500 as calculated on the business day prior to the expiration of the payment obligation; (iv) ENARSA has to purchase all electricity effectively dispatched at a price of US$ 128.70 for Rawson I and US$ 124.20 for Rawson II. As of November 2019, CAMMESA is the counterpart to the MEM Supply Contracts and makes payments directly to GENNEIA S.A.

Trelew Wind Farm

On August 29, 2017, the Company acquired 100% of the capital stock of Parque Eólico Loma Blanca IV S.A.U. (formerly named, Isolux Corsán Energías Renovables S.A.) from SIDELI S.A. The effective transfer of shares and payment of the purchase took place on November 29, 2017.

In December 2010, Parque Eólico Loma Blanca IV S.A.U. signed a PPA with ENARSA under the GENREN program to develop and operate the 51 MW Trelew wind farm (formerly called, Loma Blanca IV wind farm) located in Puerto Madryn, Province of Chubut. The Trelew wind farm reached commercial operation in August 2013 and has been operated by GENNEIA since November 29, 2017.

The main terms and conditions of the PPA are the following, (i) PPA expires if any of two things happen (a) 15 years have passed since the commercial operation, (b) total dispatched energy matches ENARSAs total committed energy purchases (2,636 GWh), (ii) grants ENARSA the option to renew the PPA for another 18 month period, if neither conditions mentioned before (i) (a) and (i) (b) have been met, (iii) amounts payable to the Company under these PPAs are denominated in U.S. dollars and payable in Argentine pesos at the wholesale reference exchange rate quoted by the Central Bank pursuant to Communication "A" 3500 as calculated on the business day prior to the expiration of the payment obligation; (iv) ENARSA has to purchase all electricity effectively dispatched at a price of US$ 127.01 per MWh.

Madryn Wind Farms

In 2009, we participated in an international auction (RFP No. 1/2009) conducted by ENARSA under the GENREN program, in accordance with the Renewable Energy Program, to develop and operate new renewable energy. In 2010, we were awarded the right to develop and operate the Madryn wind farms, located in Puerto Madryn, Province of Chubut.

In May 2017, we signed two 20-year U.S. dollar-denominated PPAs with CAMMESA -in accordance with the form included in Resolution 202-E/2016- for a combined installed capacity of 220 MW: 70 MW for Madryn I and 150 MW Madryn II.

The main terms and conditions of the PPAs are the following: (i) the Company has the obligation to build, operate and maintain the wind farm and sell the electricity to CAMMESA (acting in representation of the WEM agents); (ii) the Company committed 220 MW of power capacity; (iii) CAMMESA has to purchase all electricity effectively dispatched at a price of US$ 76.23 per MWh plus additional annual adjustment factors; (iv) amounts payable to the Company under the PPAs will be denominated in U.S. dollars and payable in Argentine pesos at the prevailing exchange rate of the immediately preceding business day of the payment date; and (v) CAMMESA's obligations under the PPAs will be guaranteed by the FODER (in which the Argentine government is the trustor).

On November 2, 2018, the Madryn I wind farm reached commercial operation. The total installed capacity is 71 MW.

On September 26, 2019, the Madryn II wind farm reached commercial operation. The total installed capacity is 151 MW.

GENNEIA S.A.

Villalonga I Wind Farm

Within the framework of the RenovAr Round 1.0 Program, on January 12, 2017, the Company entered into, through its subsidiary Genneia Vientos Argentinos SA, a PPA for the 50 MW Villalonga I wind farm, denominated in US dollars, and 20 years with CAMMESA.

The main terms and conditions of the PPA are the following: (i) Genneia Vientos Argentinos has the obligation to build, operate and maintain the wind farm and sell the electricity to CAMMESA (acting in representation of the WEM agents); (ii) Genneia Vientos Argentinos committed 50 MW of power capacity; (iii) CAMMESA has to purchase all electricity effectively dispatched at a price of US$ 54.96 per MWh plus additional annual adjustment factors; (iv) amounts payable to Genneia Vientos Argentinos under the PPAs will be denominated in U.S. dollars and payable in Argentine pesos at the prevailing exchange rate of the immediately preceding business day of the payment date; and (v) CAMMESA's obligations under the PPAs will be guaranteed by the FODER (in which the Argentine government is the trustor) and by a special guarantee provided by the World Bank.

On December 19, 2018, the Villalonga I wind farm reached commercial operation. The total installed capacity is 52 MW.

Pomona I Wind Farm

Within the framework of the RenovAr Round 1.5 Program, on May 26, 2017, the Company entered into, through its subsidiary Genneia Vientos del Sudoeste SA, a PPA for the 100 MW Pomona I wind farm, denominated in US dollars, and 20 years with CAMMESA.

The main terms and conditions of the PPA are the follwing: (i) Genneia Vientos del Sudoeste has the obligation to build, operate and maintain the wind farm sell theelectricity to CAMMESA (acting in representation of the WEM agents); (ii) Genneia Vientos del Sudoeste committed 100 MW of power capacity; (iii) CAMMESA has to purchase all electricity effectively dispatched at a price of US$ 54.88 per MWh, plus additional annual adjustment factors; (iv) amounts payable to Genneia Vientos del Sudoeste under the PPAs will be denominated in U.S. dollars and payable in Argentine pesos at the prevailing exchange rate of the immediately preceding business day of the payment date; and (v) CAMMESA's obligations under the PPAs will be guaranteed by the FODER (in which the Argentine government is the trustor) and by a special guarantee provided by the World Bank.

On July 17, 2019, the Pomona I wind farm reached commercial operation. The total installed capacity is 101 MW.

Chubut Norte I Wind Farm

In 2016, the Company participated in the international renewable energy auction RENOVAR Round 1.0. On October 7, 2016, the Ministry of Energy issued Resolution No. 213 awarding the Company the right to develop the Chubut Norte wind farm Project of 28.3 MW, located in the Province of Chubut. On January 12, 2017, Genneia Vientos de Sur S.A. signed a 20-year U.S. dollar-denominated PPA with CAMMESA.

The main terms and conditions of the PPA are the following: (i) Genneia Vientos del Sur has the obligation to build, operate and maintain the wind farm and sell the electricity to CAMMESA (acting in representation of the WEM agents); (ii) Genneia Vientos del Sur committed 28.35 MW of power capacity; (iii) CAMMESA has to purchase all electricity effectively dispatched at a price of US$ 66 per MWh plus additional annual adjustment factors; (iv) amounts payable to Genneia Vientos del Sur under the PPAs will be denominated in U.S. dollars and payable in Argentine pesos at the prevailing exchange rate of the immediately preceding business day of the payment date; and (v) CAMMESA's obligations under the PPAs will be guaranteed by the FODER (in which the Argentine government is the trustor) and by a special guarantee provided by the World Bank.

On December 12, 2018, the Chubut Norte wind farm reached commercial operation, with a total installed capacity is 29 MW.

GENNEIA S.A.

Ullum I, II & III Solar Farms

On April 9, 2018, the Company acquired Ullum I Solar S.A., Ullum II Solar S.A. and Ullum III Solar S.A. ("The Ullum Companies"). Within the framework of the RenovAr Round 1.5 Program, the Ullum Companies signed respective PPAs for the Ullum I, II and III solar farms of 82 MW of combined installed capacity, denominated in US dollars, and for 20 years with CAMMESA.

The main terms and conditions of the PPA are as the following: (i) Ullum 1 Solar, Ullum 2 Solar, Ullum 3 Solar, have the obligation to build, operate and maintain the solar farms and sell the electricity to CAMMESA (acting in representation of the WEM agents); (ii) Ullum I Solar, Ullum II Solar, Ullum III Solar committed 25 MW, 25 MW and 32 MW of power capacity, respectively; (iii) CAMMESA has to purchase all electricity effectively dispatched by Ullum 1 Solar, Ullum 2 Solar, Ullum 3 Solar at a price of US$ 53.73 per MWh, US$ 55.23 per MWh, and US$ 57.63 per MWh, respectively, plus additional annual adjustment factors; (iv) amounts payable to the Ullum Companies under the PPAs will be denominated in U.S. dollars and payable in Argentine pesos at the prevailing exchange rate of the immediately preceding business day of the payment date; and (v) CAMMESA's obligations under the PPAs will be guaranteed by the FODER (in which the Argentine government is the trustor).

On December 19, 2018, the Ullum I Solar Farm and the Ullum II Solar Farm reached commercial operation, with a total installed capacity is 25 MW each.

On December 22, 2018, the Ullum III Solar Farm reached commercial operation, with a total installed capacity is 32 MW.

Necochea Wind Farm

On November 21, 2016, the Company reached an agreement with Centrales de la Costa Atlántica S.A. ("Centrales de la Costa") to jointly develop and finance the Vientos de Necochea 1 wind farm project of 37.95 MW (the "Necochea Joint Venture Agreement"). Within the framework of the RenovAr Round 1.5 Program, the Company held, on November 21, 2017, through its subsidiary Vientos de Necochea S.A. (with a 50/50 participation between Genneia S.A. and Centrales de la Costa Atlántica S.A.), a PPA for the 37.95 MW Necochea wind farm, denominated in US dollars, and a 20-year term with CAMMESA.

The main terms and conditions of the PPA are the following: (i) Vientos de Necochea S.A has the obligation to build, operate and maintain the wind farm and sell the electricity to CAMMESA (acting in representation of the WEM agents); (ii) Vientos de Necochea S.A committed 38 MW of power capacity; (iii) CAMMESA has to purchase all electricity effectively dispatched at a price of US$ 55.5 per MWh, plus additional annual adjustment factors; (iv) amounts payable to Vientos de Necochea S.A under the PPAs will be denominated in U.S. dollars and payable in Argentine pesos at the prevailing exchange rate of the immediately preceding business day of the payment date; and (v) CAMMESA's obligations under the PPAs will be guaranteed by the FODER (in which the Argentine government is the trustor).

On February 12, 2020, the Necochea wind farm reached commercial operation, with a total installed capacity is 38 MW.

Chubut Norte III and IV Wind Farms

Within the framework of the RenovAr Round 2.0 Program, the Company held, in 2018, through its subsidiaries Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A., respective PPAs for the wind farms called Chubut Norte III of 57.6 MW and Chubut Norte IV of 82.8 MW, denominated in US dollars, and for 20 years with CAMMESA.

The main terms and conditions of the PPA are the following: (i) Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A, have the obligation to build, operate and maintain the wind and sell the electricity to CAMMESA (acting in representation of the WEM agents); (ii) Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A committed 58 MW, and 83 MW of power capacity, respectively; (iii) CAMMESA has to purchase all electricity effectively dispatched by Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A at a price of US$ 38.9 per MWh, plus additional annual adjustment factors; (iv) amounts payable to Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A under the PPAs will be denominated in U.S. dollars and payable in Argentine pesos at the prevailing exchange rate of the immediately preceding business day of the payment date; and (v) CAMMESA's obligations under the PPAs will be guaranteed by the FODER (in which the Argentine government is the trustor).

On July 16, 2019, GENNEIA and its subsidiary MyC Energía SA agreed to transfer to Pan American Fueguina SA, a subsidiary of Pan American Energy SL, 49% of the shares of Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A. This transfer was completed on August 26, 2019.

On February 4 and February 25, 2021, the Chubut Norte IV wind farm and the Chubut Norte III wind, entered into Commercial Operation. The total installed capacity is 83 MW and 58 MW, respectively.

Farms for MATER

The Company has entered into several U.S. dollar denominated PPAs with different industrial users for the total installed capacity of the following wind farms: (i) Rawson III (25 MW), (ii) Villalonga II (3 MW), (iii) Pomona II (12 MW) and (iv) Chubut Norte II (26 MW). Tenor for these contracts ranges between 5 and 20 years. The main terms and conditions of these PPAs are the following: (i) the Company has the obligation to deliver a specific amount of electricity per year generated from renewable sources that the user will acquire; (ii) the industrial user will pay a fixed amount in dollars per MWh (plus taxes), on a take or pay basis, for 100% of the electricity effectively delivered regardless of its actual consumption (as long as it does not exceed the MW/h/year contractually established), (iii) amounts payable to the Company under these PPAs are denominated in U.S. dollars and payable in Argentine pesos pursuant to the seller exchange rate for wire transfers reported by Banco de la Nación Argentina, and if such rate is not available, pursuant to the wholesale reference exchange rate reported by the Argentine Central Bank pursuant to Communication "A" 3500 or, if the latter is not available, pursuant to the exchange rate reported by the Mercado Abierto Electrónico (Argentine Open Electric Market), and in all cases as calculated on the business day immediately prior to the effective payment date.

Rawson III Wind Farm

In December 2017, our Rawson III wind farm reached commercial operation. With an installed capacity of 25 MW, the Rawson III wind farm generates power is sold in the Term Market for Renewable Energy ("MATER", in which generators, self-generators, co-generators and traders can enter into energy supply contracts, agreeing on their essential conditions within a framework of autonomy and contractual freedom) or in the spot market.

Villalonga II Wind Farm

The Villalonga II wind farm reached commercial operation in early 2019 and has an installed capacity of 3 MW. The Villalonga II wind farm generates power that is sold in the MATER or in the spot market.

Pomona II Wind Farm

The Pomona II wind farm reached commercial operation in August 2019 and has an installed capacity of 12 MW. The Pomona II wind farm generates power that is sold in the MATER or in the spot market.

Chubut Norte II Wind Farm

On March 27, 2021, the Chubut Norte II wind farm entered into commercial operation with an installed capacity of 26 MW. The energy generated by said park is commercialized in the MATER with industrial users or on the spot market.

New projects for MATER

La Elbita wind farm and Tocota III sola farm projects

On March 31, 2022, the Company was awarded "dispatch priority" from CAMMESA (which means that in the case of transport restrictions that do not allow the generation of all the renewable energy in the market, the plants with priority will dispatch first and therefore, CAMMESA would proportionally restricts the generation of the plants without priority) in the Renewable Energy Term Market (MATER), for the following projects of its property: (i) 103.5 MW with respect to the "La Elbita I" wind farm, to be located in the city of Tandil, Province of Buenos Aires; and (ii) 14 MW with respect to the "Tocota III" solar farm, with an initial capacity of 60 MW, to be located in the district of Iglesia, in the Province of San Juan.

On October 31, 2022, the Company was awarded "dispatch priority" by CAMMESA in the Term Market for Renewable Energies (MATER): 36 MW to the wind farm project "La Elbita II", to be located in the city of Tandil, Province of Buenos Aires, adjacent to the "La Elbita I" wind project.

In relation to these projects, following the MATER regulations, to maintain the right to this dispatch priority, the company must pay quarterly fees until the effective date of the COD, which have been allocated to the "Fixed assets" caption in the statement of financial position.

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On December 2022, the Company signed with Vestas Mediterranean A/S and Vestas Argentina S.A. (i) an agreement for the supply and installation of the wind turbines of the "La Elbita" wind farm project for an installed capacity of 162 MW with an estimated Commercial Operation Date (COD) in the fourth quarter of 2024 for the entire installed capacity; and (ii) an agreement for the provision of operation services, preventive and corrective maintenance, and guarantee of availability, of the wind turbines of the wind farm.

The Company estimates a preliminary capital investment of around US$290 million combined for the "La Elbita I" (103MW), La Elbita II (36MW) and La Elbita III (23MW) and Tocota III (60MW) projects, of which US$240 million are related to the wind farm project and the remaining US$50 million to the solar farm project. The latter has an expected Commercial Operation Date (COD) in the first quarter of 2024.

Sierras de Ullum Solar Farm Project

The Sierras de Ullum solar farm project is part of our renewable pipeline, intended to generate electric power to be sold to private off-takers under the MATER framework. The Sierras de Ullum solar farm, to be located in the Province of San Juan -adjacent to our existing solar farm Ullum I, II and III- is projected to have an installed capacity of 78 MW.

In June 2021, Genneia requested dispatch priority for this project in accordance with Res SE 281/17 and amendments. In August 2021, CAMMESA assigned 58 MW of capacity to the project. Subsequently, in March 2022, another 6 MW of priority dispatch were assigned to the project.

The Company estimates capital investments of around US$60 million. In December 2021, Series XXXVI Negotiable Obligations, classified as Green Bonds, were issued, and it was determined that the destination of the resources would be exclusively for the construction of the Sierras de Ullum sola farm project.

As of the date of these financial statements, the Sierras de Ullum solar farm reached commercial operation for 68 MW of installed capacity (87% of total).

New contracts with private users

In June 2022, Genneia entered into PPAs with Saint-Gobain Argentina S.A., Saint-Gobain Placo S.A., and Cargill S.A.C.I. (private users in Argentina) in relation to any of our wind farms that are not subject to other PPAs. The PPAs are denominated in dollars and are valid for 10 years, with the exception of the PPA of Cargill S.A.C.I. which is valid for 5 years.

In September 2022, Genneia signed a PPA with Aeropuertos Argentina 2000 S.A. (private user in Argentina) in relation to any of our renewable parks that are not subject to other PPAs. The PPA is for an annual amount of energy of 64 GWh, is valid for 5 years and is denominated in dollars.

In December 2022, Genneia signed PPAs with Bunge Argentina S.A., Terminal de Fertilizantes Argentinos S.A. and Vista Energy Argentina S.A.U. (private users in Argentina) in relation to any of our renewable farms that are not subject to other PPAs (Chubut Norte II, Pomona II, Villalonga II, Sierras de Ullum, La Elbita and Tocota III). The PPAs are denominated in dollars and have a term of 10 years, with the exception of the PPA of Vista Energy Argentina S.A.U. which is valid for 15 years.

Business units – Electric power generation from conventional sources

As of December 31, 2022, we had an installed capacity of 363 MW of conventional energy through three thermal power plants. Net revenues from this business unit totaled US$ 43 million in 2022, or 16% of consolidated net revenues.

Bragado II and III thermal plants

In 2016, the Company was awarded under Resolution No. 21/2016 the right to construct two thermal generation units for a total capacity of 118 MW. The Company signed two 10-year U.S. dollar-denominated PPAs with CAMMESA.

The main terms and conditions of these PPAs are the following: (i) the Company has the obligation to make available to CAMMESA up to 60.40 MW of power capacity from May to October of each year and 58 MW of power capacity from November to April of each year and deliver the electricity produced by the Company's generation units pursuant to the requests of CAMMESA, (ii) the Company is entitled to receive firm capacity rates of US$ 25,000 per MW/Month for making the Company's generation assets available to the NIS, with respect to Bragado II, and US$ 19,000 per MW/Month with respect to Bragado III, (iii) under the Company's PPAs, CAMMESA is not obliged to provide the Company with natural gas or diesel fuel, but has the option to either do so or reimburse the Company for the cost of diesel fuel and natural gas actually used (provided that the amount of fuel used matches the specific fuel consumption guaranteed by us). Nonetheless, pursuant to Resolutions No. 95/2013 and 529/2014 issued by the Secretary of Energy, CAMMESA is in charge of managing and supplying all fuel required to fire the Company's thermal plants; and (iv) amounts payable to the Company under these PPAs are denominated in U.S. dollars and payable in Argentine pesos at the wholesale reference exchange rate quoted by the Central Bank pursuant to Communication “A” 3500.

Bragado II (59 MW) and Bragado III (59 MW) reached commercial operation in February 2017 and May 2017, respectively.

Cruz Alta thermal plant

On August 11, 2017 Genneia Desarrollos S.A. ("GEDESA") a subsidiary of GENNEIA S.A., acquired from Pluspetrol Resources Corporation B.V. and Pluspetrol Resources Corporation, 100% of the shares of GETSA, controlling such company as of such date. On September 1, 2017, the company was merged with GEDESA. GEDESA owns the Cruz Alta thermal plant, with a total installed capacity of 245 MW.

The Cruz Alta thermal plant is under the base energy remuneration scheme.

In order to be able to guarantee the supply of additional energy for export purposes and preserve the availability of the Generating Agents, on October 31, 2021, the Ministry of Energy issued Resolution No. 1037/2021 that establishes additional recognition and transitory in the remuneration to the Generating Agents included in Resolution No. 440 of the Ministry of Energy, among which is the Company, which covered economic transactions between September 1, 2021 and until February 28, 2022, and that were defined by said Ministry through the corresponding regulatory instructions. On April 21, 2022, the Ministry of Energy published Resolution No. 238/2022, which increases the rates of Res 440/21 by 30% as of Feb-22 and 10% as of Jun-22. In addition, the resolution establishes that the factor of 0.6 is no longer applied to the price of power for units with a low use factor. On December 12, 2022, the Ministry of Energy updated the annexes of Resolution No. 238/2022 through Resolution No. 826/2022, which increases prices from September 2022 by 20% (retroactive), 10% to from December 2022, 25% from February 2023 and 28% from August 2023.

Thermal power plants under PPA ‘Resolution 220/2007

In 2007, the company participated in an international auction (RFP No. 1/2007 and 2/2007) conducted by ENARSA. Under the Resolution N° 220/07 framework, we were awarded the right to develop and operate nine thermal generation plants with a combined installed capacity of 273 MW. The Pinamar, Matheu, Olavarría, Bragado I, and Las Armas I & II thermal power plants were located in the Province of Buenos Aires while Paraná and Concepción del Uruguay I & II power plants were located in the Province of Entre Rios.

The respective PPAs expired successively between 2018 and 2021, the last one to expire were the Las Armas II power plants, in January 2021, and Bragado I power plant, in June 2021.

As of the date of issuance of these consolidated financial statements, management and the board of directors are evaluating different alternatives for the assets related to the thermal power plants mentioned above, including the sale of the equipment. The evaluation of the asset's recovery value is based on estimates of the use value and disposition value as appropriate (see Note 14).

Sales of Equipment from Thermal Power Plants

In February 2022, the Company sold to Mitsubishi Power Aero LLC the "TG0907" turbine located at the Las Armas Thermal Power Plant, and the "TG1006" and "TG1007" Turbines located at the Bragado Thermal Power Plant. The transaction did not yield results, because the Company performed the corresponding value impairment analysis as of December 31, 2021 (see note 12 to these financial statements).

Business Unit – Commercialization and transportation capacity of natural gas

GENNEIA is engaged in the business of trading natural gas on the MEG (Mercado electrónico de Gas) with power companies and large industrial users, among others, and in the business of trading natural gas transport capacity assigned to us.

Net revenues from this business unit totaled US$ 6 million in 2022, or 2% of consolidated net revenues.

NOTE 2 - BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Statement of compliance with International Financial Reporting Standards ("IFRS") and bases of preparation

These consolidated financial statements of GENNEIA and its controlled companies for the years ended December 31, 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Amounts and other information as of December 31, 2021 and for the fiscal year then ended, are included as an integral part of the above mentioned consolidated financial statements, and are intended to be read only in relation to that consolidated financial statements.

These consolidated financial statements are presented in U.S. dollars ("US$") which is the functional currency of the Company (Note 3.1), and are prepared mainly with the purpose of being used by the non-Argentine holders of the Company's Negotiable Obligations and foreign financial institutions.

2.2. Applicable accounting policies

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the summary of significant accounting policies in Note 3. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are described in Note 3.

The Company has adopted all the new standards and interpretations or modifications issued by the IASB that are relevant to its operations and that are applicable as of December 31, 2022, as described in note 2.3.1.

The preparation of these consolidated financial statements is the responsibility of the Company's Management and requires accounting estimates and judgments of the management when applying financial standards. Areas of high complexity which require more judgments or those in which assumptions and estimations are more significant are detailed in Note 4.

2.3. Standards and interpretations issued

2.3.1. New standards issued adopted by the Company and impact of adoption

The standards and interpretations or amendments thereto, published by the IASB, which were adopted as of the year beginning January 1, 2022, are as follows:

- Amendments to IFRS 3, Reference to the Conceptual Framework

Said modifications imply:
- update IFRS 3 to refer to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework;
- add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRS 21, an acquirer applies IAS 37 or IFRIC 21 (rather than the Conceptual Framework) to identify liabilities that it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

- Amendments to IAS 16, Economic Benefits Before Intended Use of Property, Plant and Equipment

The amendments prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from the sale of items produced while that asset is being brought to the location and conditions necessary for it to operate in the manner intended by management. Instead, an entity should recognize in the income statement the proceeds from the sale of those produced items, and the cost of producing them.

- Amendments to IAS 37, Onerous Contracts - Cost of Fulfilling a Contract

The amendments specify that the cost of fulfilling a contract comprises the costs that are directly related to the contract. Costs that relate directly to a contract may be incremental costs of fulfilling that contract (examples would be direct labor and materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of depreciation expense on an item of property, plant and equipment that is used to perform the contract).

- Cycle of Annual Improvements to IFRS

The Annual Improvements to IFRS Standards 2018-2020 introduce modifications to the following standards:
- **IFRS 1. Subsidiary as adopter for the first time**. The amendment allows a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the date of transition of its parent to IFRS.
- **IFRS 9. Rates in the "10 percent" test for derecognition of financial liability accounts**. The amendment clarifies what rates an entity includes when applying the “10 per cent” criterion in paragraph B3.3.6 of IFRS 9 when assessing whether a financial liability should be derecognised. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by the entity or the lender on behalf of the other.
- **IFRS 16. Leasing incentives**. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of reimbursement of lease improvements by the lessor to resolve any potential confusion regarding the treatment of lease incentives that may arise due to how illustrate the leasing incentives in that example.
- **IAS 41. Taxation on fair value measurements**. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude taxable cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements of IFRS 13.

The impact of its adoption was not significant on the disclosures or amounts reported in these consolidated financial statements.

There are no other IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after January 1, 2022 that have a significant effect on these consolidated financial statements, nor other IFRS or IFRIC interpretations that are not yet effective and expected to have a significant effect on the Company.

2.3.2. New standards, interpretations and amendments issued not yet adopted

During February 2022, the IASB published an update to the IFRS 2021 accounting taxonomy - Update 1 Disclosure on accounting policies and definition of accounting estimates, which is applicable to fiscal years beginning on or after January 1, 2023.

The Company did not adopt the IFRS issued that are detailed below, since their application is not required at the end of the year ended December 31, 2022:

IFRS 17	Insurance Contracts (1)
Amendments to IFRS 10 - IAS 28	Sale or contribution of assets between an investor and its associate or joint venture (2)
Amendments to IAS 1	Classification of liabilities as current or non-current (1)
Amendments to IFRS 4	Extension of the temporary exemption from the application of IFRS 9 (1)
Amendments to IAS 1 and IFRS 2 Practice Statement	Disclosure of accounting policies (1)
Amendments to IAS 8	Definition of accounting estimates (1)
Amendment to IAS 12	Deferred taxes arising from assets and liabilities in a single transaction (1)
IFRS 16 Amendments	Amendments Lease liabilities in sale and leaseback transactions (“sale and leaseback”) (3)
Amendments to IAS 1	Non-current liabilities with commitments (“covenants”) (3)

(1) Effective for fiscal years beginning on or after January 1, 2023, with early application permitted.
(2) Effective date not yet established.
(3) Effective for fiscal years beginning on or after January 1, 2024, with early application permitted.

- IFRS 17, Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4, Insurance Contracts. IFRS 17 describes a general model, which is modified for insurance contracts with direct participation features, described as the variable rate approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing, and uncertainty of future cash flows and explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholder options and guarantees.

The standard is effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. It is applied retrospectively unless it is not practical, in which case the modified retrospective approach or the fair value approach is applied.

For purposes of the transition requirements, the initial application date is the beginning of the annual reporting period in which the entity first applies IFRS 17, and the transition date is the beginning of the period immediately preceding the date of transition. initial application.

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- Amendments to IFRS 10-IAS 28

The amendments to IFRS 10 and IAS 28 deal with situations in which there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments establish that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in profit or loss. only to the extent of the interests of unrelated investors in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of retained investments in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) at fair value are recognized in profit or loss. exercise of the former parent only to the extent of the interests of unrelated investors in the new associate or joint venture.

The effective date of the amendments has not yet been set by the IASB; however, early application of the modifications is permitted.

- Amendments to IAS 1, Classification of liabilities as current and non-current

The amendments seek to promote consistency in the application of accounting principles and requirements to determine whether in the statement of financial position, debt or loans and other liabilities with an uncertain settlement date, should be classified as current (because they are payable in the short term). term or potentially to be settled within a year) or non-current. The modifications emphasize that the affectation is only in the presentation of liabilities in the statement of financial position, and not in disclosures or the amount or the moment of recognition of any asset, liability, income or expense related to the liability in question. Additionally, the modifications clarify that the classification in the statement of financial position is not affected by the expectations of the entity to exercise its right to defer the settlement of the liability. Likewise, the definition of liquidation of a liability such as the transfer of cash, capital instruments, other assets or services to the creditor counterparty is clarified.

The amendments are applied retrospectively for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

- Disclosure of accounting policies (Amendments to IAS 1 and IFRS 2 Practice Statement)

The amendment requires an entity to disclose its material accounting policies, rather than its significant accounting policies. Adds information that explains how an entity can identify a material accounting policy, listing examples of when an accounting policy is likely to be material. The amendments clarify that information about accounting policies may be material due to its nature, even if the related amounts are immaterial. In support of the amendment, the IASB has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in the IFRS 2 Practice Statement. The amendments clarify that accounting policy information can be material due to their nature, even if the related amounts are immaterial.

This amendment is effective for annual reporting periods beginning on or after January 1, 2023. Early application is permitted.

The Company's Board of Directors anticipates that the application of the aforementioned modifications will not have a significant impact on the Company's financial statements.

- Definition of accounting estimates (Amendments to IAS 8)

The amendment replaces the definition of "change in accounting estimates" with a definition of "accounting estimates". Under the new definition, accounting estimates are "monetary amounts in the financial statements that are subject to measurement uncertainty. Entities develop accounting estimates if accounting policies require items in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in the accounting estimate resulting from new information or new estimates is not the correction of an error. In addition, the effects of a change in an entry or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they are not the result of correction of prior period errors.

This amendment is effective for annual reporting periods beginning on or after January 1, 2023. Permit your anticipate app.

The Board of Directors anticipates that the application of the aforementioned modifications will not have a significant impact on the Company's financial statements.

- Deferred taxes arising from assets and liabilities in a single transaction (Amendment to IAS 12)

The main change in deferred tax related to assets and liabilities arising from a single transaction is an exception to the initial recognition exception provided for in the standard. The amendment indicates that the initial recognition exception does not apply to transactions in which deductible or taxable temporary differences arise on initial recognition for equal amounts.

This amendment is effective for annual reporting periods beginning on or after January 1, 2023. Permit your anticipate app.

The Company's Board of Directors anticipates that the application of the aforementioned amendments will not have a significant impact on the Company's financial statements.

- IFRS 16 Amendments Lease liabilities in sale and leaseback transactions.

The lease liability in a sale-leaseback transaction requires a seller-lessee to subsequently measure the lease liabilities that arise from a leaseback without recognizing any amount of gain or loss that relates to the right-of-use held. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss related to the partial or total termination of a lease. The amendment is valid for fiscal years beginning on or after January 1, 2024. Early application is permitted.

- Amendments to IAS 1 Non-current liabilities with commitments ("covenants")

The amendment modifies the requirements introduced for the classification of current and non-current liabilities with respect to the current and non-current classification that an entity makes of its debts and other financial liabilities in certain circumstances: only commitments ("covenants") that the entity is required to comply on or before the reporting date affect the classification of a current or non-current liability. Additionally, it requires the entity to disclose information in its notes that allows users of financial statements to understand the risk that a non-current liability with a commitment becomes due within twelve months.

There are no other interpretations of IFRS or IFRIC that have not yet entered into force and which are expected to have a material effect on the Company's financial statements.

As of the date of issuance of these consolidated financial statements, the Company's Management estimates that the impact that the adoption of the standards and interpretations or modifications to them, which are effective as of January 1, 2023 or later, will not have a significant effect on the financial statements of the Company. The Company will not adopt any of these standards and interpretations or modifications in advance from their effective dates and the Company will use the transition provisions included in each standard or amendment.

2.4. Basis of consolidation

The consolidated financial statements of GENNEIA incorporate the separate financial statements of the Company and its controlled entities. They are considered controlled when the Company (i) has power over the investee, (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) has the ability to use its power to affect its returns.

The main consolidation adjustments are the following:

- elimination of assets and liabilities and income and expenses of the parent with its subsidiaries, in order to disclose the balances maintained effectively with third parties; and

- elimination of interests in the equity and earnings of the controlled entities, for each year.

The latest financial statements available as of the statement of financial position date have been used in the consolidation process and considering significant subsequent events and transactions and/or available management information and the transactions between GENNEIA and the controlled entity.

If necessary, financial statements of controlled entities are adjusted to adapt their accounting policies to those used by the Company.

Detailed below are the controlled companies whose financial statements have been included in these consolidated financial statements:

	Main activity	Percentage of participation (direct and indirect)	
		December 31, 2022	December 31, 2021
Subsidiaries:			
Enersud Energy S.A.U.	Industrialization, separation and trading of propane and butane gas and/or liquefied gas and trading of natural gas and transportation for industrial or residential consumption.	100%	100%
Ingentis II Esquel S.A.	Power generation and trading.	100%	100%
Genneia Desarrollos S.A.	Production and development of renewable energies and its commercialization.	100%	100%
Nor Aldyl San Lorenzo S.A.	Production and development of renewable energies and its commercialization, construction of gas pipelines and networks.	100%	100%
Nor Aldyl Bragado S.A.	Production and development of renewable energies and its commercialization, construction of gas pipelines and networks.	100%	100%
MyC Energía S.A.	Generation, production, development and trading of energies.	100%	100%
Genneia Vientos Argentinos S.A.	Construction, financing, commissioning, operation and maintenance of a renewable sources power plant.	100%	100%
Genneia Vientos Sudoeste S.A.	Construction, financing, commissioning, operation and maintenance of a renewable sources power plant	100%	100%
Genneia Vientos del Sur S.A.	Construction, financing, commissioning, operation and maintenance of a renewable sources power plant	100%	100%
Patagonia Wind Energy S.A.	Production and development of renewable energies and its commercialization.	100%	100%
Parque Eólico Loma Blanca IV S.A.U.	Production and development of renewable energies and its commercialization.	100%	100%
Genneia La Florida S.A.	Construction, financing, commissioning, operation and maintenance of a renewable sources power plant	100%	100%
Ullum 1 Solar S.A.U.	Production and development of renewable energies and its commercialization.	100%	100%
Ullum 2 Solar S.A.U.	Production and development of renewable energies and its commercialization.	100%	100%
Ullum 3 Solar S.A.U.	Production and development of renewable energies and its commercialization.	100%	100%
Sofeet International L.L.C.	Any business that is accepted by the laws of the State of Delaware, United States.	100%	100%

Since the Company has a 100% interest in its controlled entities, there is no information to disclose in relation to non-controlling interests.

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2.5. Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets, and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in a joint venture is initially recognized in the statement of financial position at cost and adjusted thereafter adjusted to recognize the Company's share of the profit or loss and other comprehensive income of the joint ventures.

Joint ventures have been valued based upon the latest available financial statements of these companies as of the end of each period or year, taking into consideration, if applicable, significant subsequent events and transactions, available management information and transactions between the Company and the related company which have produced changes on the latter's shareholders' equity.

On each closing date or upon the existence of signs of impairment, it is determined whether there is any objective evidence of impairment in the value of the investment in joint ventures. If this is the case, Company calculates the amount of the impairment as the difference between the recoverable value of joint ventures and their book value and recognizes the difference under "Income (loss) on long term investments in joint ventures" in the statement of profit or loss and other comprehensive income. The recorded value of investments in joint ventures does not exceed their recoverable value.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Functional and presentation currencies and tax effects on other comprehensive income

Under IFRS the companies should define their functional currency in accordance with the criteria established by IAS 21 "Effects of changes in foreign currency exchange rates", which may differ from their reporting currency. Under the above mentioned rule, considering the main activities of the Company and of each of its subsidiaries as detailed in Note 1, and the currency of the primary economic environment in which the entities operates, the Company's Management and Board of Directors have defined the US$ dollar ("US$") as the functional currency for GENNEIA, Genneia Desarrollos S.A. (GEDESA), Genneia Vientos Argentinos S.A., Genneia Vientos del Sur S.A., Genneia Vientos del Sudoeste S.A., Vientos Sudamericanos Chubut Norte IV S.A., Vientos de Necochea S.A., Parque Eólico Loma Blanca IV S.A.U., Ullum 1 Solar S.A.U., Ullum 2 Solar S.A.U., Ullum 3 Solar S.A.U., Vientos Patagónicos Chubut Norte III S.A. and Genneia La Florida S.A. As a result, the financial statements of such companies have been converted into US$ by applying the procedure established in IAS 21. In accordance with the established procedure, monetary assets and liabilities are remeasured into US$ at the exchange rate prevailing on the balance sheet date. Non-monetary assets, measured on a historic cost basis, as well as income and expenses are remeasured using the exchange rate prevailing on the transaction date of each year. Any gain or loss arising from the remeasurement of monetary assets and liabilities into US$ is recognized in the income statement in the period they are generated. For all the other subsidiaries, Management has defined the Argentine peso as the functional currency.

Since 2020, the Company's Management has evaluated that the currency of the main economic environment in which its subsidiary Genneia Desarrollos SA operates has become the Argentine peso. The adjustment resulting from remeasuring the financial statements of such entities into the US$ is recognized under other comprehensive income. On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to owners of the Company are reclassified to profit or loss.

Under IAS 21, the financial statements of a subsidiary with the functional currency of a hyperinflationary economy have to be restated according to IAS 29 before they are included in the consolidated financial statements of its parent company with a functional currency of a non-hyperinflationary economy, except for their comparative figures. Following the aforementioned guidelines, the results and financial position of subsidiaries with the Peso as functional currency were translated into U.S. dollars by the following procedures: all amounts (i.e., assets, liabilities, stockholders' equity items, expenditures and revenues) were translated at the exchange rate effective at the closing date of the financial statements, except for comparative amounts, which were presented as current amounts in the financial statements of the previous fiscal year (i.e., these amounts were not be adjusted to reflect subsequent variations in price levels or exchange rates). Thus, the effect of the restatement of comparative amounts was recognized in other comprehensive income. When an economy ceases to be hyperinflationary and an entity ceases to restate its financial statements in accordance with IAS 29, it will use the amounts restated according to the price level of the date on which the entity ceased to make such restatement as historical costs, in order to translate them into the presentation currency.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other disposals, including the full or partial reimbursement of capital, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

These consolidated financial statements are presented in the defined functional currency of the Company (U.S. dollars) which differs from the presentation currency required by Argentine regulations (Argentine pesos). Results accounted for in "Other comprehensive income" related to exchange differences arising from investments in companies with functional currencies other than U.S. dollars have no effect on the current or deferred income tax since at the time they were generated, the relevant transactions did not make any impact on net income or taxable income.

The devaluation of the argentine peso for the year ended December 31, 2022 and 2021 was 72% and 22%, respectively. The exchange rate at the end of the year ended December 31, 2022 and 2021 was AR$ 177.16 and AR$ 102.72, respectively; and the average exchange rate for the year ended December 31, 2022 and 2021 was AR$ 129.97 and AR$ 95.09, respectively.

3.2. Foreign currencies

In preparing the consolidated financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are translated to functional currency at the rates prevailing at that date. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

3.3. Financial Instruments

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financials assets and financial liabilities (other than financial assets and liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial assets of financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

During 2022 and 2021 the Company granted financing to some of its subsidiaries and joint ventures to finance the execution of projects formalized through an interest-free credit line agreement and for a period of 17 years (see Note 6.1). These credits have been initially recognized at their fair value at the time of the operation in the caption other receivables of the Company's balance sheet, and are subsequently measured at their amortized cost using the effective interest rate method, the effect of the difference between the nominal value of the financial credit and its fair value has been recognized, net of the deferred tax effect, as other capital contributions within the non-current investments caption.

Any anticipated cancellations of the aforementioned credits are recognized by one party by reducing the financial asset recognized in the caption other receivables of the Company's balance sheet according to the measurement thereof at the date of cancellation, based on the amortized cost using the effective interest rate method as described in the previous paragraph, and on the other hand, reducing the corresponding portion initially recognized as other capital contributions within non-current investments by the amount of the difference between the amount cancelled and the amount of the aforementioned credit reduction, net of the corresponding deferred tax effect.

3.4. Financial assets

Financial assets are classified into the following two specified categories: ‘financial assets measured at fair value through profit and loss’ or ‘financial assets measured at amortized cost’.

- *Financial assets at amortized cost*

  Financial assets are measured at amortized cost if both of the following criteria are met: (i) the objective of the Company’s business model is to hold the assets to collect the contractual cash flow, and (ii) the contractual terms only require specific dates for payment of principal and interest.

  In addition, and for assets that meet the above conditions, IFRS 9 contemplates the option of designating, at the time of the initial recognition, an asset as measured at its fair value, if doing so would eliminate or significantly reduce the valuation or recognition inconsistency that could arise in the event that the valuation of the assets and liabilities or the recognition of profit or losses resulting therefrom be carried out on different bases. The Company has not designated a financial asset at fair value by using this option.

  As of the closing date of these consolidated financial statements, the Company’s financial assets at amortized cost include certain elements of cash and cash equivalents, trade receivables and other receivables.

- *Financial assets at fair value through profit or loss*

  If either of the two criteria above are not met, the financial asset is classified as an asset measured “at fair value through profit or loss”.

  As of the closing date of these consolidated financial statements, the Company’s financial assets at fair value through profit or loss include mutual funds.

Financial assets are recognized on trade date, when the Company commits to purchase or sale an asset. The recognition method is consistent for all purchases or sales of financial assets of the same category. Financial assets are recognized when the rights to receive cash flows from the investments and the risks and rewards of ownership have expired or have been transferred.

Financial assets at amortized cost are initially measured at fair value, plus transaction costs. These assets accrue interest based on the effective interest rate method.

Financial assets at their fair value through profit or loss are initially recognized at fair value and transaction costs are recognized as an expense in the statement of comprehensive income. They are subsequently valued at fair value. Changes in fair values and results from sales of financial assets at fair value through profit or loss are recorded in “Net financial results” in the statement of comprehensive income.

In general, the Company uses the transaction price to ascertain the fair value of a financial instrument on initial recognition. In other cases, the Company records a gain or loss on initial recognition only if the fair value of the financial instrument can be supported by other comparable and observable market transactions for the same type of instrument or if it is based in a technical valuation that only inputs observable market information. Unrecognized gains or losses on initial recognition of a financial asset are recognized later on, only to the extent they arise from a change in the factors (including time) that market participants would consider upon setting the price.

Gains/losses on debt instruments measured at amortized cost and not included for hedging purposes are charged to income when the financial assets are derecognized or an impairment loss is recognized and during the amortization process using the effective interest rate method. The Company reclassifies all investments on debt instruments only when its business model for managing those assets changes.

3.4.1. Cash and cash equivalents

Include cash, time deposits in financial entities and short-term investments with maturity up to three months at the acquisition date, with low risk of value variation and destined to cancel short-term liabilities.

3.4.2. Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

3.4.3. Impairment of financial assets

Financial assets are assessed by the Company for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Objective evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or breach of contract, such as a default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organization; or the disappearance of an active market for that financial asset because of financial difficulties.

3.4.4. Derecognition of financial assets

The Company shall derecognize a financial asset only when the contractual rights on the financial assets cash flows expire and transfer the substantial risks and advantages inherent to ownership of the financial asset. If the Company does not transfer or retain substantially all the risks and advantages inherent to the ownership and retains the control over the asset transferred, the Company shall recognize its interest in the asset and the associated obligation at the amounts payable. If the Company retains substantially all the risks and advantages inherent to property on the transferred financial asset, the Company shall continue to recognize the financial asset and shall also recognize a collateral loan for the receipts.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

3.5. Inventories

Materials and spare parts are stated at the weighted average cost reduced, if necessary, to net realizable value. The net realizable value is the estimated price of sale less estimated selling costs. Materials and spare parts in transit have been valued at acquisition cost.

Based on Management´s analysis at December 31, 2022 and 2021, no allowance for inventory has been recognized for materials and spare parts. Such analysis takes into consideration the conservation status, their future use and the net realizable value of the inventories.

3.6. Fixed assets

- Lands and buildings held for use in production, supply of services or for administrative purposes, machinery and equipment, generation equipment, tools, facilities, furniture and equipment and vehicles, are stated in the consolidated statement of financial position at their cost less any subsequent accumulated depreciation (except for land which is not depreciated) and less any recognized impairment loss.

  Depreciation of buildings, machinery and equipment, generation equipment, tools, facilities, furniture and equipment and vehicles is charged to expense for each year.

- Work in progress at the end of each year is carried at cost, less any recognized impairment loss. These assets are classified in the appropriate category of fixed assets when the construction is completed and are ready for use.

  Depreciation of these assets commences when the assets are ready for their intended use. The Company has capitalized the corresponding portion of financial costs (interest) related to third parties' financing of long-term construction of fixed assets.

- Improvement on third party assets are stated at cost less accumulated depreciation and accumulated impairment losses.

- Assets acquired through leasing agreements have been incorporated at the lower value of the cash purchase price and the sum of discounted values of the minimum payments of the assets, calculated at the implied interest rate of the leasing, with a counterpart in "Leasings" of current and non-current liabilities.

- Depreciation is recognized so as to write-off the cost or valuation of assets (other than land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimates being accounted for on a prospective basis.

- An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gain or loss derived of the sales proceeds disposal or retirement of an item of fixed assets is determined as the difference between the sales proceeds and the carrying amount of the asset and it is recognized in the consolidated statement of income and other comprehensive income.

- Costs related to assets retirement obligations are capitalized at their discounted value along with the related assets and are depreciated using the the straight line method. As compensation, a liability is recognized for this concept at the estimated value of the discounted payable amounts. Future changes in the abandonment cost, the useful life of the assets and their estimate of abandonment, as well as changes in regulations related to abandonment, which are not possible to be predicted at the date of issuance of these consolidated financial statements, could affect the value of the abandonment obligations and, consequently, the related asset, affecting the results of future operations.

- Payments for Dispatch Priority are recorded at cost less any accumulated depreciation and accumulated loss due to subsequent impairment within the caption work in progress.

3.7. Intangible assets

3.7.1. Intangible assets acquired separately

Mainly include costs of acquisition of new projects. The accounting policies for the recognition and measurement of these intangible assets are described below.

Intangible assets acquired are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired are reported at cost less accumulated impairment losses.

3.7.2. Intangible assets acquired in a business combination

Correspond to the intangible assets acquired in the business combination of ICERSA during the year 2017, Ullum 1, Ullum 2 and Ullum 3 during the year 2018, related to the PPA that these companies have with CAMMESA, which are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.8. Impairment of tangible and intangible assets other than Goodwill

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. To evaluate if there is evidence that an asset could be impaired, both external and internal sources of information are analyzed, whenever events or changes in circumstances indicate that the carrying amount of an asset or cash-generating unit may be negatively affected. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In the impairment assessment, the assets that do not generate independent cash flows are grouped in an appropriate cash generating unit.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3.9. Liabilities

The Company recognizes a liability when it has a present obligation (legally enforceable as a result of the execution of a contract or a requirement contained in a legal standard) resulting from a past event and which amount owed can be reliably estimated.

3.10. Financial liabilities

Financial liabilities are classified as fair value through profit or loss or as other financial liabilities.

Other financial liabilities, initially measured at fair value, net of transaction costs, are subsequently measured at amortized cost using the effective interest method. Interest charges are included in the “Financial expense, net” caption of the consolidated statement of profit or loss and other comprehensive income.

The financial liabilities at fair value through profit or loss have been recognized at their fair value, recognizing any gain or loss arising from the revaluation in the statement of profit or loss and other comprehensive income. The net gain or loss recognized in profit or loss is disclosed in the "Financial expense, net" caption of the consolidated statement of profit or loss and other comprehensive income.

The Company derecognizes financial liabilities (or a part of them) when, and only when, the Company's obligations are discharged, cancelled or they expired.

The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

3.11. Other liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially recognized at fair value, net of costs directly attributable to their acquisition (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts).

Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method, with interest income recognized based on the effective yield.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer its settlement for more than 12 months from the balance sheet date.

The estimated present value of the asset retirement obligation is recorded as a liability, with a corresponding increase in the carrying amount of the related asset, subject to depreciation. The liability recorded is increased each fiscal period due to the passage of time and this change is charged to net profit or loss. The asset retirement obligation can also increase or decrease due to changes in the estimated timing of cash flows, changes in the discount rate and/or changes in the original estimated undiscounted costs. Increases or decreases in the obligation will result in a corresponding change in the carrying amount of the related asset. Actual costs incurred upon settlement of the asset retirement obligation are charged against the asset retirement obligation to the extent of the liability recorded. The Company discounts the costs related to asset retirement obligations using the discount rate that reflects the current market assessment of the time value of money and risks specific to the liabilities that have not been reflected in the cash flow estimates. Asset retirement obligations are remeasured at each reporting period in order to reflect the discount rates in effect at that time.

3.12. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The Company has been sued in certain labor, civil and commercial lawsuits. Provisions for contingencies are recorded on a risk assessment basis and when the likelihood of a loss is probable. The assessment of a loss probability is based on the opinion of legal counsels of the Company and its Management.

3.13. Revenue recognition

The Company derives its revenues mainly from power generation and sale of energy contracts, and natural gas trading and transportation.

Revenues derived from electric power generation and natural gas trading and transportation are measured at the fair value of the consideration received or receivable specified in the contract with a customer and excludes amounts collected on behalf of third parties and are recorded as sales when realized and transfers control of the product or service to the customer. For such purpose, they should meet the following criteria: there is an agreement with the client, the price is fixed or determinable, the service was provided and collection is reasonably secured.

Main revenue activities are the following:

Electric power generation from renewable sources:

The Company recognizes revenue based on energy dispatch for each wind farm. Such activity is recognized as a performance obligation satisfied over time, measured on an hourly basis, and then revenue recognized on a monthly basis according to the PPAs. The Company has no other performance obligations once energy has been dispatched. Company's Management has evaluated that performance obligations are satisfied over time since the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs. The consideration is contractually determined based on contractual selling prices. This activity is billed and paid for on a monthly basis according to contractual established due dates.

Electric power generation from conventional sources:

The Company recognizes revenue based on monthly available capacity per MW and energy dispatch for each plant. Such activities are recognized as a performance obligation satisfied over time, measured on an hourly basis for firm capacity made available and energy dispatch, and then revenue recognized separately for these activities on a monthly basis according to the PPAs. The Company has no other performance obligations once capacity has been made available and energy has been dispatched. Company's Management has evaluated that performance obligations are satisfied over time since the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs. The consideration is contractually determined and allocated between these activities based on their contractual selling prices. Both activities are billed and paid for on a monthly basis according to contractual established due dates.

Commercialization and transportation capacity of natural gas:

Revenue is recognized when natural gas and transport capacity is transfer to the customer. Such activities are recognized as a performance obligation satisfied over time, as natural gas or transportation capacity is transferred to the customer. The Company has no other performance obligations once natural gas or transportation capacity has been transferred to the customer. Company's Management has evaluated that performance obligations are satisfied over time since the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs.

3.14. Leasing

The identification of a lease is made under a control model, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. Control is considered to exist if the customer has (i) the right to obtain substantially all of the economic benefits from de use of an identified asset, and (ii) the right to direct the use of that asset.

Assets that qualify as a lease require the lessee to recognize a right-of-use asset and a lease liability at lease commencement date, except for short-term leases and leases of low value of assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The Company does not have significant leasing agreements at the end of December 2022 and 2021.

3.15. Financial costs

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

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

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3.16. Income tax and minimum presumed income tax

3.16.1 Income taxes – current and deferred

Income tax expenses represent the sum of the tax currently payable and the deferred tax.

3.16.1.1 Current tax

The tax currently payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rate that have been enacted or substantively enacted at the end of the year. The current income tax charge is calculated on the basis of the tax laws in force in Argentina.

On December 29, 2017, Tax Reform, Law N° 27,430, was published in the Official Gazette, which came into force on the day following its publication in the Official Gazette, being one of the main changes the reduction of the tax rate for income tax on non-distributed corporate profits from 35% to: (i) 30% for the periods between January 1, 2018 and December 31, 2019 and (ii) 25% from January 1, 2020. This new regulation has an impact on the measurement of deferred tax assets and liabilities (including tax loss carryforwards) as from the effective date of this new law, given that they must be recognized by applying the tax rates that will be in force on the dates when the temporary differences will be reverted or used, in accordance with what is mentioned in the following section.

On December 23, 2019, Law No. 27,541 was published in the "Boletin Oficial", called «Law of Social Solidarity and Productive Reactivation in the framework of Public Emergency», which establishes, among other things, changes in the tax rate of income tax over corporate profits not distributed in the following years and produced changes with respect to what was mentioned in the previous paragraph.

In accordance with the aforementioned Law, an aliquot of 30% is established for the period 2020 and 25% as of January 1, 2021.

On June 16, 2021, Law No. 27,630 was published in the Official Gazette, which introduces a variable tax rate based on the company's Accumulated Net Taxable Income, which will be updated annually starting in 2021, considering the annual variation of the consumer price index (CPI) provided by the National Institute of Statistics and Census (INDEC), a decentralized body within the Ministry of Economy, corresponding to the month of October of the year prior to the adjustment, with respect to the same month of the year former. Pursuant to AFIP General Resolution 5168/2022 dated March 15, 2022, which modifies the scale of net taxable income, for the fiscal year beginning on January 1, 2022, the tax rates for income tax The profits for the companies will be the following:

Amounts in thousands				
Accumulated taxable net income		*Income tax*		
More than AR$	*To AR$*	*A fixed amount of*	*Plus a*	*Taxable income in excess of*
AR$ 0	AR$ 7,605	AR$ 0	25%	AR$ 0
AR$ 7,605	AR$ 76,049	AR$ 1,901	30%	AR$ 7,605
AR$ 76,049	En adelante	AR$ 22,435	35%	AR$ 76,049

For the fiscal years ended December 31, 2022 and 2021, the company measured the income tax using the statutory tax rate according to the rates mentioned in the previous table.

The net deferred tax liability as of December 31, 2022 and 2021 was measured considering the rate expected for the year the temporary item will be reversed or used. The effect of the application of the new rates is disclosed separately, in the line item "Tax rate change effect" in the table below.

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3.16.1.2 Adjustment for tax inflation

Law No. 27,468 published in the “Boletin Oficial” on December 4, 2018 provided that for the purposes of applying the adjustment procedure for tax inflation it is valid for the years that began on January 1, 2018. Regarding of the first, second and third year after its validity, this procedure will be applicable if the variation of the CPI, calculated from the beginning and until the end of each of those exercises exceeds 55%, 30% and in 15%, for the first, second and third year of application, respectively.

The impact of the adjustment for tax inflation corresponding to the first and second fiscal years starting from fiscal year 2019 has been allocated as follows: 1/6 in that same fiscal year and the remaining 5/6 in equal parts during the following five years. The corresponding impact of the adjustment for tax inflation for the year 2021 has been allocated in the year ended December 31, 2021.

By means of Law No. 27,701 published in the Official Gazette on December 1, 2022, it was provided that Taxpayers who determine a positive inflation adjustment in the first and second fiscal years beginning on or after January 1, 2022 inclusive, may allocate one third (1/3) in that fiscal period and the remaining two thirds (2/3), in equal parts, in the two (2) immediately following fiscal periods.

The computation of the positive inflation adjustment, in the terms provided in the previous paragraph, will only be appropriate for subjects whose investment in the purchase, construction, manufacture, processing or definitive importation of fixed assets -except automobiles-, during each of the two (2) fiscal periods immediately following that of the computation of the first third of the period in question, is greater than or equal to thirty thousand million pesos ($30,000,000,000). Failure to comply with this requirement will determine the decay of the benefit.

The aforementioned modifications are not regulated to date.

The Company applied the aforementioned deferral to Genneia S.A. taking into account the investments to be carried out in the coming years. For all the other group companies, the corresponding impact of the tax inflation adjustment for the year 2022 has been allocated to the year ended December 31, 2022.

The effect of applying the tax inflation adjustment is disclosed separately in the income tax note (Note 5.r).

3.16.1.3. IFRIC 23 Uncertainty about income tax treatments

The interpretation issued in June 2017 clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty regarding income tax treatments.

The Company has applied this interpretation in the recognition of the current and deferred income tax, in relation to uncertain income tax treatments.

Consequently, the Company maintains a tax provision of 18,283 for uncertain tax treatments that are mainly related to the interpretation of tax legislation regarding the treatment of the tax inflation adjustment due to the uncertainty associated with such elements. See note 5.r).

3.16.1.4. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable results. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets, including tax loss carry forwards, are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable results nor the accounting results.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the period or year, as detailed below. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the year to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Under IFRS, deferred income tax assets and liabilities are classified as non-current assets and non-current liabilities.

The net deferred tax liability as of December 31, 2022 and 2021 was measured considering the rates of 25%, 30% or 35%, according to the date in which it is expected that the temporary item will be reversed or used. The effect of the application of the new rates is disclosed separately in the income tax note (Note 5.r).

3.16.1.5. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss in the consolidated statement of profit or loss and other comprehensive income, except when they relates to items that are recognized directly in equity, in which case, the current and deferred tax is recognized directly in equity or when current tax or deferred tax arises from the initial accounting for a business combination.

3.17. Shareholders' equity accounts

Shareholders' contributions and reserves accounts were prepared in accordance with the accounting standards in force on the transition date to IFRS. Changes to such accounts were accounted for pursuant to the respective decisions of the Shareholders' Meetings, regulatory and statutory rules (Share premium and Reserves).

Capital stock
Includes capital contributions paid in by shareholders, and includes all outstanding shares at par value.

Share premium
It is the difference between the subscription price of capital increases and the corresponding par value of issued shares.

Capital contributions
Corresponds to transactions with shareholders that, as provided by IFRS, and based on the substance over form principle, are assimilated to capital contributions and, thus, their effects are directly recognized under Shareholders' equity.

Legal Reserve
In accordance with the provisions of Law N° 19,550, the Company is required to set up a legal reserve of at least 5% of net income, which results from the sum of net income for the year adjusted by any amount that could have been transferred form accumulated other comprehensive income (loss) to retained earnings plus any adjustment recognized directly in retained earnings, until such reserve reaches 20% of the subscribed capital plus adjustment to capital.

Unappropriated retained results
It includes the retained earnings / losses without specific appropriation, which in case of being positive based on the separate financial statements of the Company presented in Argentine pesos according to the Argentine Securities Commission ("CNV") regulations, may be distributed pursuant to a resolution by the Shareholders' meeting, insofar as they are not subject to statutory restrictions, as that described in the previous legal reserve paragraph. Includes earnings / losses from prior years that were not distributed, the amounts transferred from other comprehensive income and the adjustments to prior years according to accounting standards. As of December 31, 2020, the unappropriated retained results according to the Company's separate financial statements presented in Argentine pesos amounts to an accumulated loss of AR$ 187 million.

In addition, pursuant to the provisions of CNV, when the net balance of the other comprehensive income account is positive, it cannot be distributed, capitalized or appropriated to absorbing accumulated losses, and when the net balance of such account is negative, a restriction shall apply to the distribution of retained earnings by such amount.

Pursuant to Law No. 25,063 enacted in December 1998, dividends distributed, in cash or in kind, in excess of accumulated tax profits at the close of the fiscal year immediately prior to the date of payment or distribution, will be subject to a withholding of 35% for income tax as a single and definitive payment. Accumulated tax profits for the purposes of this tax will be considered to be the balance of the accumulated accounting profits at the end of the fiscal year immediately prior to the entry into force of the aforementioned law, less the dividends paid plus the tax profits determined from said fiscal year. However, according to Law No. 27,430 on Tax Reform, this tax is eliminated for income generated from 2018.

Finally, Law No. 27,430 on Tax Reform also established, among other issues, a withholding on dividends, where, in accordance with the modifications introduced by Law No. 27,541 and later by Law No. 27,630, a withholding rate was established on distributed dividends of 7% for those years beginning on or after 01/01/2021.

Regarding the 3 fiscal periods counted from the one that begins on 01/01/2018, the rate of 30% will be applied to the capital gains obtained by the Argentine Entities, while for the dividends and similar profits distributed by said entities will be 7%.

In accordance with the Shareholders' Agreement, the approval to distribute dividends to the shareholders requires the favorable vote of a qualified majority of the Company´s capital stock. However, the Company is limited in the distribution of dividends by certain restrictive covenants assumed in connection with the issuance of the negotiable obligations (Note 9).

Other comprehensive income
It includes income and expenses directly recognized under Shareholders' Equity and the transfers of such items from Shareholders' Equity accounts to income for the period or retained earnings accounts, as established by IFRS.

3.18. Earnings per share

Net profit (loss) per share is calculated by dividing the net profit (loss) for the year attributable to the Company's shareholders by the weighted average of shares of the Company outstanding during the year.

Diluted net profit (loss) per share is calculated by dividing the net profit (loss) for the fiscal year by the weighted average of shares outstanding, and when dilutive, adjusted for the effect of all potentially dilutive shares, including share options, on an as if they had been converted.

In computing diluted net income per share, income available to ordinary shareholders, used in the basic earnings per share calculation, is adjusted by those results that would result of the potential conversion into ordinary stock. The weighted average number of ordinary shares outstanding is adjusted to include the number of additional ordinary shares that would have been outstanding if the dilutive potential ordinary shares had been issued. Diluted net income per share is based on the most advantageous conversion rate or exercise price over the entire term of the instrument from the standpoint of the security holder. The calculation of diluted net income per share excludes potential ordinary shares if their effect is anti-dilutive.

As of the date of the issuance of these consolidated financial statements, there are no instruments outstanding that imply the existence of potential ordinary shares. Thus the basic net income per share matches the diluted net income per share.

The following table shows the net profit (loss) and the weighted average number of shares that have been used for the calculation of the basic earnings per share:

	2022	2021
Net profit (loss) attributable to owners of the Company	87,059	(48,410)
Weighted average number of outstanding ordinary shares (Note 8)	103,040,496	103,040,496
Basic and diluted profit (loss) per share (in United States dollars)	0.84	(0.47)

NOTE 4 - CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the application of the Company's accounting policies, the Management and Board of Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Below is a detail of the main accounting areas and items that require that management make significant judgments and estimates in preparing these consolidated financial statements.

Criticial Judgements

Working capital

In relation to the situation of negative working capital for an amount of 79,836, the Company's Board of Directors and Management consider that there is a reasonable probability of meet financial obligations and contractual commitments at maturity and, therefore, that there is no a material uncertainty about the Company's ability to continue as a going concern. In this sense, in the evaluation carried out by the Board of Directors and Management of the Company, critical judgment factors have been considered i) that the Company is in a solid operating and financial position; ii) that the Company has successfully demonstrated access to the international and local capital markets on several occasions; iii) that the Company has access to bank financing lines; and iv) that the Company maintains frequent contact with banks and investors, which is very useful to know the situation of the debt market and the opinion that they have of the Company.

Significant estimates

Functional Currency

The Company's Management applies its professional judgment in determining its functional currency and of its controlled entities. Judgement is basically made regarding the currency that mainly influences and determines sales prices, labor and material costs, investments and other costs, as well as the financing and collections derived from its operating activities in the long-term.

Recoverable value of trade receivables

As detailed in Notes 11.2 and 11.3, the Company has significant receivables from entities with state participation or dependent on funds from the public sector, recognized as trade receivables as a result of its generation operations.

Management makes an ongoing assessment of the recoverability of receivables based on aging, payment capacity of the counterparty, nature of the client, security interest received, its legal rights, among others, and accounts for provisions based on the estimated recoverable value of such receivables.

Recoverable value of deferred tax assets and tax loss carryforwards

The Company recognizes tax loss carryforwards and other tax credits as deferred tax assets when it is probable its deduction against future taxable income. To that effect, based on paragraph 26 of NIC 12, the Company considers the projected taxable income and the reversal of temporary liability differences.

In order to determine the likelihood of realization and estimate the recoverable amount of such assets, Management projects taxable income on the basis of several future variables, including the estimate of the Argentine currency devaluation against the US dollar for the following years. Such estimates are periodically reviewed and their effects are recognized in the period in which a revision is performed.

Useful life of fixed assets, recoverable value of fixed assets and intangible assets

The Company estimates the useful life of their fixed assets and intangible assets, mainly wind power plant and thermal generation plants, based on the technology of the corresponding assets and their type and characteristic of use.

In addition, the Company generally estimates the recoverable value of fixed assets and intangible assets on the basis of their economic value in use, calculated as the discounted expected future cash flows generated by each asset or group of assets under evaluation, considering their estimated useful life. With the exception of those thermal generation plants whose contract with CAMMESA has ended (Note 1) whose recoverable value has been estimated based on their estimated disposal value less costs to sell.

In order to estimate cash flows, the Company's Management calculates revenues and future costs based on its best estimate of the regulatory framework, tariffs, fuel costs, devaluation and inflation of the Argentine peso, salaries, wind farm utilization factor, useful life of the assets and the rate used to discount such cash flows, among others.

Estimate of contingent liabilities for claims and lawsuits

The final outcome arising from litigation, claims and other contingencies, as well as the perspective given to each issue by the Management may vary from their estimates due to different interpretations of laws, contracts, opinions and final assessments of the amount of the claims. Changes in the facts or circumstances related to these types of contingencies can have, as a consequence, a significant effect on the amount of the provisions for litigation and other contingencies recorded or the perspective given by the Management.

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NOTE 5 - DETAIL OF THE MAIN ACCOUNTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The breakdown of the main accounts of the consolidated financial statements is as follows:

Consolidated statement of financial position as of December 31, 2022

	December 31, 2022	December 31, 2021
Assets		
a) Cash and banks:		
Cash	6	14
Banks	76,679	60,641
	76,685	60,655
b) Investments:		
Current		
Government bonds	19,792	19,270
Time deposits (1)	-	214
Mutual funds (2)	52,592	151,374
	72,384	170,858

(1) As of December 31, 2021 corresponds to deposits that have a maturity period of less than 90 days from the date of incorporation.
(2) As of December 31, 2022 and 2021, includes 10,574 and 16,624 granted as collateral for futures contracts maturing in January, 2022 and January, 2023, respectively.

Cash and cash equivalents
Include cash, time deposits in financial entities and short-term investments with maturity up to three months at the acquisition date, with low risk of value variation and destined to cancel short-term liabilities.

	December 31, 2022	December 31, 2021
Cash	76,685	60,655
Current investments	40,670	170,858
Cash and cash equivalents	117,355	231,513

As of December 31, 2022 and 2021, includes 29,894 and 46,776, respectively, of cash and cash equivalents balances held by subsidiaries not available for use by the Group.

	December 31, 2022	December 31, 2021
Non-current		
Investments in joint venture	53,035	47,919
	53,035	47,919

Includes the interest in the following joint ventures:

		Percentage of participation	
Joint venture	**Main activity**	**December 31, 2022**	**December 31, 2021**
Vientos de Necochea S.A.	Production and development of renewable energies and its commercialization.	50%	50%
Vientos Sudamericanos Chubut Norte IV S.A.	Construction, financing, commissioning, operation and maintenance of a renewable sources power plant.	51%	51%
Vientos Patagónicos Chubut Norte III S.A.	Construction, financing, commissioning, operation and maintenance of a renewable sources power plant.	51%	51%

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The interests in joint ventures mentioned above are accounted for using the equity method.

Vientos de Necochea S.A., Vientos Sudamericanos Chubut Norte IV S.A. and Vientos Patagónicos Chubut Norte III S.A. are stock corporations under the laws in force in Argentina whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, the above mentioned companies are classified as a joint venture of the Company.

Vientos de Necochea S.A. was incorporated in May 2017 by GENNEIA and Centrales de la Costa Atlántica S.A. for the development of the Vientos de Necochea 1 wind farm project.

Vientos Sudamericanos Chubut Norte IV S.A. and Vientos Patagónicos Chubut Norte III S.A. were incorporated in June 2016 and March 2018, respectively by GENNEIA and MyC Energía S.A. for the development of the Chubut Norte IV and Chubut Norte III wind projects which are described in Note 1. On July 16, 2019, GENNEIA and its subsidiary MyC Energía SA have agreed to transfer to Pan American Fueguina SA ("PAF"), a subsidiary of Pan American Energy SL ("PAE"), of 49% of the shareholding of Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A. This transfer was perfected on August 26, 2019.

As of the completion of the transfer of the shares, the Company has followed the guidelines of IFRS 10 "Consolidated Financial Statements" and has concluded that since the entry of PAE in Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A., GENNEIA will jointly control Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A. Consequently, the Company applyes IFRS 11 "Joint Agreements" that defines such Companies as joint ventures, and evaluates them in accordance with the equity method according to IAS 28 "Investments in associates and joint ventures".

Some of the main assumptions evaluated are described below: (i) Any decision on certain relevant activities thereof, detailed in the shareholders agreement to be concluded, must be taken jointly between GENNEIA and PAE, since there is no power of a shareholder over the other in relation to the investment, regardless of the different capital percentages. interests of each of them. Although the Company will have a 51% stake in Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV SA, in accordance with the shareholders agreement, the approval of at least one Director appointed by each class of shares at the Board meeting or the approval of the full class of the shares at the shareholders meeting are required for decision making regarding certain relevant activities; fixed in the shareholders agreement to be concluded; (ii) No shareholder has any power, as defined in IFRS 10 to the detriment of any other, regardless of the number of Directors or personnel (key or not) designated by each class of shares, in the management of the Company itself to benefit or unilaterally modify variable investment returns or, ultimately, unilaterally direct any of the decisions associated with the relevant activities.

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Summarized financial information in respect of the joint ventures is set out below. The summarized financial information below represents amounts shown in the joint venture's financial statements.

	Vientos Sudamericanos Chubut Norte IV S.A.	Vientos Patagónicos Chubut Norte III S.A.	Vientos de Necochea S.A.
	December 31, 2022		
Statement of financial position			
Current assets [(2)]	24,680	13,175	13,927
Non-current assets [(2)]	113,930	77,295	63,404
Current liabilities [(3)]	11,236	6,556	3,931
Non-current liabilities [(3)]	81,847	50,532	47,817
Shareholders' equity	45,527	33,382	25,583
	For the year ended December 31, 2022		
Statement of profit or loss and other comprehensive income			
Net sales [(1)]	18,245	11,938	10,556
Cost of sales	(6,172)	(4,142)	(4,193)
Administration expenses	(83)	(66)	(135)
Other expenses, net	(253)	(190)	(1,227)
Financial expenses, net	(6,896)	(4,898)	(7,986)
Net income (loss) before income tax	4,841	2,642	(2,985)
Income tax	1,457	2,104	1,983
Net profit for the year [(4)]	6,298	4,746	(1,002)

Reconciliation of the above summarized financial information to the carrying amount of the interest in the joint venture recognized in the consolidated financial information:

				Total
		December 31, 2022		
Net assets of the joint venture	45,527	33,382	25,583	-
Proportion of the Company's ownership interest in the joint venture	51%	51%	50%	-
Carrying amount of the Company's interest in the joint venture	23,218	17,025	12,792	53,035
Evolution of non-current investments:				
Balance at the beginning of the year	20,022	14,604	13,292	47,918
Comprehensive income for the year	3,196	2,421	(500)	5,117
Balance at the end of the year	23,218	17,025	12,792	53,035

(1) For the year December 31, 2022, 100% of sales have been made to CAMMESA.
(2) Includes cash and equivalents for an amount of 7,147, 4,905 and 11,785 corresponding to Vientos Sudamericanos Chubut Norte IV S.A., Vientos Patagónicos Chubut Norte III S.A. and Vientos de Necochea S.A., respectively.
(3) Includes financial debts with third parties in the amount of 58,949, 40,253 and 34,045 corresponding to Vientos Sudamericanos Chubut Norte IV S.A., Vientos Patagónicos Chubut Norte III S.A. and Vientos de Necochea S.A., respectively.
(4) Includes depreciation of fixed assets for an amount of 4,015, 2,728 and 2,375 corresponding to Vientos Sudamericanos Chubut Norte IV S.A., Vientos Patagónicos Chubut Norte III S.A. and Vientos de Necochea S.A., respectively.

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	Vientos Sudamericanos Chubut Norte IV S.A.	Vientos Patagónicos Chubut Norte III S.A.	Vientos de Necochea S.A.
	December 31, 2021		
Statement of financial position			
Current assets (2)	17,176	9,884	11,881
Non-current assets (2)	118,288	79,959	66,204
Current liabilities (3)	7,355	6,024	3,820
Non-current liabilities (3)	88,850	55,183	47,680
Shareholders' equity	39,259	28,636	26,585
	For the year ended December 31, 2021		
Statement of profit or loss and other comprehensive income			
Net sales (1)	13,518	9,337	10,475
Cost of sales	(4,920)	(3,385)	(4,204)
Administration expenses	(140)	(59)	(128)
Other expenses, net	(487)	(279)	(363)
Financial expenses, net	(5,847)	(3,360)	(5,723)
Net loss before income tax	2,124	2,254	57
Income tax	(5,558)	(2,721)	553
Net (loss) profit for the year (4)	(3,434)	(467)	610

Reconciliation of the above summarized financial information to the carrying amount of the interest in the joint venture recognized in the consolidated financial information:

	December 31, 2021			Total
Net assets of the joint venture	39,259	28,636	26,585	-
Proportion of the Company's ownership interest in the joint venture	51%	51%	50%	-
Carrying amount of the Company's interest in the joint venture	20,022	14,604	13,293	47,919
Evolution of non-current investments:				
Balance at the beginning of the year	24,564	16,293	12,987	53,844
Other capital contributions decrease (5)	(2,931)	(1,449)	-	(4,380)
Comprehensive (loss) profit for the year	(1,611)	(240)	306	(1,545)
Balance at the end of the year	20,022	14,604	13,293	47,919

(1) For the year December 31, 2021, 100% of sales have been made to CAMMESA.

(2) Includes cash and equivalents for an amount of 7,696, 5,763 and 9,804 corresponding to Vientos Sudamericanos Chubut Norte IV S.A., Vientos Patagónicos Chubut Norte III S.A. and Vientos de Necochea S.A., respectively.

(3) Includes financial debts with third parties in the amount of 61,094, 41,777 and 35,721 corresponding to Vientos Sudamericanos Chubut Norte IV S.A., Vientos Patagónicos Chubut Norte III S.A. and Vientos de Necochea S.A., respectively.

(4) Includes depreciation of fixed assets for an amount of 3,680, 2,500 and 2,367 corresponding to Vientos Sudamericanos Chubut Norte IV S.A., Vientos Patagónicos Chubut Norte III S.A. and Vientos de Necochea S.A., respectively.

(5) Corresponds to the effect of the change in tax rate (Note 5.r) on the deferred tax asset recognized in relation to the financing mentioned in Note 6.1.2, which was found with a counterpart in non-current investments, in relation to loan transactions to joint ventures that, according to IFRS, based on the underlying economic reality of the operation, have been assimilated to increases or decreases in other capital contributions to such companies.

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	December 31, 2022	December 31, 2021
c) Trade receivables:		
Current		
Trade receivables - Electric power generation	40,400	35,297
Accruals for unbilled sales of electric power generation	24,415	22,493
Related parties (Note 6)	566	87
Trade receivables - Sale of gas and gas transportation	1,554	2,396
Accruals for unbilled sales of gas and gas transportation	3,890	1,922
	70,825	62,195
Aging of trade receivables		
Up to three months	15,709	5,138
From three to six months	-	135
From six to nine months	17	166
From nine to twelve months	6	358
More than one year	4,730	7,825
Past due balance at end of the year (1)	20,462	13,622
To be due	50,363	48,573
Balance at end of the year	70,825	62,195

(1) In relation to uncollected past due current trade receivables with IEASA (Ex ENARSA) of 7,147 and 8,517 as December 31, 2022 and 2021 respectively, see Note 11.2.1.

	December 31, 2022	December 31, 2021
d) Other receivables:		
Current		
Financial assets		
Related parties (Note 6) (1)	3,937	7,046
Credit related to the sale of companies (2)	421	421
Other receivables to collect	462	1,371
Receivable for investment in Patagonian Pipeline	36	63
Loma Blanca Trust credits	75	364
	4,931	9,265
Prepayments, tax receivables and others		
Prepaid insurance	664	913
Value added tax	755	13
Income tax advances and withholdings	30	449
Advanced payments to suppliers	2,961	38
Turnover tax credit	399	170
Recovery of expenses receivable	1,947	981
Miscellaneous	3,216	2,710
	9,972	5,274
	14,903	14,539
Non-current		
Financial assets		
Related parties (Note 6) (1)	14,043	9,647
Construction costs to be recovered	23	59
Receivable for investment in Patagonian Pipeline	249	376
Loma Blanca Trust credits	-	1,217
	14,315	11,299

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	December 31, 2022	December 31, 2021
Prepayments, tax receivables and others		
Minimum presumed income tax credit	-	393
Turnover tax credit	-	248
Advanced payments to suppliers of fixed assets [(3)]	37,367	632
Credit from tax on bank debits and credits	-	413
Expenses paid in advance	1,396	1,469
Deposits in guarantee [(4)]	6,051	6,051
Deferred income tax asset	16	-
Miscellaneous	-	226
	44,830	9,432
	59,145	20,731

(1) As of December 31, 2022 and 2021 includes US$ 37 million and US$ 38 million, respectively, of term loans granted to joint ventures, which have been recognized at the time of their initial recognition at fair value, having recognized the difference generated with respect to the nominal value of the transaction, net of its effect on deferred tax, as other capital contributions in joint ventures.

(2) Corresponds to the credit held with PAF associated with the sale of 49% of the shares of Vientos Sudamericanos Chubut Norte IV S.A. and Vientos Patagonicos Chubut Norte III S.A.

(3) Corresponds to advanced payments to suppliers for fixed assets acquisitions in relation to the projects detailed in Note 1.

(4) As of December 31, 2022 and 2021 corresponds to a guarantee deposit of US$ 4.2 million, made as collateral for the Pomona II and Chubut Norte II projects; and US$ 1.9 million, made in compliance with the commitment to contribute to the projects of Chubut Norte III and IV.

e) Inventories:

	December 31, 2022	December 31, 2021
Current		
Materials and spare parts	1,242	1,297
	1,242	1,297
Non-current		
Materials and spare parts	8,550	9,964
	8,550	9,964

f) Fixed assets and intangible assets:

	December 31, 2022	December 31, 2021
f.1) Fixed assets		
Fixed assets value	1,052,085	1,048,996
Allowance for fixed assets impairments (Note 5.l)	(21,144)	(30,299)
Net book value	1,030,941	1,018,697

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Main account	2022 Cost: Accumulated at the beginning of the year	Increases	Decreases	Transfers	Foreign currency exchange difference	Accumulated at the end of the year
Land	8,626	-	(377)	-	269	8,518
Furniture and fixture	167	2	-	-	2	171
Machinery	3,842	174	-	-	-	4,016
Computer equipment	2,933	554	(35)	-	10	3,462
Communication equipment	61	-	-	-	-	61
Vehicles	1,998	84	(120)	-	-	1,962
Buildings and installations	15,588	3	-	-	133	15,724
Tools	1,502	194	-	-	5	1,701
Pipelines	14,378	-	-	-	1,861	16,239
Power generation equipment (1)	505,340	-	(60,959)	-	9,948	454,329
Wind Farm	926,455	127	-	-	-	926,582
Solar Photovoltaic Plant	83,935	3	-	-	-	83,938
Work in progress	6,615	78,001	-	-	2	84,618
Right of use on land and buildings	6,371	433		-	-	6,804
Total 2022	1,577,811	79,575	(61,491)	-	12,230	1,608,125
Total 2021	1,553,291	10,866	(5.143)	-	18,797	1,577,811

Main account	2022 Accumulated depreciation: Accumulated at the beginning of the year	Annual depreciation rate	Increases	Decreases	Foreign currency exchange difference	Accumulated at the end of the year	Net book value at December 31, 2022	2021 Net book value at December 31, 2021
Land	-	-	-	-	-	-	8,518	8,626
Furniture and fixture	109	10%	16	-	3	128	43	58
Machinery	2,185	10%	219	-	-	2,404	1,612	1,657
Computer equipment	2,234	33%	309	(34)	10	2,519	943	699
Communication equipment	53	33%	7	-	(1)	59	2	8
Vehicles	1,208	20%	242	(63)	14	1,401	561	790
Buildings and installations	4,116	10%	686	-	5	4,807	10,917	11,472
Tools	822	10%	116	-	3	941	760	680
Pipelines	12,788	3%-7%	1,480	-	886	15,154	1,085	1,590
Power generation equipment (1)	340,009	5%-10%	21,454	(37,500)	2,606	326,569	127,760	165,331
Windfarm	153,335	3%-5%	33,445	-	-	186,780	739,802	773,120
Solar Photovoltaic Plant	8,524	3%	2,704	-	-	11,228	72,710	75,411
Work in progress		-	-	-	-	-	84,618	6,615
Right of use on land and buildings	3,432	4%-33%	618	-	-	4,050	2,754	2,939
Total 2022	528,815		61,296	(37,597)	3,526	556,040	1,052,085	
Total 2021	464,111		63,661	(5,034)	6,077	528,815		1,048,996

(1) As of the date of issuance of these consolidated financial statements, includes a residual value of 22,152 related to thermal power plants that are no longer connected to the SADI described in note 1 for which management and the board of directors are evaluating different alternatives for the destination of the assets (among them, the sale of the equipment). The evaluation of the recovery value of the assets is based on the estimates of the value of use and value of disposal as applicable by current accounting standards. See Note 1 and 14..

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f.2) Evolution of intangible assets:

	December 31, 2022				December 31, 2021			
	Intangible assets acquired separately (Puerto Madryn Project)	Intangible assets acquired in a business combination (PELBIV acquisition)	Intangible assets acquired in a business combination (ULLUMs acquisitions)	Total	Intangible assets acquired separately (Puerto Madryn Project)	Intangible assets acquired in a business combination (PELBIV acquisition)	Intangible assets acquired in a business combination (ULLUMs acquisitions)	Total
Cost value	4,260	31,904	5,792	41,956	4,260	31,904	5,792	41,956
Accumulated amortization	(361)	(14,168)	(864)	(15,393)	(219)	(10,622)	(576)	(11,417)
Allowance for impairment of intangible assets (Note 5.l)	-	-	(4,928)	(4,928)	-	-	(5,216)	(5,216)
Book value at the beginning of the year	3,899	17,736	-	21,635	4,041	21,282	-	25,323
Amortization of the year	(142)	(3,545)	(288)	(3,975)	(142)	(3,546)	(288)	(3,976)
Impairment decrease	-	-	288	288	-	-	288	288
Book value at the end of the year	3,757	14,191	-	17,948	3,899	17,736	-	21,635
Cost value	4,260	31,904	5,792	41,956	4,260	31,904	5,792	41,956
Accumulated amortization	(503)	(17,713)	(1,152)	(19,368)	(361)	(14,168)	(864)	(15,393)
Allowance for impairment of intangible assets (Note 5.l)	-	-	(4,640)	(4,640)	-	-	(4,928)	(4,928)
Book value at the end of the year	3,757	14,191	-	17,948	3,899	17,736	-	21,635

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Liabilities

	December 31, 2022	December 31, 2021
g) Accounts payable:		
Current		
Trade	54,135	42,862
Accrual for invoices pending to receive	23,859	20,300
Related parties (Note 6)	81	81
	78,075 (1)	63,243 (2)

(1) Includes 4,979 past due up to three months, 169 from three to six, 762 from six to nine months, 141 from nine to twelve months and 42,177 over a year and 29,847 to be due up to three months. In relation to past due accounts payable to IEASA (Ex ENARSA) for an amount of 38,442 as of December 31, 2022, see Note 11.2.1.

(2) Includes 620 past due up to three months, 2 from six to nine months, and 43,086 over a year and 19,535 to be due up to three months. In relation to past due accounts payable to IEASA (Ex ENARSA) for an amount of 38,442 as of December 31, 2021, see Note 11.2.1.

	December 31, 2022	December 31, 2021
h) Loans:		
Current		
Negotiable Debt Obligations	151,000	141,660
Bank loans and others	35,531	51,019
Related parties (Note 6)	829	-
Banks overdraft	-	9,975
Leasings	208	301
	187,568 (1)	202,955 (1)
Non-current		
Negotiable Debt Obligations	400,542	489,005
Bank loans and others	159,920	187,799
Leasings	2,484	2,619
	562,946 (1)	679,423 (1)

(1) Current loans are net of 1,868 and 3,848 as of December 31, 2022 and 2021, respectively, corresponding to fees and costs demanded in the structuring of loans and the issuance of negotiable obligations. Non-current loans are net of 30,701 and 41,676 as of December 31, 2022 and 2021, respectively, corresponding to fees and costs demanded in the structuring of loans and the issuance of negotiable obligations.

Detail of interest rates of loans:

Loans	Outstanding principal as of December 31, 2022	Interest Rate	Date	Maturity
Bank Loans in US$ fixed rate	4,077	7% - 15%	2022	2023
Bank Loans in US$ variable rate	4,730	Libor + 7.25% (1)	2020	2023
Project finance variable rate	24,691	Libor 6M + 1.2% (1)	2018 - 2020	2023 - 2034
Project finance fixed rate	174,809	4.73% - 5.42%	2018 - 2020	2023 - 2034
KfW Corporate Loan variable rate	10,276	Libor + 1.5% (1)	2020	2023 - 2024
Negotiable Debt Obligations in US$ fixed rate	540,996	0% - 8.75%	2015 - 2022	2023 - 2031

(1) Regarding the discontinuation of the LIBOR as a reference rate, see note 7.3 to these financial statements.

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	December 31, 2022	December 31, 2021
Evolution of loans and reconciliation of liabilities arising from financing activities:		
Balances at the beginning of the year	882,378	911,395
Changes that originated movements of cash and equivalents		
New loans	57,250	136,228
Principal payments to third parties	(184,515)	(174,452)
Banks overdraft payments	(8,250)	9,976
	(135,515)	(28,248)
Changes that did not originate movements of cash and equivalents		
Leasings	-	253
Exchange Negotiable Debt Obligations	-	9,344
	-	9,597
Other changes		
Interest accrual	53,867	72,401
Accrued issuance costs	8,584	10,397
Interest payments to third parties	(58,469)	(95,529)
Effect of exchange difference and others	(331)	2,365
	3,651	(10,366)
Balance at the end of the year	750,514	882,378

Detail of loans:	Note	December 31, 2022	December 31, 2021
Series XX Bonds (Genn 2022 Bond)	9.1	-	95,624
Series XXVIII Negotiable Debt Obligations	9.1	-	5,805
Series XXIX Negotiable Debt Obligations	9.1	12,824	12,772
Series XXX Negotiable Debt Obligations	9.1	-	30,939
Series XXXI Negotiable Debt Obligations	9.1	355,239	354,154
Series XXXII Negotiable Debt Obligations	9.1	49,078	48,770
Series XXXIV Negotiable Debt Obligations	9.1	15,876	15,820
Series XXXV Negotiable Debt Obligations	9.1	39,428	17,152
Series XXXVI Negotiable Debt Obligations	9.1	49,432	49,629
Series XXXVII Negotiable Debt Obligations	9.1	29,665	-
KfW Corporate Loan Pomona II and Chubut Norte II - Genneia S.A. (1)	9.2.5	9,747	16,465
Banks overdraft		-	9,975
GEDESA Credit Facility	9.2.1	4,782	16,599
Financial Trust Loma Blanca Serie I	9.2.2	-	16,936
Project Finance Pomona I - Genneia Vientos del Sudoeste S.A. (2)	9.2.3	84,569	88,324
Project Finance Chubut Norte I - Genneia Vientos del Sur S.A. (3)	9.2.4	36,590	37,939
Project Finance Villalonga I - Genneia Vientos Argentinos S.A. (4)	9.2.4	56,386	58,584
Promissory note related to Private Negotiable Debt Obligation		-	3,971
Banco Macro S.A.	6	829	-
Banco Patagonia S.A.		79	-
Banco Santander S.A.		3,298	-
Leasings Parque Eólico Loma Blanca IV S.A.U.		1,112	1,206
Leasings Genneia Vientos del Sudoeste S.A.		1,540	1,556
Leasings Genneia La Florida S.A.		40	158
		750,514	882,378

(1) As of December 31, 2022 and 2021, the amount disbursed amounts to 29,148.
(2) As of December 31, 2022 and 2021, the amount disbursed amounts to 118,453.
(3) As of December 31, 2022 and 2021, the amount disbursed amounts to 47,849.
(4) As of December 31, 2022 and 2021, the amount disbursed amounts to 74,351.

i) Salaries and social security payable:

Salaries, social security and withholdings payables	6,110	5,745
	6,110	5,745

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	December 31, 2022	December 31, 2021
j) Taxes payable:		
Value added tax	5.576	3,973
Tax withholdings payable	89	57
Taxes under regularization regime	-	4
Miscellaneous	598	859
	6,263	4,893
Income tax payable		
Income tax payable net of advances, credits from tax on bank debits and credits and withholdings	26,169	20,705
	26,169	20,705
k) Other liabilities:		
Current		
Related parties (Note 6)	10,233	2,094
Miscellaneous	66	140
	10,299	2,234
Non-current		
Accrual for assets retirement obligation	5,990	7,917
	5,990	7,917

l) Allowances and provisions:

	December 31, 2022				December 31, 2021			
Items	**Value as of December 31, 2021**	**Decreases**	**Additions**	**Value as of December 31, 2022**	**Value as of December 31, 2020**	**Decreases**	**Additions**	**Value as of December 31, 2021**
Allowances deducted from assets:								
For fixed assets	30,299	(11,075)[(1)]	1,920[(4)]	21,144	20,843	(1,207)[(1)]	10,663[(4)]	30,299
For intangible assets	4,928	(288)[(2)]	-	4,640	5,216	(288)[(2)]	-	4,928
Total deducted from assets	35,227	(11,363)	1,920	25,784	26,059	(1,495)	10,663	35,227
Provisions included in liabilities:								
For claims and pending labor lawsuits	1,581	(190)	-	1,391	2,574	(993)	-	1,581
Total included in liabilities	1,581	(190)	-	1,391	2,574	(993)	-	1,581

(1) Includes decreases of 1,646 related to the depreciation of fixed assets included on Operating cost of electric power generation from conventional sources Note 5.o, and 9,429 due to the application of the impairment allowance from the power generation equipment sold in Genneia S.A.
(2) Included decreases of 288 related to the amortization of intangible assets included on Operating cost of electric power generation from renewable sources Note 5.o.
(3) Includes decreases of 1,207 related to the amortization of fixed assets included on Operating cost of electric power generation from conventional sources Note 5.o. and 288 related to amortization of intangible assets, respectively, included on Operating cost of electric power generation from renewable sources Note 5.o.
(4) Corresponds to the result from exposure to changes in the purchasing power of the currency in fixed assets of Genneia Desarrollos S.A.

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Consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2022

	December 31, 2022	December 31, 2021
m) Net sales[1]:		
Revenue from electric power generation from renewable sources	226,536	217,349
Revenue from electric power generation from conventional sources	43,225	48,343
Revenue from gas trading and transport	6,369	4,912
Other revenues	1,995	6,612
	278,125	277,216

(1) For the years ended December 31, 2022 and 2021, 91%, and 90% of sales were made to CAMMESA, respectively.

	December 31, 2022	December 31, 2021
n) Cost of sales:		
Purchases for electric power generation from conventional sources	(1,102)	(1,335)
Purchases for gas trading and transport	(1,003)	(781)
Operating costs of electric power generation from renewable sources (Note 5.o)	(73,078)	(63,170)
Operating costs of electric power generation from conventional sources (Note 5.o)	(27,233)	(32,364)
Operating cost of gas trading and transport (Note 5.o)	(1,195)	(925)
	(103,611)	(98,575)

o) Operating costs and expenses:

	December 31, 2022					
	Operating cost of electric power generation from renewable sources	Operating cost of electric power generation from conventional sources	Operating cost of gas trading and transport	Administrative expenses	Selling expenses	Total
Salaries and benefits	5,023	1,412	84	7,414	879	14,812
Social security charges and other contributions	828	447	15	1,279	170	2,739
Professional fees and compensations for services	14,518	192	-	2,394	9	17,113
Directors and statutory auditors' fees	-	-	-	1,669	-	1,669
Expenses for development of new businesses	-	-	-	905	-	905
Other staff costs	676	117	-	647	-	1,440
Travelling and lodging expenses	234	63	-	484	15	796
Freight and insurance	2,048	1,080	-	134	4	3,266
Rental and expenses of property, machinery and equipment	12	81	-	303	7	403
Taxes, rates and contributions	455	132	10	248	1,078	1,923
Contingencies and claims	-	-	-	-	10	10
Maintenance and repairs	5,825	1,682	-	558	2	8,067
Works contracts and other services	896	474	-	74	1	1,445
Fixed assets depreciation	36,924	20,494	1,086	1,146	-	59,650
Amortization of intangible assets	3,688	-	-	-	-	3,688
Miscellaneous	1,951	1,059	-	910	694	4,614
Total 2022	73,078	27,233	1,195	18,165	2,869	122,540

GENNEIA S.A.

	December 31, 2021					
	Operating cost of electric power generation from renewable sources	Operating cost of electric power generation from conventional sources	Operating cost of gas trading and transport	Administrative expenses	Selling expenses	Total
Salaries and benefits	3,099	1,904	91	6,096	625	11,815
Social security charges and other contributions	877	404	16	1,013	101	2,411
Professional fees and compensations for services	12,429	169	-	948	6	13,552
Directors and statutory auditors' fees	-	-	-	1,636	-	1,636
Expenses for development of new businesses	-	-	-	301	-	301
Other staff costs	402	42	-	342	-	786
Travelling and lodging expenses	138	146	-	173	6	463
Freight and insurance	2,043	1,377	-	81	-	3,501
Rental and expenses of property, machinery and equipment	624	1,155	-	307	6	2,092
Taxes, rates and contributions	621	141	16	68	1,005	1,851
Maintenance and repairs	1,383	1,251	-	266	2	2,902
Works contracts and other services	560	406	-	-	-	966
Fixed assets depreciation	35,967	24,733	802	1,223	2	62,727
Amortization of intangible assets	3,688	-	-	-	-	3,688
Miscellaneous	1,339	636	-	476	958	3,409
Total 2021	63,170	32,364	925	12,930	2,711	112,100

	December 31, 2022	December 31, 2021
p) Other expenses, net:		
Tax on bank debits and credits	(3,951)	(4,312)
Impairment of fixed assets (Note 12)	-	(8,156)
Miscellaneous	106	2,180
	(3,845)	(10,288)

	December 31, 2022	December 31, 2021
q) Financial expense, net:		
The breakdown of financial income and expenses is as follows:		
Financial income:		
Interest income	7,229	4,946
Commercial interest income	5,175	5,279
Fair value gains on financial assets at fair value through profit or loss	2,417	7,712
	14,821	17,937
Financial expense		
Fair value losses on financial assets at fair value through profit or loss	(4,176)	(737)
Interest expense	(54,783)	(73,368)
Exchange differences, net	(3,257)	(13,975)
Issuance costs and withholdings	(8,296)	(11,393)
Result from exchange negotiable debt obligations (1)	-	(9,344)
Miscellaneous	(3,499)	(5,227)
	(74,011)	(114,044)
Result from exposure to changes in the purchasing power of the currency	(4,128)	4,379
Total financial expense, net	(63,318)	(91,728)

(1) In September 2021, the company recognized the exchange of the Negotiable Obligations as a modification in accordance with IFRS 9 "Financial Instruments" in relation to the exchange of the Class XX Negotiable Obligations due to the fact that the instruments subject to exchange are not substantially and as a extinguishment of the original debt in connection with the exchange of the Private Notes.

r) Income tax:

The consolidated income tax charge for the years ended December 31, 2022 and 2021 is as follows:

	December 31, 2022	December 31, 2021
Current income tax	(16,627)	(27,835)
Deferred income tax	12,237	(79,874)
	(4,390)	(107,709)

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The reconciliations between the consolidated income tax charge for the year ended December 31, 2022 and 2021 and the loss that would result from applying the prevailing tax rate on the net loss before income tax, included in the consolidated statement of profit or loss and other comprehensive income for each year, is as follows:

	December 31, 2022	December 31, 2021
Net profit before income tax	91,449	59,299
Statutory tax rate (1)	35%	30%
Statutory tax rate applied to net profit before income tax	(32,007)	(17,794)
Permanent differences and others at the prevailing tax rate:		
Loss on long term investment in joint ventures	1,796	(421)
Tax rate change effect (see note 3.16.1. Current and deferred income tax)	-	(81,041)
Tax effects due to tax restatement to current units of currency	(161,546)	(49,271)
Effects of the functional currency and others (2)	187,367	40,818
Income tax - (Charge)	(4,390)	(107,709)

(1) Corresponds to the average rate that arises from considering the rate applied to each Company that is part of the consolidated balance, see note 3.16 where changes in rates are described.
(2) It mainly includes the effect of using a different currency for reporting and tax purposes.

Furthermore, the breakdown of the consolidated net deferred tax liabilities as December 31, 2022 and 2021, is as follows:

	December 31, 2022	December 31, 2021
Deferred tax assets		
Tax loss carryforwards	6,896	21,542
Nondeductible liabilities	407	1,620
Other receivables with related parties (1)	13,203	11,520
Miscellaneous	3,583	6,557
Total deferred tax assets	24,089	41,239
Deferred tax liabilities		
Fixed assets	(149,174)	(177,192)
Intangible assets	(6,417)	(7,479)
Tax effect due to restatement to current units of currency	(73,209)	(71,900)
Miscellaneous	(5,659)	(5,521)
Total deferred tax liabilities	(234,459)	(262,092)
Net deferred tax liabilities	(210,370)	(220,853)

(1) Corresponds to the deferred asset related to the financing mentioned in Note 6.1.2, which has been recognized as other capital contributions in non current investments at the time of initial recognition of the financing.

As of December 31, 2022, the Company and its subsidiaries maintain a deferred tax asset for accumulated tax loss carryforwards of 6,896, which may be offset against taxable income as follows:

Year until it can be used	Tax loss carryforward	Deferred asset
2030	1,831	641
2032	24,483	6,255
	26,314	6,896

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The following table summarizes the deferred tax assets for tax loss carry forwards as of December 31, 2022 by the individual projects and the Company which generates it:

Project/Company	Deferred asset
PEM I (1)	1,556
Otros	4,481
Subtotal - GENNEIA	6,037
Vientos Argentinos (1)	641
Other Subsidiaries	218
Subtotal - Subsidiaries	859
Total	6,896

(1) According to Law No. 26.190 (National Development Regime for the Use of Renewable Sources of Energy Destined for The Production of Electric Energy), the tax loss carryforwards for these projects may be used for up to ten years from the year in which they are generated to compensate against taxable income generated from these projects.

For the year ended December 31, 2022, the Company has estimated a tax profit in relation to the Villalonga, Chubut Norte I, Ullum 1 Solar, Ullum 2 Solar, Ullum 3 Solar, Florida, Pomona, Madryn II, Rawson III and Parque Eólico Trelew, in compliance with current tax regulations, which may be partially compensated with losses from previous years, and the surplus has been recognized within the tax charges item for an amount of 16,627.

For the year ended December 31, 2021, the Company has estimated a tax profit in relation to the Madryn I, Madryn II, Rawson III, Villalonga, Chubut Norte I, Trelew Wind Farm, Ullum 1 Solar, Ullum 2 Solar, Ullum 3 Solar, Florida and Pomona, which may be offset against losses from previous years. In relation to the tax results not generated by these businesses (Madryn II, Rawson III and Parque Eólico Trelew) for the year ended December 31, 2021, the Company has estimated a tax profit, in compliance with current tax regulations, which may be partially compensated with losses from previous years, and the surplus has been recognized within the tax charges item for an amount of 27,835.

The Company and its subsidiaries recognize tax loss carry-forwards and other tax credits as deferred tax assets when its deduction against future taxable income is probable. To that effect, based on the paragraph 36 of IAS 12, the Company and its subsidiaries consider the projected tax results and reverse of temporary liability differences.

To assess the probability of recoverability and estimate the recoverable amount of deferred assets related to tax loss carryforwards, Management has projected the tax income based on various future variables including an estimate of the peso devaluation against the US$ for the next fiscal years. Such estimates are reviewed periodically, and the effects of such estimates are recognized in the year of the revision.

IFRIC 23 - Uncertainty about tax treatments

The interpretation IFRIC 23, "Uncertainty about income tax treatments" issued in June 2017 clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty regarding income tax treatments.

To do so, an entity must assess whether the tax authority will accept an uncertain tax treatment used, proposed to be used, or intended to be used on its income tax return.

If an entity concludes that the tax authority is likely to accept an uncertain tax treatment, the Entity will determine the tax position consistent with the tax treatment used or expected to be used in its income tax return. If an entity concludes that such acceptance is unlikely, the entity shall reflect the effect of the uncertainty in determining taxable income, tax bases, unused tax losses, unused tax credits and tax rates.

An entity will make consistent judgments and estimates about current income tax and deferred income tax. In addition, it will reassess a judgment or estimate required by this interpretation if the facts and circumstances on which the judgment or estimate were based change or as a result of new information that affects the judgment or estimate.

The Company has applied this interpretation in the recognition of the current and deferred income tax, in relation to uncertain income tax treatments.

Consequently, the Company maintains a tax provision of 18,283 for uncertain tax treatments that are mainly related to the interpretation of tax legislation regarding the treatment of the tax inflation adjustment due to the uncertainty associated with such elements.

General resolution (AFIP) 5248

The Tax authority (AFIP) established an extraordinary income tax advance payment, payable in three equal, monthly and consecutive installments due in October, November and December 2022, through publication in the Official Gazette on August 16th, 2022, for those capital companies that have closed the year between August and December 2021, that meet any of the following parameters:

- The amount of the tax determined in the tax return corresponding to the fiscal year 2021 or 2022, as appropriate, is equal to or greater than AR$ 100.000.000. The advance payment will be 25% of the base for calculating the advance.

- The amount of the Tax Result that arises from the tax return, without applying the deduction of the tax loss carryforwards of previous years, is equal to or greater than AR$ 300.000.000. The advance payment will be 15% of the tax result without taking into account the tax loss carryforwards of previous years.

The aforementioned advance payment cannot be canceled through the compensation mechanism and, moreover, should not be taken into account when a request for reduction of advances is made. In relation to this rule, during the year 2022 the company entered 1.241 for Genneia S.A. and Parque Eólico Loma Blanca IV S.A.U..

Unrecognised taxable temporary difference associated with subsidiaries and joint ventures

Taxable temporary differences in relation to investments in subsidiaries and joint ventures for which deferred tax liabilities have not been recognised are attributable to the following:

	December 31, 2022	December 31, 2021
Subsidiaries	(35.795)	(32,116)
Joint ventures	(5,791)	(5,464)
	(41,586)	(37,580)

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NOTE 6 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The principal outstanding consolidated balances as of December 31, 2022 and 2021 for transactions with related parties are as follows:

	December 31, 2022					
	Trade receivables	Other receivables		Accounts payable	Other liabilities	Loans
	Current	Current	Non Current	Current	Current	Current
Companies under joint control:						
Vientos de Necochea S.A	85	542	4,419	-	-	-
Vientos Sudamericanos Chubut Norte IV S.A.	289	2,853	5,842	-	7,185	-
Vientos Patagónicos Chubut Norte III S.A.	192	542	3,782	-	3,048	-
Shareholders, directors and key management:						
Fintech Energy LLC	-	-	-	74	-	-
Jorge Horacio Brito	-	-	-	7	-	-
Other related companies:						
Banco Macro S.A. (1)	-	-	-	-	-	829
	566	3,937	14,043	81	10,233	829

	December 31, 2021					
	Trade receivables	Other receivables		Accounts payable	Other liabilities	Loans
	Current	Current	Non Current	Current	Current	Current
Companies under joint control:						
Vientos de Necochea S.A	-	752	3,463	-	-	-
Vientos Sudamericanos Chubut Norte IV S.A.	-	5,043	2,940	-	2,094	-
Vientos Patagónicos Chubut Norte III S.A.	-	1,251	3,244	-	-	-
Shareholders, directors and key management:						
Fintech Energy LLC	-	-	-	74	-	-
Jorge Horacio Brito	-	-	-	7	-	-
Other related companies:						
Banco Macro S.A. (1)	87	-	-	-	-	-
	87	7,046	9,647	81	2,094	-

(1) Company related to shareholders Delfín Jorge Ezequiel Carballo and Jorge Pablo Brito.

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The main consolidated operations with related parties for the year ended December 31, 2022 and 2021 are as follows:

	December 31, 2022			
	Sales of goods and services	Loans received (paid), net	Loans granted (collected), net	Interests and commissions earned, (lost)
Companies under joint control:				
Vientos de Necochea S.A	694	-	-	865
Vientos Sudamericanos Chubut Norte IV S.A.	485	5,052	-	681
Vientos Patagónicos Chubut Norte III S.A.	333	3,046	(656)	441
Shareholders, directors and key management:				
Fintech Energy LLC	-	-	-	-
Delfín Jorge Ezequiel Carballo	-	-	-	-
PointState Argentum LLC	-	-	-	-
Other related companies:				
Banco Macro S.A. (1)	274	801	-	53
	1,786	8,899	(656)	2,040

	December 31, 2021			
	Sales of goods and services	Loans received (paid), net	Loans granted (collected), net	Interests and commissions lost
Companies under joint control:				
Vientos de Necochea S.A	661	-	-	466
Vientos Sudamericanos Chubut Norte IV S.A.	491	-	(4,208)	610
Vientos Patagónicos Chubut Norte III S.A.	341	-	(4,112)	395
Shareholders, directors and key management:				
Fintech Energy LLC	-	(12,638)	-	(2,660)
Delfín Jorge Ezequiel Carballo	-	(2,526)	-	(532)
PointState Argentum LLC	-	(15,165)	-	(3,192)
Other related companies:				
Banco Macro S.A. (1)	139	-	-	-
	1,632	(30,329)	(8,320)	(4,913)

(1) Company related to shareholders Delfín Jorge Ezequiel Carballo and Jorge Pablo Brito.

Additionally, the Company has hired insurance policies to grant an indemnity to its Directors in the exercise of their duties. The directors' fees and the remuneration of key executives are described in Note 10.

6.1. Financing agreements with companies under joint control

6.1.1. Financing agreements with Vientos de Necochea S.A.

In May 2019, the Company granted two loans for a total amount of US$ 10,150,000 due within 17 years to finance the execution of the project.

One of the loans was defined in pesos for an amount of AR$ 231,946,000 and accrues an interest rate on the balance of principal equivalent to the BADLAR rate on a quarterly basis. These interests will be capitalized quarterly until the date of the effective payment of the principal.

The other loan was defined in US dollars for an amount of US$ 4,950,000 and accrues an interest rate on the balance of principal equivalent to the annual LIBOR plus Country Risk Premium published by JPMorgan on a quarterly basis. These interests will be capitalized quarterly until the date of the effective payment of the principal.

During the year ended December 31, 2020, that loan defined in United States dollars was canceled in advance by Vientos de Necochea S.A. together with the part of the interest capitalized as of December 31, 2019 for a total amount of US$ 5,101,047. In addition, in the same period, Vientos de Necochea S.A. canceled in advance part of its debt for the loan determined in pesos for a total amount of US$ 2,842,996. Subsequently, in October 2020, the remaining balance of the debt at that time was converted to dollars by the terms and conditions agreed in the contract and began to accrue an interest rate on the principal balance equivalent to the ANNUAL LIBOR rate plus Premium for Country Risk published by JPMorgan on a quarterly basis. Said interests will be capitalized quarterly until the date of the effective payment of the principal.

The balance due as of December 31, 2022 and 2021 is disclosed under “other non current receivables” and amounts to 4,419 and 3,463, respectively.

6.1.2. Loans and financing to Vientos Sudamericanos Chubut Norte IV S.A. and Vientos Patagónicos Chubut Norte III S.A.

In July 2019, the Company formalized with its related companies Vientos Sudamericanos Chubut Norte III SA and Vientos Patagonicos Chubut Norte IV S.A., a credit line agreement in pesos and without interest, by means of which it was determined that all the financing made used to pay the VAT payments up to the date became part of the credit line, the terms and conditions for future financial assistance were defined, and the possibility that an interest rate applicable to said credit line could be determined under common agreement of the parties from the date on which the parties agree.

The principal owed will be returned and paid in pesos exclusively with the amounts paid by the AFIP as credit for VAT refunds as such payments are received.

As of December 31, 2022 and 2021, the balance related to that agreement is disclosed under “other current receivables” and amounts to 2,853 and 5,043, respectively with Vientos Sudamericanos Chubut Norte IV S.A. and 542 and 1,251, respectively with Vientos Patagónicos Chubut Norte III S.A.

In addition, in July 2019, the Companies signed a credit agreement in dollars and 0% interest rate, through which all the financing carried out to date, except those included in the agreement mentioned in the previous paragraph, went to being part of the credit line, the terms and conditions for future financial assistance were defined, and the possibility that the common agreement of the parties can determine an interest rate applicable to said credit line from the date on which the parties agree. The agreement has a term of 17 years from the signing date and early cancellations may be required by partial payments or in single payment before the due date. In accordance with the provisions of IFRS, this financial credit has been initially recognized at fair value at the time of the transaction in “other non-current receivables” of the Company's statement of financial position and the effect of the difference between said value and the nominal value of the financial assistance delivered has been recognized as other capital contributions within the long-term investment caption, net of the corresponding deferred tax effect.

As December 31, 2022 and 2021, the balance related to that agreement is disclosed under “other non current receivables” and amounts to 5,842 and 2,940, respectively with Vientos Sudamericanos Chubut Norte IV S.A. and 3,782 and 3,244, respectively with Vientos Patagónicos Chubut Norte III S.A.

GENNEIA S.A.

NOTE 7 - FINANCIAL INSTRUMENTS

7.1. Capital management

GENNEIA manages its capital to ensure its ability to continue as a going concern, managing investment projects, while maximizing the return to its shareholders through the optimization of debt and equity balance.

The Company takes part in operations, which involves financial instruments, stated in statement of financial position, and intended to attend operative requirements and to reduce the exposure to risks of markets, currency and interest rate. The management of these risks, as well as their respective instruments, is performed through defined strategies, establishment of control systems and determination of exposure limits.

The Company is not subject to any externally imposed capital requirements.

The relation of net debt (loans, net of cash and cash equivalents) and the Company's equity is disclosed below:

	December 31, 2022	December 31, 2021
Debt [(1)]	750,514	882,378
Cash and cash equivalents	(117,355)	(231,513)
Net debt	633,159	650,865
Equity	310,461	218,941
Debt to equity ratio	2.04	2.97

(1) The debt is defined as current and non-current loans, as detailed in note 5.h).

7.2. Financial instruments by category and fair value measurements

Company's Financial instruments were classified according to IFRS 7 in the following categories:

	December 31, 2022	December 31, 2021
Financial assets		
Amortized cost:		
Cash and cash equivalents	76,685	60,655
Investments	10,834	19,484
Loans and trade receivables	90,071	82,759
Investments at fair value through profit or loss	61,550	151,374
Financial liabilities		
Amortized cost:		
Loans	750,514	882,378
Account payables and other liabilities	94,364	73,394

7.2.1. Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

7.2.1.1. Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Fair value			
	December 31, 2022	December 31, 2021	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets				
Investments in financial assets:				
- Mutual funds	52,592	151,374	Level 1	Quoted bid prices in the markets where these financial instruments trade
- Government bonds	8,958	-	Level 1	Quoted bid prices in the markets where these financial instruments trade

7.2.1.2. Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, Management considers that the book amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

	December 31, 2022		December 31, 2021	
	Book amount	Fair value	Book amount	Fair value
Financial Assets				
Held at amortized cost				
Loans and trade receivables	285	121	439	208
Financial liabilities				
Held at amortized cost				
Loans	750,514	704,091	882,378	783,851

	Fair value		
	December 31, 2022	December 31, 2021	Fair value hierarchy (1)
Financial assets			
Held at amortized cost			
Loans and trade receivables	121	208	Level 3
Financial liabilities			
Held at amortized cost			
Loans	704,091	783,851	Level 3

(1) The fair value of financial assets and liabilities included in the Level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties and prices derived from quoted bid prices in the markets where these financial instruments trade.

7.3. Risk Management

The Company´s financial management coordinates access to domestic and international financial markets and monitors and manages associated financial risks. According to the nature, financial instruments may involve known or unknown risks, being important the better possible analysis of the potential of those risks. Among the major risks that could affect the business of the Company are: market risk (which includes foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

7.3.1. Market risk

7.3.1.1. Currency risk management

GENNEIA undertakes transactions denominated in currencies different to its functional currency, as described in Note 3.2 ("foreign currency"), consequently, exposures to exchange rate fluctuations arise. Since the functional currency of the Company is the U.S. Dollar, the Argentine peso is the currency which implies the largest exposure in terms of income impact.

The carrying amounts at each balance sheet date of financial assets and liabilities denominated in Argentine pesos are as follows:

	December 31, 2022	December 31, 2021
Assets	37,084	204,271
Liabilities	116,972	12,541
Net currency exposure	(79,888)	191,730

Foreign currencies sensitivity analysis

The following table details the sensitivity of GENNEIA to a devaluation of the Argentine peso in respect to its functional currency. Sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their conversion at the end of the year for a 85% variation in the exchange rate, before any tax effect.

	Profit (Loss)
	December 31, 2022
Effect for a 85% devaluation	68,153

In Management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the period or year. Additionally, the Company's Management considers that a substantial part of the assets recorded in foreign currency on the consolidated financial statements related with CAMMESA and IEASA (EX ENARSA) will not be exposed to the negative impact of the devaluation as the PPA signed include a provision for adjustment due to foreign exchange variations. In addition to this, and in order to manage exchange risk, the Company usually enters into contracts to purchase foreign currency in order to mitigate the effects of the devaluation of the local currency.

During the fiscal years ended December 31, 2022 and 2021, there was a devaluation of the peso against the US dollar of around 72% and 22%, respectively. The devaluation of the currency has an impact on financial assets and liabilities denominated in Argentine pesos, the effect of which was recognized in these consolidated financial statements. Likewise, there have been no transfers between the different hierarchies used to determine the fair value of the Company's financial instruments.

7.3.1.2. Management of the interest rates risk

GENNEIA and its subsidiaries perform borrowing transactions at both fixed and variable interest rates. Risk is managed in the Company by maintaining an appropriate mix between fixed and variable rate borrowings. The Company does not use derivative financial instruments to cover risks on interest rates.

Changes in interest rates may affect income or expenses related to interest on financial assets and liabilities based on a floating rate; furthermore, they may modify the fair value of financial assets and liabilities that accrue a fixed interest rate.

At the end of each year, the Company's exposure to interest rates over financial assets and liabilities, net is as follows:

	Financial Assets - (Liabilities), net	
Features	**December 31, 2022**	**December 31, 2021**
Non-interest bear	144,492	240,439
Lease liabilities	(2,692)	(2,920)
Variable-rate financial instruments	(39,220)	(26,091)
Fixed-rate financial instruments	(708,318)	(852,928)
	(605,738)	(641,500)

The portion of variable interest rate debt is mainly subject to fluctuations of BADLAR/LIBOR rate.

Sensitivity analysis of the interest rates

As of December 31, 2021, if BADLAR/LIBOR market interest rate for borrowings in Argentine pesos and in US dollars would have been 500 and 50 basis points respectively higher than the real basis points of the Company, the net interest expense for the year ended December 31, 2022 would have increased by approximately 75.

Regarding the discontinuation of the LIBOR as a reference rate, it is worth clarifying that it will be available and used by the Company and its lenders, as a calculation basis, throughout the current fiscal year for those loans that establish it. However, the Financial Management is currently talking with the lenders to agree on the application of a new reference rate, which minimizes the uncertainties and the risk premium factor that represents the LIBOR rate today and motivates its discontinuation. Considering the total volume of the Company's financial debts that use the LIBOR rate and the potential alternatives under discussion, in the opinion of the Company's Management, the situation described will not have a material effect on the financial situation of the Company.

7.3.1.3. Management of price risk

The Company does not have a significant exposure to the price risk, mainly as a result of the PPA described in Note 1, whereby the prices are not materially affected by market price fluctuations in the short-term, except for those thermal power plants that operate under Resolution 31/2020, which has been then modified by Resolution 440/21, as described in Note 1.

7.3.2. Management of credit risk

Credit risk refers to the risk arising from the possibility that a financial institution receiving funds or financial investment or a counterparty in contracts default in its obligations resulting in losses to the Company. To mitigate these risks related to the transactions other than with the public sector, the Company adopted as practice, to only perform transactions with financial entities with good credit rating. Concerning counterparties in contracts, the Company evaluates its financial position, establishing credit limits and performs a constant follow-up of balances.

As regards to transactions with entities related to the public sector, the sale of energy produced by the Company is made, mainly, to companies dependent upon the financing of the public sector. Consequently, the financial results depend on public sector spending on energy, transportation and infrastructure facilities and on its ability to bid for and be awarded such contracts. In turn, public sector spending has depended, and is likely to continue depending, on the economic conditions of the country.

Government and public sector entities have considerable power to force renegotiation of contract terms with the other contracting parties. Forced renegotiation of contracts with public sector entities, and delay or default in payment by public sector agencies may have a substantial adverse effect not only on the Company’s financial situation and results of operations, but also on its ability to repay its debts. Management periodically assesses the recoverability of receivables based on aging, payment capacity of the counterparty, nature of the client, guarantees received, its legal rights, among others, and forecasts the estimated recoverable value of such receivables.

Almost all of the sales from electric power generation from conventional and renewable sources are carried out with entities with government participation, or dependent on funds from the public sector. For the years ended December 31, 2022 and 2021, 91% and 90% of sales were made to CAMMESA, respectively.

Note 7.3.3 includes a breakdown of financial assets past due as of December 31, 2022.

7.3.3. Management of liquidity risk

Liquidity risk is associated to a potential mismatch between cash requirements (related to operating and financial expenses, investments, debt maturities, and dividends) and the financing sources (net income, divestitures, and capacity for new financing).

The Company’s Management has ultimate responsibility on management liquidity risk, having established an appropriate liquidity risk policy for the Company´s management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. In this regard, the credit facilities offered to clients are assessed on an ongoing and consolidated basis; to the extent such facilities are offset against liabilities owed by the same client, considering similar amounts and terms, regardless of their respective aging. In connection with the payment compensation transactions of past due assets and liabilities with IEASA (EX ENARSA), see Note 11.2.

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Working capital

As of December 31, 2022, the Company has a negative working capital of US$79,836. This situation is strictly transitory and is mainly due to the short-term financial obligations directly related to the construction of the projects that were carried out between 2017 and 2020. This financing is mainly related to the Global Negotiable Obligation Series XXXI, which amortizes semi-annually 10% of the principal amount and has a final maturity in September 2027; and the total principal amortization of the Local Negotiable Obligation Series XXXII, with maturity in August 2023.

At the end of 2021, the company began a new investment phase with the construction of the Sierras de Ullum solar farm project, which, as of the date of publication of these consolidated financial statements, has obtained a commercial authorization of 68MW, with the remaining 10MW in the final phase of construction. The estimated total investment for the Sierras de Ullum solar farm project amounts to US$60 million, having paid approximately US$52 million in the twelve months ended December 31, 2022. The Sierras de Ullum solar farm was financed through the issuance of Series XXXVI Negotiable Obligations, issued on December 23, 2021 for an amount of US$ 50 million. Likewise, two new projects were added to the company's portfolio in 2022, the Tocota III solar farm project and the La Elbita wind farm project, with the construction phase estimated between 2023 and 2024. The estimated total investment of the La Elbita wind farm project and the Tocota III solar farm project amount to US$290 million, having paid US$36 million in advances for the purchase of equipment for the twelve months ended December 31, 2022. Regarding the financing of these two projects, the company has issued negotiable obligations and subscribed a loan for a total of US$188 million; the remaining amount to cover the total investment will be financed with new debt and/or cash flow generation; for more information on these projects and financings see Note 1.

In this regard, it is worth mentioning that, in line with the financial projections, the Company's Board of Directors and Management consider that the negative working capital does not present problems and will be reversed, among others, with the cash flow of the projects inaugurated during the years ended December 31, 2021, 2020, 2019 and 2018, which add up to an installed capacity of 706 MW.

The following table details the aging of the Company´s financial assets and liabilities as of December 31, 2022.

		To be due						
	Past due	**Current**				**Non-current**		**Without term**
		0-3 months	3-6 months	6-9 months	9-12 months	1 a 5 years	+ de 5 years	
Investments	-	72,384	-	-	-	-	-	-
Trade receivables	20,462 (1)	50,363	-	-	-	-	-	-
Other receivables	3,624	1,081	102	79	45	14,315	-	-
Total assets	**24,086**	**123,828**	**102**	**79**	**45**	**14,315**	**-**	**-**
Accounts payable	48,431	29,644	-	-	-	-	-	-
Loans	-	62,739	3,867	110,838	10,121	460,220	102,729	-
Other Liabilities	-	10,302	-	-	-	5,987	-	-
Total liabilities	**48,431**	**102,685**	**3,867**	**110,838**	**10,121**	**466,207**	**102,729**	**-**

(1) Mainly corresponds to account receivables with CAMMESA and IEASA (EX ENARSA) for the activities of the Company and accounts payable with IEASA (EX ENARSA) for natural gas purchases for energy generation. (See Note 11.2 and 11.3).

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NOTE 8 - CAPITAL STOCK

On October 25, 2021, through a meeting of the Board of Directors, the Company approved the registration of the testamentary assignment of the shareholding of Mr. Jorge Horacio Brito in favor of Fiduciaria JHB S.A.

On December 31, 2021, through a meeting of the Board of Directors, the Company approved (i) the registration of the transfer of the shares of Mr. Jorge Horacio Brito in favor of his heirs, by virtue of the liquidation of the testamentary trust JHB; (ii) the constitution free of charge in favor of Mrs. Marcela Patricia Carballo de Brito, DNI No. 6,708,077, of a Usufruct for 50% of the dividends and profits of the shares of the heirs; and (iii) the registration of the fiduciary transfer of the shares of the heirs and the collection rights of the Usufruct, in favor of Banco de Servicios y Transacciones S.A.; and (iii) the constitution in favor of Mrs. Marcela Patricia Carballo de Brito of a usufruct for 50% of the dividends and profits of the shares of the heirs.

As of December 31, 2022, capital stock of GENNEIA amounts to 19,491 (AR$ 103,040,496) and is composed of (a) 51,520,248 Class A common registrable shares of AR$ 1 par value each, entitled to one vote per share; and (b) 51,520,248 Class B common registrable shares, of AR$ 1 par value each, entitled to one vote per share. GENNEIA's capital stock is fully subscribed and paid in.

All of the capital increases approved by the shareholders of the Company are registered as of the date of these financial statements.

NOTA 9 - FINANCING

9.1. CORPORATE BONDS

9.1.1. Global Notes Programs. Frequent Issuer Program.

The Company maintains a global program for the issuance of simple negotiable obligations, not convertible into shares, in the short, medium or long term, for a maximum outstanding amount of nominal value US$ 800,000,000 (or its equivalent in other currencies) (the "**Program**"). The Program was approved by resolutions of the Extraordinary General Meetings of Shareholders of the Company on July 2, 2008, April 17, 2013 and May 31, 2016 and January 4, 2018 and by Resolutions of the Board of Directors of the Company. National Securities Commission (in spanish, "Comisión Nacional de Valores" or "CNV") No. 15,987 dated September 25, 2008, No. 17,245 dated December 12, 2013 and No. 18,345 dated November 10, 2016 and Resolution of the Issuers Management of the CNV DI-2018-52-APN-GE#CNV dated October 26, 2018.

On March 19, 2021, the Company's Extraordinary General Shareholders' Meeting approved by resolution the creation of a global Frequent Issuer program for the issuance of simple negotiable obligations, not convertible into shares, in the short, medium or long term, for a maximum outstanding amount of nominal value US$ 800,000,000 (or its equivalent in other currencies) (the "**Frequent Issuer Program**"). The registration of Frequent Issuer No. 15 was granted through Provision No. DI-2021-10-APN-GE#CNV of the Issuers Management of the CNV dated April 19, 2021.

On April 28, 2022, the Company's Extraordinary General Shareholders' Meeting approved by resolution the increase in the amount of the Frequent Issuer Program for up to USD 1,300 million. In this sense, considering that the outstanding principal of the Negotiable Obligations issued under the Frequent Issuer Regime represents an amount equivalent to US$ 622.2 million, the Company has a residual amount to be issued equivalent to US$ 677.8 million as of the date of issuance of these consolidated financial statements.

As of December 31, 2022, the Company had seven classes of notes outstanding, one of which was issued under the Global Program and six under the Company's Frequent Issuer Program.

The following table summarizes the main terms and conditions of the Company's corporate bonds as of December 31, 2022:

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	Notes (Series XXIX)	Notes (Series XXX)	Global Notes (Series XXXI)	Notes (Series XXXII)	Notes (Series XXXIV)	Notes (Series XXXV)(1)	Notes (Series XXXVI)	Notes (Series XXXVII)
Issuance date	08/28/2020	11/24/2020	09/02/2021	08/10/2021	08/10/2021	12/23/2021	12/23/2021	11/11/2022
Nominal amount (US$)	US$ 12,836,420	US$ 30,902,366	US$ 366,118,638	US$ 48,971,674	US$ 15,605,522	US$ 38,184,061	US$ 50,000,000	US$ 29,917,476
Annual nominal interest rate	2%	12%	8,75%	3,5%	6%	0%	5,65%	0%
Use of proceeds	Payment and/or prepayment of the Company and its subsidiaries's liabilities. Finance productive projects for electric power generation in Argentina	Payment and/or prepayment of the Company and its subsidiaries's liabilities. Finance productive projects for electric power generation in Argentina	Refinancing of the debt in accordance with article 36 of the Law of Negotiable Obligations and General Resolution No. 861 of the CNV. The Issuer did not receive any cash funds.	Payment and/or prepayment of the Company and its subsidiaries's liabilities. Finance productive projects for electric power generation in Argentina	Payment and/or prepayment of the Company and its subsidiaries's liabilities. Finance productive projects for electric power generation in Argentina	Payment and/or prepayment of the Company and its subsidiaries's liabilities. Finance productive projects for electric power generation in Argentina	Investments in physical assets and capital goods located in the country for the development and construction of the Sierras de Ullum Solar Farm Project.	Investments in physical assets and capital goods located in the country for the development and construction of the of the Tocota III Solar Farm Project and the La Elbita I and La Elbita II Wind Projects.
Maturity date	08/28/2023	11/24/2022	09/02/2027	02/10/2023	08/10/2024	12/23/2024	12/23/2031	11/11/2026
Additional Information	Unsecured	Unsecured	Guaranteed by a guarantee trust, whose trust assets are the collection rights under the PPAs Madryn and Madryn II.	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured

(1) On November 11, 2022, the Class XXXV Notes were reopened at a price of 107.75% for an amount of US$20,884,061 ("Additional Class XXXV Notes"). The terms and conditions of the Class XXXV Negotiable Obligations, with the exception of the issuance date and the issuance price, remained unchanged.

Green Bonds

The recent issuance of Negotiable Obligations (Class XXXI, Class XXXII, Class XXXIV, Class XXXV, Class XXXV additional, Class XXXVI and Class XXXVII) are aligned to the main components of the 2020 Principles of Green Bonds of the ICMA (International Capital Market Association) and were issued following said guidelines and the guidelines for the issuance of social, green and sustainable negotiable securities in Argentina contemplated in Annex III, Chapter I, Title VI of the CNV Regulations. Additionally, these Negotiable Obligations are included in ByMA's Social and Sustainable Green Bonds panel.

In November 2022, Class XXXVII Negotiable Obligations were issued, classified as Green Bonds, and the destination of the resources for the construction of the La Elbita I & II and Tocota III farm projects.

9.2. OTHER FINANCING ARRANGEMENTS

9.2.1. GEDESA Credit facility

On November 22, 2017, GEDSA entered into a Credit Facility Agreement for an amount US$ 45 million with Industrial and Commercial Bank of China (Argentina) S.A. Dubai Branch (“ICBC Dubai”), Banco Itaú Unibanco S.A. Nassau Branch (“Itau Nassau”), Banco Hipotecario S.A. (“BH”) and BACS Banco de Crédito and Securitización S.A. (“BACS”), to finance the acquisition of GETSA. The principal outstanding amount was payable in 12 quarterly and consecutive installments. The first one dues on February 22, 2018 and the last one, on February 22, 2020. The financing interest rate was equivalent to Libor rate plus 5,5%, payable on a quarterly basis. The loan had been granted to GEDSA without guarantees.

Notwithstanding that the intention of GEDESA at the time of entering into the loan agreement was to refinance the last repayment installment, on November 13, 2020, and in compliance with the requirements of the detailed regulations issued by the Central Bank of the Argentine Republic, GEDESA entered into an agreement with the borrowing entities for the financing of the last installment of the loan due on November 22, 2020, under the following conditions:

- 60% of the debt with ICBC Dubai and Itau Nassau, for a total of US$ 8,634,600, was refinanced according to a new maturity and rate schedule. The principal will be paid in dollars in 12 quarterly and consecutive installments. The first on February 16, 2021 and the last, on November 16, 2023. The financing interest rate is equivalent to a 3M Libor rate plus 7.25%, which will be paid quarterly.

- The remaining 40% of the debt with ICBC Dubai and Itaú Nassau and 40% of the debt with BH and BACS, for a total of US$ 8,634,600, was paid with funds obtained through new financing with BH, ICBC Argentina, Itau Argentina and BACS for an amount of AR $ 719,352,541. The principal will be paid in pesos in 36 monthly and consecutive installments. The first corresponding to December 16, 2020 and the last one, November 16, 2023. The financing interest rate is equivalent to a Corrected Badlar Rate plus 8.5%, which will be paid monthly. Said financing was pre-paid in full on January 17, 2022.

- The remaining 60% of the debt with BH and BACS, for a total of US$ 4,317,300, was paid with funds obtained through a new financing with BH and BACS denominated in *Unidades de Valor Adquisitivo* (UVA), an instrument adjustable based on the Index of Reference Stabilization (“CER”) published by the BCRA. The principal, equivalent to 5,699,468 UVA, will be paid in pesos in 12 quarterly and consecutive installments. The first corresponding to February 16, 2021 and the last, on November 16, 2023. The financing interest rate is equivalent to a fixed rate of 7.5%, which will be paid monthly. Said financing was pre-paid in full on February 16, 2022.

GENNEIA S.A. has granted limited guarantees on the syndicated loans, in favor of TMF Trust Company (Argentina) S.A., in its capacity as agent and on behalf of the lenders. The obligations under the surety bonds will only be enforceable from the expiration of the obligations according to the payment schedule of each loan and limited to the amount due on each payment date. The surety bonds can only be accelerated in certain assumptions provided therein and related to the Guarantor and are not accelerated by other assumptions provided in the loan contracts.

On January 17, 2022, the remaining balance corresponding to the tranche at the Corrected Badlar Rate plus 8.5% of AR$ 550 was prepaid, along with interest accrued up to that date. On February 16, 2022, the remaining balance corresponding to the tranche in Purchasing Value Units (“UVA”) accruing at a fixed rate of 7.5% of AR$ 465 was prepaid, along with interest accrued up to that date. As of December 31, 2022, the liability related to the tranches has also been fully paid, leaving US$ 4.7 million for the tranche in dollars at a 3M Libor rate plus 7.25% classified as current.

9.2.2. Financial Trust Loma Blanca Serie I

In order to obtain the necessary financing for Loma Blanca wind farm project, on December 2011 Parque Eólico Loma Blanca IV S.A.U. (formerly named ICERSA) decided the issuance of negotiable bonds and the creation of a financial trust.

On February 16, 2022, Parque Eólico Loma Blanca IV S.A.U. carried out the early pre-cancellation of all the ONs in circulation that constituted the underlying assets of the Trust, all for the benefit of Banco de la Nación Argentina as beneficiary of the Trust Agreement and sole holder of the class B debt securities (“VRDB”), for a nominal value in circulation of US$ 16,972,079 together with unpaid compensatory interest accrued up to the date of payment.

PROJECT FINANCE NON RECOURSE

9.2.3. Financing of the Pomona I Wind Farm

On June 8, 2018, Genneia Vientos del Sudoeste S.A. ("GVSO"), a subsidiary controlled by the Company, signed a financing agreement for the Pomona I wind farm. This financing agreement comprises up to US$ 142 million to be used for the construction and start-up costs of the project.

The financing agreements include a 16-year guaranteed non-recourse loan granted by Kreditanstalt FürWiederaufbau, Kfw Ipex-Bank Gmbh (KfW) and a 15-year non-guaranteed and non-recourse loan granted by DEG - Deutsche Investitionsk - Und Entwicklungsgesellschaft Mbh (DEG). The KfW loan is guaranteed by the Export Credit Agency of Germany Euler Hermes through a comprehensive commercial and political credit insurance agreement for export.

On August 31, 2018, all of the preceding conditions for disbursement established in the financing agreements were satisfactorily fulfilled. As of that date, the disbursements of funds have been received according to financial documentation.

The financing agreements contain clauses that limit the ability of GVSO to pay dividends and provide for the granting of various guarantees in favor of the creditors, among which are the transfer of the real rights of usufruct over the buildings of the Project, direct, fiduciary or guarantee transfers, total or partial, of certain rights of GVSO, including the collection rights under the Renewable Electricity Supply Contract entered into with CAMMESA, insurance and other documents related to the Farm; pledge on shares representing 100% of the capital stock of GVSO, all features of traditional Project Finance Non Recourse.

The interest rate on the financing was equivalent to a rate of 4.73%, payable semi-annually.

As of December 31, 2022 Genneia Vientos del Sudoeste S.A. totalize disbursements for US$ 118.5 million, of a total committed amount of US$ 120.9 million. On September 22, 2022, the committed amount was reduced to US$120.2 million, by US$0.75 million. The principal owed by virtue of the disbursements started to be paid semi-annually beginning on March 31, 2020, ascending accordingly as of December 31, 2022 to US$ 100.7 million.

9.2.4. Financing of the Villalonga I Wind Farm and Chubut Norte I Wind Farm

On June 19, 2018, Genneia Vientos Argentinos S.A. ("GVA") and Genneia Vientos del Sur S.A. ("GVS"), subsidiaries wholly owned by the Company, entered into financing agreements for the Villalonga and Chubut Norte I wind farms, respectively. The financing agreements, GVA and GVS entered into financing agreements for up to US$ 130.7 million to be used for the construction and start-up costs of the projects.

The financing agreements include Guaranteed Tranches and Uncovered Tranches. A first Tranche is granted directly by the Export Credit Agency of Denmark (EKF), and second Tranche is lent by Sumitomo Mitsui Banking Corporation (SMBC). The Tranche granted by SMBC is guaranteed by EKF through a comprehensive political and commercial export credit guarantee agreement.

Additionally, the financing includes two uncovered tranches. A 15-year uncovered and non- recourse loan granted by the *Corporación Andina de Fomento* (CAF) and a 15-year uncovered and non- recourse loan granted by Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden NV (FMO).

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On October 26, 2018, all the conditions precedent to disbursement established in the financing agreements were met. As of that date, the disbursements of funds have been received according to financial documentation. First Disbursement included the reimbursement of certain advances to the projects funded by GENNEIA S.A.

The financing agreements contain clauses that limit the ability of GVA and GVS to pay dividends and provide for the granting of various guarantees in favor of the creditors, among which are mortgages on the buildings of the Projects, direct assignements, fiduciary or in guarantee, total or partial, of certain rights of GVA and GVS, including the collection rights under the Renewable Electricity Supply Contracts entered into with CAMMESA, insurance and other documents related to the Farms; pledge on shares representing 100% of the capital stock of GVA and GVS, guarantees on bank accounts and pledge on the main assets of the Project.

On April 7, 2020, Genneia Vientos Argentinos S.A. and Genneia Vientos del Sur S.A. agreed to a reduction of US$ 8.5 million in the financing with respect to financing originally committed. Consequently, the total financing committed for the construction of the Villalonga I and Chubut Norte wind farms I totals US$ 122.2 million. The reasons for this reduction were mainly related to the fact that the destination of funds established for this loan was associated with the costs of the construction of the projects, which finally came into operation with substantial savings obtained in said costs. The reduction of this loan did not affect the original financing plan for the construction and start-up costs of the projects, given that they were already operational at that date.

Likewise, on April 24, 2020, the companies received a disbursement of US$ 7.8 million within the financing, whose destination of funds was the payment of a one-time remuneration to GENNEIA S.A. linked to the successful management of projects, having finished them before the stipulated time and with savings in the budget.

As of December 31, 2022, Genneia Vientos Argentinos S.A. and Genneia Vientos del Sur S.A. totalize disbursements for US$ 122.2 million, amount equal to the total commitment. The principal owed by virtue of the disbursement has been paid semi-annually beginning on October 31, 2019, ascending accordingly as of December 31, 2022 to US$ 98.8 million. On April 13th, 2022 Financial Completion Milestone was achieved in Villalonga I and Chubut Norte I projects, a milestone that implies the possibility of transferring funds from Genneia Vientos Argentinos S.A. and Genneia Vientos del Sur S.A. to Genneia S.A., under the concept of cancellation of subordinated loans.

9.2.5. Financing of the Pomona II Wind Farm and Chubut Norte II Wind Farm Projects

On July 23, 2019, GENNEIA S.A. signed a corporate loan of US$ 31 million with KfW for the construction of the Pomona II (12 MW) and Chubut Norte II (26 MW) wind farms. The financing implies a 4-year secured loan granted by KfW. The KfW loan is guaranteed by the German Export Credit Agency Euler Hermes.

On February 18, 2020, the first disbursements were made, totaling US$29.1 million as of December 31, 2022. The capital owed by virtue of the disbursement has been paid semi-annually beginning on February 28, 2020 for the Pomona II wind farm and September 4, 2020 for the Chubut Norte II wind farm, totaling US$ as of December 31, 2022. 10.3 million. The interest rate on the financing was equivalent to LIBOR plus 1.5%, payable semiannually.

On April 7, 2022, the Company requested KfW to reduce the committed amount by US$ 1.7 million, thus totaling US$ 29.1 million. On April 21, 2022, KfW confirmed said request.

On March 4, 2022, the Company partially paid the amortization due on said payment date, leaving a remainder of US$ 2.4 million to be rescheduled in order to comply with retroactive measures of the monetary authority. On March 25, 2022, the Company signed an agreement with KfW through which a cure period of 88 days was established from the due date of the installment in question, extending the payment term until May 31, 2022.

On June 9, 2022, the Company signed an agreement with KfW whereby the payment term was extended for 45 additional days. On July 19, 2022, the Company paid the remaining amount of US$ 2.4 million, consequently the capital owed as of the date of publication of these consolidated financial statements totaled US$ 6.5 million. For this, on July 13, 2022, the Company obtained a line of credit with Banco Santander Madrid from which disbursements for US$ 3.2 million were received to be paid in January 2023.

9.3. Financing of Necochea Wind Farm Project

On August 2, 2019, Vientos de Necochea S.A., a joint venture of the Company and Centrales de la Costa Atlántica S.A., entered into a project financing agreement for the development of the Necochea wind farm (38 MW). Through an A-B financing agreement, the subsidiary entered into financing agreements for up to US$ 51 million that will be used for the construction and start-up costs of the projects.

Financing Agreement A includes a guaranteed tranche and an uncovered tranche. The guaranteed tranche is provided by Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) and is guaranteed by the Danish EKF Export Credit Agency (EKF), and the second tranche is provided directly by FMO. Financing Agreement B is awarded directly by FMO. The transaction is organized by Sumitomo Miutsui Banking Corporation (SMBC) and FMO.

The financing agreements contain clauses that limit the ability of the subsidiaries to pay dividends and provide for the granting of various guarantees in favor of creditors, among which are the transfer of real usufruct rights over the buildings where the Projects will be installed, direct, fiduciary or guarantee transfers, total or partial, of certain rights of the subsidiaries, including the collection rights under the Contract for the supply of renewable electricity entered into with CAMMESA, insurance and other documents related to wind farms; Pledge on shares that represent 100% of the capital stock of the subsidiaries, guarantees in bank accounts and pledge on the main assets of the projects.

On October 16, 2020, the Company agreed to reduce the loan granted by FMO - Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. Consequently, the total financing committed for the construction of the Necochea wind farm was reduced by US$ 6.73 million and therefore the maximum amount committed reached US$ 44.27 million.

On January 13, 2020, the company received a disbursement of US$ 30.3 million that includes the guaranteed tranche and the uncovered tranche. The interest rate on the financing was equivalent to a rate of 3.36% for the guaranteed tranche and a rate of 7.92 % for the tranche not covered, both tranches payable semi-annually.

On March 12, 2021, the joint venture received a final disbursement of US$ 13.9 million, totaling as of December 31, 2022 disbursements for US$ 44 million, that is, for the entire amount committed by the Lenders. The capital owed by virtue of the disbursement has been paid semi-annually beginning on October 30, 2020, totaling as of December 31, 2022 US$ 38.8 million.

9.4. Financing of Chubut Norte III and IV Wind Farm Project

On July 15, 2019, Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A, entered into financing agreements for the Chubut Norte III and Chubut Norte IV wind farms (141 MW). Through these Project Finance, the subsidiaries entered into financing agreements for up to US$ 131 million that will be used for the construction and start-up costs of the projects.

The financing agreements include a 15-year guaranteed non-recourse loan from Kreditanstalt FürWiederaufbau (KfW). The KfW loan is guaranteed by the German Export Credit Agency Euler Hermes through a comprehensive export political and commercial credit insurance agreement.

On July 16, 2019, the Company and its subsidiary MyC Energía S.A. agreed to the transfer to Pan American Fueguina S.A., a subsidiary of Pan American Energy SL, of 49% of the equity interest of Vientos Patagónicos and Vientos Sudamericanos subject to the fulfillment of certain precedent conditions. On August 26, 2019, the transfer of the shares was completed.

Under the Electricity Provision Contracts dated June 26, 2018, signed between CAMMESA and, respectively, Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV SA, agreed as the Commercial Operations Date of their respective projects on April 2, 2020. However, the aforementioned companies were not able to reach that milestone in the terms committed under the respective PPA, due to the existing delays in the process of construction and start-up of the projects.

On February 4 and February 25, 2021, the Chubut Norte IV wind farm corresponding to the subsidiary Vientos Sudamericanos Chubut Norte IV S.A. and the Chubut Norte III wind farm corresponding to the subsidiary Vientos Patagónicos Chubut Norte III S.A., respectively, entered into commercial operation.

On October 27, 2021, the financing agreements were amended with the objective of adjusting the repayment schedule to the current situation of the wind farms. The capital owed as established in the new repayment schedule started being paid semi-annually beginning on October 29, 2021. The amendments to the financing agreements implied a reduction of US$ 1.5 million on the original committed amount.

As of December 31, 2022, the companies' have disbursed the full amount committed, which total US$ 130 million, having disbursed the entire amount committed by the lenders. The capital owed by virtue of the disbursement has been paid semi-annually beginning on October 29, 2021, totaling US$ 121.5 million as of December 31, 2022. On May 31, 2022, financial completion compliance was obtained for the Chubut Norte III & Chubut Norte IV projects, a milestone that implies the possibility of transferring funds from Vientos Patagonicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A to the Sponsors, under the concept of cancellation of subordinated loans.

9.5. CONTRACTUAL LIMITATIONS ON DIVIDEND PAYMENTS

Some of the projects in our portfolio are subject to project financings that contain certain financial covenants and distribution tests, including debt service coverage ratios. In general, these project financings contain covenants customary for these types of financings, including limitations on investments and restricted payments. Each of these projects is permitted to pay distributions out of available cash once certain conditions are satisfied, including that reserves are funded with cash or credit support, no default or event of default under the applicable financings has occurred and is continuing at the time of such distribution or would result therefrom, and each project is otherwise in compliance with the project financing's covenants and the applicable minimum debt service coverage ratio is satisfied. Finally, under the Shareholders' Agreement, approval to distribute dividends to the shareholders requires a vote of a qualified majority of the Company´s capital stock.

NOTA 10 - KEY MANAGEMENT COMPENSATION

For the years ended December 31, 2022 and 2021, directors' fees and key management´s compensations were stated as "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income. Fees and compensation for directors and key executives of the Company for the years ended December 31, 2022 and 2021 amounted to 2,943 and 2,818, respectively, being them short-term benefits and the only benefits granted to directors and key management.

The Company has no long-term employees' benefits, nor share-based payments.

NOTA 11 - PRINCIPAL CONTINGENCIES, CLAIMS, AND CONTINGENT ASSETS

11.1. Proceedings with the Secretary of Industry

On February 25, 2014, the Company was notified of Resolution No. 23 (the "Resolution"), issued on February 14, 2014 by the Ministry of Industry and Services of the Nation (the "Ministry of Industry"). Resolution (i) stated that the Company, as IEASA (EX ENARSA) contractor, has breached the legal Regime called "Buy Argentine Labor" (the "Buy Argentine Labor Regime") by having acquired a power transformer, to its Bragado thermal power plant, owned by a foreign company; (ii) determined that said acquisition of the transformer was null and void; and (iii) ordered that the Resolution be notified to the Secretariat for Territorial Planning and Coordination of Public Works (the "Planning Secretariat"; named at the time of notification, Ministry of Federal Planning, Public Investment and Services) for the determination of additional penalties. The Issuer filed a lawsuit requesting the annulment of the Resolution. As of the date of these financial statements, said cause is in the probationary period.

The Company is also part of another proceeding before the Ministry of Industry, in relation to alleged infractions to the legal regime of "buying work in Argentina." As of the date of issuance of these consolidated financial statements, the Ministry of Industry has not issued a decision regarding this procedure.

The Buy Argentine Work Legal Regime provides that, in case of breach thereunder, among other actions, the relevant Ministry shall temporarily prevent the breaching company for a certain period of time (three to 10 years) from being awarded with future agreements, concessions, permits or licenses by the Argentine Government, its agencies, decentralized entities and state enterprises.

In connection with the proceedings with the Argentine Secretary of Industry described above, on July 4, 2014, the Company requested from the Secretary of Planning suspension of Resolution No. 23 and any administrative proceedings aimed to penalize us on the same grounds as Resolution No. 23, until the federal court provides a final judgment. As of the date of these financial statements, the Secretary of Planning has not issued a decision with respect to our petition.

Based on its external counsel's opinion, the Company believes that (i) it has reasonable legal and factual grounds to obtain the judicial annulment of Resolution No. 23 or other resolutions declaring us in violation of the Buy Argentine Work Legal Regime and reject a disqualification penalty, if any, that may be imposed by the Secretary of Planning; and (ii) an adverse result in the proceedings would not impact our existing PPAs or the PPAs that we expect to enter into in connection with our expansion projects.

11.2. Situation with IEASA (EX ENARSA)

11.2.1. IEASA receivables and payables

Since 2011, the Company and the subsidiary Enersud Energy S.A.U. ("Enersud") started to accumulate debts vis-à-vis IEASA for purchases of natural gas, because of the extensive delay by the Argentine Government in implementing the process for replacing the power supply agreements with IEASA (EX ENARSA) under the Energía Distribuida Program with new agreements with CAMMESA under Resolution SE 220/07.

On the other hand, several balances receivable from IEASA (EX ENARSA) started to accrue for generation invoices and unrecorded accrued amounts for exchange rate differences between the invoicing date and the date of effective payment.

In 2015, the Company notified IEASA of the legal compensation of its liabilities for an amount of US$ 38.2 million corresponding to invoices issued by IEASA pursuant to gas sales contracts (the "Gas Debt") with the credits of the Partnership with IEASA corresponding to exchange differences and other items withheld from invoices paid by CAMMESA (on behalf of IEASA).

In October 2017 and June 2020, IEASA requested the Company to pay the Gas Debt, thereby implicitly ignoring said compensation alleged by the Company. In December 2017 and July 2020, the Company objected to IEASA's respective requests.

As part of the notification sent to IEASA in July 2020, the Company and its subsidiary Parque Eólico Loma Blanca IV S.A.U. They ordered the payment of amounts owed under the Rawson (I and II) wind farm PPAs and the Trelew wind farm PPA for the sum of US$ 9.4 million and US$ 5.8 million, respectively. These amounts contain the corresponding exchange differences. Additionally, in January 2021 the Company and the Loma Blanca IV Wind Farm filed before the Arbitration Tribunal of the Stock Exchange arbitration claims claiming sums owed as of that date under the PPAs indicated for US$ 9.4 million and US$ 10.5 million in concept of capital, plus applicable interest.

In October 2021, Parque Eólico Loma Blanca IV S.A.U. increased the sum of the demanded capital by US$ 1.6 million based on the generation of new unpaid balances. As of the date of these financial statements, the evidence offered by the parties is being produced.

On December 12, 2022, the Court upheld Genneia's arbitration claim, ordering IEASA to pay the Company the sum of US$ 9.4 million, plus interest at 6% per annum calculated from the date of notification of the demand to IEASA until the day before the payment. As of the date of these financial statements, the Company appealed the award regarding the interests granted, while IEASA appealed the entire decision.

Based on the opinion of its external advisors, the Company considers that the compensation made is legal in nature and has solid legal and factual bases to reject any claim of IEASA that tries to object to the compensation, including any possible claim for interests associated with the debt of gas.

11.2.2. Claim for PUI and GUI

On the other hand, through letter documents received in November 2015, IEASA ordered the Company and its subsidiary Enersud to pay bills for natural gas sold by IEASA and used by some of the thermal power plants at current prices. for PUI (US$ 7.5 per MMBtu) and GUI (US$ 12.8 per MMBtu) for a total amount of US$ 9.8 million.

In due course, the Company and Enersud have challenged said invoices with the argument that the invoicing and payment of the invoiced natural gas should have been made on an equal footing with the regulated price for generation, since the gas was used by thermal power plants of the Company for the generation of electricity.

Based on the opinion of our external legal advisors, the Company considers that it has solid legal and factual arguments to reject any potential claim from IEASA with respect to invoices issued at GUI and PUI prices and interest applicable thereto, in excess of a price. that, although it remains undetermined, it should be judicially determined on the basis of the regulated price for generation (US$ 2.68 per MMBTU).

11.3. Situation with CAMMESA

11.3.1. Demand for credits due to exchange differences

Under the WEM Agreements executed under Resolution SE No. 220/2007 (Concepción del Uruguay, Concepción del Uruguay II, Las Armas, Las Armas II, Matheu, Olavarría, Paraná and Pinamar plants), CAMMESA partially paid the invoices issued by the Company only in part, as it did not include in such payments the sums arising from the difference between the exchange rate as of the settlement date and that as of the date of total effective payment. In the opportunities that CAMMESA recognized exchange rate differences, it has done so between the settlement date and a date unilaterally determined by it to be the "maturity" date, which in CAMMESA's opinion (not shared by the Company), would be 41 days after the settlement date.

On December 5, 2019, the Company filed a lawsuit against CAMMESA for US$ 13 million plus interest, in respect of exchange rate differences accrued in favor of GENNEIA during the period December 2012 to July 2019, which is processed before the National Court of 1 ° Instance in Federal Administrative Litigation No. 4, Secretariat No. 7. As of the date of these financial statements, CAMMESA answered the lawsuit and the case has been opened for trial.

The Company will recognize these receivables and other receivables for the same concept accrued subsequently, when it is virtually certain that it will receive the respective disbursements from CAMMESA.

11.3.2. Bragado II Penalty

The Bragado II power plant began its commercial operation in February 2017. CAMMESA alleged a delay on the part of the Company in achieving the commercial authorization agreed in the PPA and, consequently, applied a contractual fine and issued an invoice of AR$ 37 million, equivalent to US$ 2,4 million at the then current exchange rate, which was duly challenged by the Company.

In September 2018 CAMMESA, invoking a resolution of the Undersecretary of Electric Energy, rejected the challenge of the fine and, in November 2018, began to debit GENNEIA's current account monthly, for the PPA of the Bragado II thermal power plant, the total amount of the fine, in 48 installments in dollars, with an annual interest of 1.7% on the balance. On December 5, 2019, the Company filed a lawsuit against CAMMESA and the Secretariat of the Government of Energy of the Nation, which is processed in the National Court in Federal Administrative Litigation N ° 2, Secretariat N ° 3, in order to decree the nullity of the Resolution issued on September 28, 2018 by the Undersecretary of Electric Energy invoked by CAMMESA and, consequently, the penalty imposed for the equivalent of US$ 2,4 million is annulled. The Secretary of Government of Energy of the Nation was also co-sued. As of the date of these Financial Statements, the evidence offered by the parties is taking place.

In the opinion of our external legal advisors, the Company considers that CAMMESA's fine is unfounded and should not be imputed to the Company, so there are solid arguments to expect a judicial result favorable to the interests of the Company. Notwithstanding this, given that the fine is currently discounted from the monthly charges, the Company made a provision for its estimated current value. As of the date of these financial statements, the original 48 installments have already been discounted.

11.4. Puerto Madryn Municipality fees

On December 27, 2019, Provincial Law XVI No. 101 was enacted, which expanded the municipal boundaries of Puerto Madryn and, consequently, the Company and its subsidiaries that own wind farms located in this municipality were subject to the provisions of the tax code from Puerto Madryn. In April 2020, through Ordinance No. 11,349 (modified by Ordinance No. 11,546 and Ordinance No. 12,104), the Municipality of Puerto Madryn established specific tax bases for the wind generation activity with respect to the authorization, inspection, safety and hygiene and control rate. environmental, and the construction rate.

The Municipality initiated inspection processes in the Company and the other subsidiaries and joint ventures that own the wind farms currently located within the Puerto Madryn boundaries, namely: Genneia Vientos del Sur S.A., Vientos Patagónicos Chubut Norte III S.A., and Vientos Sudamericanos Chubut Norte IV S.A. The Municipality of Puerto Madryn determined ex officio the application of the rate for authorization, inspection, safety and hygiene and environmental control for several periods and amounts and the Company and each of the subsidiaries filed their respective discharges with the Municipality.

Since the end of 2019, within the framework of the current PPAs for the Madryn I, Madryn II, Chubut Norte I, III and IV Wind Farms, the Company and its subsidiaries have made a series of presentations to CAMMESA, requesting a revision of the price of PPAs to compensate for the effect that the application of these rates could have. On August 14, 2020, CAMMESA issued a statement on the matter stating that it will submit the request to the Ministry of Energy. As of the date of these Financial Statements, the Ministry of Energy has not been issued.

In March 2021, the Company and its subsidiaries and joint ventures (Genneia Vientos del Sur S.A., Vientos Patagónicos Chubut Norte III S.A. and Vientos Sudamericanos Chubut Norte IV S.A.), filed before the Federal Court of Rawson a lawsuit against the Municipality of Puerto Madryn, seeking to render null and void these rates and requesting precautionary measures.

In May 2021, the Federal Chamber of Comodoro Rivadavia issued a ruling, granting the requested precautionary measures, suspending all the effects derived from the authorization, inspection, safety and hygiene and environmental control fees and also the application of any preventive measure aimed at ensuring the collection of your alleged credit, until the substantive issue is resolved. Consequently, the Municipality annulled the provisions that gave rise to the ex officio determinations and prior injunctions. As of the date of these financial statements, the Company and its subsidiaries requested the opening of the trial case.

The Management and legal advisors of the Company consider that, in the event that these rates are applied, the Company and its subsidiaries have sufficient arguments to achieve a favorable result in court. For this reason, these companies have not recorded any provision for contingencies.

NOTA 12 - IMPAIRMENT LOSSES RECOGNISED IN THE YEAR 2022 AND 2021

Electrical power generation from conventional sources

12.1. Thermal Power Plants GENNEIA

12.1.1. Review of the recoverable amount

Due to the disconnection of several power plants during fiscal years 2020 and 2021 and the current fiscal year and the consequent estimation of their probable realization value, the review as of December 31, 2021 led to the recognition of an impairment loss of 5,139 for some of the Plants of Thermal Generation owned by the Company, which has been recognized in the income statement in the line "Other expenses, net". The recoverable value after taxes of the aforementioned generation plants as of December 31, 2021 amounts to 13,597 based on their recoverable value. As of December 31, 2021, a partial impairment of fixed assets has been recorded for 5,139. As of December 31, 2022, no additional impairment losses have been recorded in relation to the aforementioned power plants. As of December 31, 2022 and 2021, the book value of the Thermal Generation Plants subject to impairment review amounts to US$ 49.3 million and US$ 45.8 million, respectively, and are included in Note 5.f.1, mainly in the Power Generation Equipment line.

The recoverable value of these plants at each analysis date was determined based on their fair value less their disposal costs. The main inputs used in the valuation correspond to the estimated price of disposal and the costs necessary to leave the plants in conditions to be transferred. Since the estimate contains certain significant unobservable inputs, the fair value used is classified as a level 3 hierarchy. The disposal value of the assets has been estimated based on the company's experience in the disposal of similar assets and values of reference used for the acquisition of assets with similar characteristics, adjusted as appropriate for the estimated wear of the assets under evaluation based on the hours of use since their acquisition and their state of conservation.

Determining whether and to what extent an asset is impaired involves management's estimates of uncertain and volatile variables, such as the effects of inflation and deflation on operating expenses, discount rates, realizable values of assets, production and future prices. Actual cash flows and values may differ materially from expected future cash flows and related values obtained through discounting techniques and could result in a material change in the carrying values of assets.

GENNEIA S.A.

Electric power generation from renewable sources

12.2. Biomass Project "La Florida"

Within the framework of the Renew Program, in June 2018 the subsidiary Genneia La Florida S.A. signed a PPA with CAMMESA for all the installed capacity of the La Florida biomass park. The construction of the project could not continue due to the difficulties generated by the Argentine macroeconomic situation, the pandemic caused by COVID-19 and the measures implemented by the National Executive Power to contain the spread of the virus at the national level described in the note.

On December 27, 2021, through Resolution RESOL-2021-1260-APN-SE#MEC, the Ministry of Energy ordered that the companies that own renewable energy projects that were awarded PPAs signed with CAMMESA within the framework of Rounds 1 , 1.5, 2 and 3 of the RenovAr Program, and that had not reached the Commercial Authorization Date, could request CAMMESA to terminate their Supply Contract subject to compliance with certain formal requirements. In this sense, on January 27, 2022, Genneia La Florida requested CAMMESA to rescind the PPA of the La Florida biomass park under the terms of the Resolution, and is complying with the requirements established therein to implement said rescission.

As a result of the aforementioned situation, Genneia La Florida has recognized during the year 2021 an impairment of the assets associated with the project for a total of US$ 4.2 of which US$ 4 million correspond to assets use, recorded in the caption "Other expenses, net" of the income statement.

NOTE 13 - RECENT EVOLUTION OF THE ECONOMIC-FINANCIAL CONTEXT IN WHICH THE COMPANY OPERATES

During the year ended December 31, 2022, through Communication "A" 7466, the Central Bank of the Argentine Republic (“BCRA”) established new conditions for access to the Free Exchange Market (“MLC”).

In this sense, the aforementioned rule is extended until December 31, 2022:

(i) the conditions of access to the MLC applicable to import payments,
(ii) the need for prior approval to make external financial debt payments with related creditors, and
(iii) regulations related to the refinancing of external liabilities.

In turn, through said Communication, the BCRA regulated its incorporation into the Comprehensive Import Control System (“SIMI”).

As of said incorporation, the BCRA will have the possibility of assigning a specific category linked to the way of accessing the MLC, being the following:

(i) Category A: maintains the same treatment for associated operations as to date, and
(ii) Category B: implies that imports of associated goods must be financed for at least 180 calendar days counted from the registration of the customs entry of the goods.

Likewise, the BCRA will enable access to the MLC to an importer for SIMI Category A for the equivalent of the lower of the following two amounts:

- The FOB value of its imports for the year 2021 plus 5% of said value.
- The FOB value of its imports for the year 2020 plus 70% of said value.

In turn, in accordance with the aforementioned regulations, access to the MLC will be maintained under the same existing conditions for imports of capital goods, imports of goods related to the needs derived from the current health situation associated with COVID-19, temporary imports of goods for purposes of subsequent export, and imports of goods subject to non-automatic licenses.

GENNEIA S.A.

On April 7, 2022, the BCRA issues Communication A 7488 through which it creates the SIMI category C for certain products, which have a similar treatment to the SIMI category A.

Through Communications A 7507 and 7516 of May 2022, the BCRA allows access to the MLC for the payment of imports with financing granted by a local banking entity from a foreign commercial credit line, at the following terms:

- In case of nationalized merchandise: 180 days from the date of nationalization.
- In case of shipped merchandise pending nationalization: to the applicable term according to the regulations, adding the estimated travel terms of the good plus 15 estimated days to nationalize the product.

On June 26, 2022, the BCRA issues Communication A 7532 with effect until December 31, 2022 and introduces the following changes:

- Modification in the calculation of the quota established for access to the MLC for payment of import of goods with SIMI category A and C, removing the 20% overestimation that was granted to both and incorporating imports with SIMI category B of LNA to the calculation.
- Includes the amount accrued per month of payment in order to estimate the amount available to access the MLC, calculating it as follows:

(i) The monthly accrual of the quota established according to Communication A 7466 for SIMI category A and C (without the 20% overestimation plus goods with SIMI category B of LNA), divided 12 months of the year.
(ii) The result is multiplied by the number of months until reaching the current month where it is estimated to access the MLC to pay.
(iiii) The total amount paid is taken according to the condition of sale during 2022 of imports supported with SIMI category A, C and B of LNA (without exceptions or payments over 180 days from the nationalization of the product)
(iv) The available to access the MLC by Communication A 7532 will be given by the difference between the results of points "b" and "c".

- Elimination of the exception to access the MLC for the concept of advance payment of capital goods (B12). This exception was restored by Communication A 7553 of July 21, 2022 for companies in the energy sector.
- Incorporation of the quota for access to the MLC for import payment of services provided by non-residents to local residents, from the date of actual provision of the service and calculated as follows:

(i) Sum of payments for services that would have required Comprehensive System for Monitoring Payments Abroad for Services (“SIMPES”), made during the year 2021.
(ii) Monthly accrued (similar to assets)
(iii) Accumulated up to the month where it is estimated to access the MLC (similar to goods)
(iv) Sum of the accesses to the MLC for these concepts during the year 2022.
(v) The available to access the MLC by Communication A 7532 will be given by the difference between the results of points "c" and "d".

- In the case of not having a quota, access to the MLC may be made 180 days from the date of effective provision of the service. This term was modified by Communication A 7547 of July 14, 2022 and increased to 60 days for companies in the energy sector to meet their operational needs.

On July 21, 2022, the BCRA issues communication A 7552 by which it extends the restriction to access the MLC, if at the beginning of the day, the Company has Argentine certificates of deposit representing foreign shares, which together with foreign assets Liquids exceed the sum of USD 100,000.00. In addition, it restricts access to the MLC, if during the previous 90 (ninety) days, you acquired an Argentine certificate of deposit representing foreign shares and/or Securities representing private debt issued in a foreign jurisdiction and/or delivered funds in local or other currency. assets, to natural or legal persons, related or not, receiving in consideration external assets, crypto assets or securities deposited abroad. It also adds the commitment not to acquire it or deliver said funds, within 90 (ninety) days after access to the MLC.

On October 13, 2022, the BCRA issues com A 7621, by which it extends until 12-31-2023 the provisions established for:

(i) Make payments of foreign financial indebtedness to related counterparties.
(ii) the rules on the refinancing of external liabilities.

On October 13, 2022, through com A 7622, it establishes a new regime for imports of goods and services. Based on this communication, the BCRA established the following conditions:

(i) Creation of the "SIRA" Import System of the Argentine Republic, for the importation of goods, replacing the "SIMI".
(ii) Creation of the "SIRASE" System and Imports of the Argentine Republic and Payments of Services Abroad, replacing the "SIMPES".
(iii) Both the "SIRA" and the "SIMI" and the "SIRASE" and the "SIMPES" coexist until the disappearance of the former.
(iv) The creation of the CCUCE Single Current Account for Foreign Trade, which consists of a validation of the operation, carried out by AFIP, prior to accessing the MLC.

In the case of the SIRA, it establishes:
(i) That access to the MLC must be carried out once the period of calendar days established in the "SIRA" has elapsed.
(ii) Against exchange or arbitration in a local foreign currency account, informed in the "SIRA".
(iii) Exceptions to the period indicated in the "SIRA".
(iv) Quota of up to USD 50,000 per year established by com A 7629 of November 3, 2022.
Exception: point 8.6 of the norm, enables companies in the Energy sector to make advance payments of up to 30%, views 50% (or with pending import clearance 80% without any advance payment). Taking as a condition that the total payments made without customs clearance for the import of capital goods, do not exceed said percentages, with respect to the total capital goods to be imported. In addition, that the good to be imported has a percentage of not less than 90% capital good.

In addition, it enables the possibility of anticipating the terms of access to the MLC established in the "SIRA", taking financing granted by a local bank with a line of credit from a foreign bank, up to the date of access to the MLC established by the "SIRA".

The Board of Directors and the Management of the Company will analyze the evolution of the matters described, as well as the possible additional modifications that could be implemented by the National Government, and will evaluate the impacts that they could have on their financial situation, results and future cash flows.

GENNEIA S.A.

NOTE 14 - CONSOLIDATED BUSINESS SEGMENT INFORMATION

The different segments in which the Company is organized have been determined in considering the different activities from which the Company obtains income and incurs expenses. The mentioned organizational structure is based on the way in which the highest authority in the decision-making process analyzes the main financial and operating activities on the basis of internal reports regarding components of the Company while making decisions about resource allocation and performance assessment considering the Company's business strategy.

The Company develops its activities in three business segments: (i) electrical power generation from conventional sources; (ii) electrical power generation from renewable sources; (iii) trading on its own, on behalf of third parties or associated with third parties of natural gas and/or its transportation capacity and of electric power, through the Company and its subsidiary Enersud Energy S.A.U. Aditionally, costs and assets not related to these business segments including, corporate administration and other income (expenses) are allocated into the segment "Corporate and others", except for the impairment related with the Las Armas I and II and Cruz Alta Thermal Power Plants which were allocated into the Electrical power generation from conventional sources segment.

All the sales and the non-current assets of the Company are generated and are located in Argentina.

Below is disclosed the information for each business segment as defined by the Company:

	Electrical Power generation from renewable sources	Electrical power generation from conventional sources	Trading of natural gas and gas transportation	Corporate and others	Consolidation adjustments	Total
Year ended December 31, 2022						
Net sales to third parties	226,536	43,225	6,369	1,995	-	278,125
Net sales	226,536	43,225	6,369	1,995	-	278,125
Gross profit less administrative and selling expenses	153,458	14,890	4,171	(19,039)	-	153,480
Net profit (loss) before financial expense, net and income tax (2) (3) (5)	158,590	14,890	4,171	(22,884) (1)	-	154,767
Fixed assets depreciation and intangible assets amortization	40,612	20,494	1,086	1,146	-	63,338
Fixed assets investments (4)	73,326	5,179	-	1,.070	-	79,575
Assets (4)	1,024,976	133,940	10,106	297,991	(44,304)	1,422,709
Year ended December 31, 2021						
Net sales to third parties	217,349	48,343	4,912	6,612	-	277,216
Net sales	217,349	48,343	4,912	6,612	-	277,216
Gross profit less administrative and selling expenses	154,179	14,644	3,206	(9,029)	-	163,000
Net profit (loss) before financial expense, net and income tax (2) (3) (5)	149,477	9,505	3,206	(11,161) (1)	-	151,027
Fixed assets depreciation and intangible assets amortization	39,655	24,733	802	1,225	-	66,415
Fixed assets investments (4)	9,328	-	-	1,538	-	10,866
Assets (4)	983,278	137,822	7,738	398,547	(98,895)	1,428,490

(1) Includes (3,845) and (2,132) of other expenses, net for the year ended December 31, 2022 and 2021, respectively.
(2) Financial expense, net and income tax are allocated to the corporate and others segment.
(3) Income (loss) on long term investments in joint ventures has been allocated to Electrical Power generation from renewable sources.
(4) In addition, the company has made advanced payments to fixed assets suppliers for an amount of 37,367 and 632 as of December 31, 2022 and 2021, respectively, included in other non-current receivables.
(5) As of December 31, 2022, the Electricity generation from renewable sources segment includes: Gross profit for 153,458 and Results for long-term investments for 5,132. The Electricity Generation segment from conventional sources includes: Gross profit for 14,890. The gas marketing and transportation segment includes: Gross profit for 4,171. Corporate and others include: Gross profit for 1,995, Administrative expenses for (18,165), Selling expenses for (2,869) and Other net expenses for (3,845). As of December 31, 2021, the Electricity generation from renewable sources segment includes: Gross profit for 154,179, Other net expenses for (3,017), and Results for long-term investments for (1,685). The Electricity Generation segment from conventional sources includes: Gross profit for 14,644 and Other net expenses for (5,139). The gas marketing and transportation segment includes: Gross profit for 3,206. Corporate and others include: Gross profit for 6,612, Administrative expenses for (12,930), Selling expenses for (2,711) and Other net expenses for (2,132).

NOTE 15 - SUBSEQUENTS EVENTS

Issuance of Negotiable Obligations Class XXXVIII

On February 10, 2023, Class XXXVIII Negotiable Obligations, classified as Green Bonds, were issued under the Company's Frequent Issuer Regime, which are denominated in dollars, integrated and payable in Argentine pesos for US$ 73,432,000, maturing on February 10, 2033. The Class XXXVIII Negotiable Obligations have an annual nominal fixed 4.5% coupon, and were issued at an issue price of 100% of the nominal value. The principal of the Class XXXVIII negotiable obligations will be payable in 13 semi-annual installments, paying the first amortization installment in the 48th month from the Issue and Settlement Date, of which the first 12 installments will be equivalent to 7.69% of the principal, and the last installment will be equivalent to 7.72% of the principal, payable on the Maturity Date. The destination of the resources for the construction of the La Elbita I & II and Tocota III projects was determined.

Commercial authorization for the Sierras de Ullum solar farm

As of the date of these financial statements, the Sierras de Ullum solar farm entered into commercial operation with an installed capacity of 68 MW. On the other hand, it has another 10 MW under construction corresponding to Sierras de Ullum and the “Tocota III” solar farm, with an initial installed capacity of 60 MW, to be located in the district of Iglesia, in the Province of San Juan. In addition, the Company has the 162 MW "La Elbita" wind farm project, to be located in the city of Tandil, Province of Buenos Aires.

Corporate Financing of the La Elbita I and II wind farms, and the Tocota III solar farm

In February 2023, the Company entered into a secured loan agreement for up to US$ 85,000,000 with a term of 10 years and amortizable semi-annually starting in June 2025, to be granted by (i) Nederlandse Financierings - Maatschappij voor Ontwikkelingslanden N.V. (“FMO”); and (ii) Development Finance Institute Canada (DFIC) Inc. (“FINDEV”) (the “Creditors”), for the construction, commissioning and maintenance of the wind farms “La Elbita I”, “La Elbita II”, and the “Tocota III” solar farm. This loan will accrue interest on the amount actually disbursed every six months from June 2023.

At the date of issuance of these consolidated financial statements there have been no other significant subsequent events whose effect on the consolidated financial position and the results of the Company's operations as of and for the year ended December 31, 2022 or its disclosure in a note to these financial statements, if applicable, would not have been considered in these consolidated financial statements, according to IFRS.

NOTE 16 - APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors of GENNEIA and authorized for issue on March 11, 2023.

Osvaldo Hector Baños
Authorized Director

GENNEIA S.A.

Annex A - OTHER SUPPLEMENTAL INFORMATION (Not covered by the Report of Independent Public Accountants)

As part of the terms of issuance of the International Notes (Series XXXI), the Company has to comply with certain financial ratios as a requirement to incur in new indebtedness.

The following tables present the financial position and results of operations of GENNEIA S.A. on a standalone basis and its subsidiaries, which are grouped by the Company's Management as Subsidiaries A and Subsidiaries B (as defined below), and Consolidation Adjustments as of December 31, 2022 and for the year ended on such date, to arrive to GENNEIA´s figures on a consolidated basis. The unaudited information provided in this table has been derived from the Company records and its consolidation worksheet and provides supplementary information that is useful for the holders of the Negotiable Obligations in better evaluating the Company's compliance with certain financial ratios under the covenants included in the indenture of the International Notes (Series XXXI).

Subsidiaries A comprise the following companies: Enersud Energy S.A.U., Ingentis II Esquel S.A., Parque Eólico Loma Blanca IV S.A.U., Patagonia Wind Energy S.A., MyC Energía S.A., Genneia La Florida S.A., Ullum 1 Solar S.A.U., Ullum 2 Solar S.A.U., Ullum 3 Solar S.A.U. and Sofeet Internacional LLC.

Subsidiaries B comprise the following companies: Genneia Vientos Argentinos S.A., Genneia Vientos del Sur S.A., Genneia Vientos Sudoeste S.A. and Genneia Desarrollos S.A..

GENNEIA S.A.

SUPPLEMENTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 (Unaudited)
(amounts expressed in thousands of United States dollars)

	Genneia S.A. (Standalone)	Subsidiaries A	Subsidiaries B	Consolidation adjustments	Genneia S.A. (Consolidated)
Current Assets					
Cash and banks	42,537	2,768	31,380	-	76,685
Investments	41,507	22,902	11,017	(3,042)	72,384
Trade receivables	59,102	12,727	13,099	(14,103)	70,825
Other receivables	14,793	15,651	2,142	(17,683)	14,903
Inventories	1,242	-	-	-	1,242
Total current assets	**159,181**	**54,048**	**57,638**	**(34,828)**	**236,039**
Non-current assets					
Other receivables	126,934	1,615	3,074	(72,478)	59,145
Investments	217,359	19,419	3	(183,746)	53,035
Inventories	7,669	44	837	-	8,550
Fixed assets	615,043	128,231	290,232	(2,565)	1,030,941
Intangible assets	3,765	14,183	-	-	17,948
Total non-currents assets	**970,770**	**163,492**	**294,146**	**(258,789)**	**1,169,619**
Total assets	**1,129,951**	**217,540**	**351,784**	**(293,617)**	**1,405,658**
Current liabilities					
Accounts payable	72,778	14,456	7,770	(16,929)	78,075
Loans	172,889	255	25,215	(10,791)	187,568
Salaries and social security payable	5,913	8	189	-	6,110
Taxes payable	17,068	9,175	6,189	-	32,432
Other liabilities	17,589	3,263	4,889	(15,442)	10,299
Provisions	1,000	391	-	-	1,391
Total current liabilities	**287,237**	**27,548**	**44,252**	**(43,162)**	**315,875**
Non-current liabilities					
Other liabilities	4,525	-	1,761	(296)	5,990
Loans	424,532	50,507	178,281	(90,374)	562,946
Deferred income tax liability	109,995	34,715	62,858	2,818	210,386
Total non-current liabilities	**539,052**	**85,222**	**242,900**	**(87,852)**	**779,322**
Total liabilities	**826,289**	**112,770**	**287,152**	**(131,014)**	**1,095,197**
Shareholders' equity attributable to the owners of the Company	**303,662**	**104,770**	**64,632**	**(162,603)**	**310,461**
Total liabilities and shareholders' equity	**1,129,951**	**217,540**	**351,784**	**(293,617)**	**1,405,658**

GENNEIA S.A.

SUPPLEMENTAL CONSOLIDATING STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022 (Unaudited)
(amounts expressed in thousands of United States dollars)

	Genneia S.A. (Standalone)	Subsidiaries A	Subsidiaries B	Consolidation adjustments	GenneiaS.A. (Consolidated)
Net sales	189,521	33,770	67,338	(12,504)	278,125
Cost of sales (1)	(68,414)	(22,162)	(24,319)	11,284	(103,611)
Gross profit	**121,107**	**11,608**	**43,019**	**(1,220)**	**174,514**
Selling expenses (2)	(2,454)	(27)	(691)	303	(2,869)
Administrative expenses	(16,031)	(1,942)	(1,261)	1,069	(18,165)
Other expenses, net	(2,445)	(151)	(1,249)	-	(3,845)
Income (loss) on long term investment in joint ventures	23,741	-	-	(18,609)	5,132
Financial expense, net (3)	(34,578)	(5,445)	(23,220)	(75)	(63,318)
Net profit before income tax	**89,340**	**4,043**	**16,598**	**(18,532)**	**91,449**
Income tax - (charge) benefit	(2,658)	1,994	(3,946)	220	(4,390)
Net profit for the year	**86,682**	**6,037**	**12,652**	**(18,312)**	**87,059**
Other comprehensive income					
Translation differences from investments in companies	4,461	-	-	-	4,461
Total other comprehensive income	**4,461**	**-**	**-**	**-**	**4,461**
Total comprehensive profit for the year	**91,143**	**6,037**	**12,652**	**(18,312)**	**91,520**

GENNEIA S.A.

SUPPLEMENTAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022 (Unaudited)
(amounts expressed in thousands of United States dollars)

	Genneia S.A. (Standalone)	Subsidiaries A	Subsidiaries B	Consolidation adjustments	Genneia S.A. (Consolidated)
(1) Cost of sales					
Includes fixed assets depreciation and amortization of intangible assets	36,910	11,285	13,770	227	62,192
(2) Selling expenses					
Includes fixed assets depreciation	918	-	228	-	1,146
(3) Financial expense, net					
Includes interest expense	42,465	7,725	14,219	(9,626)	54,783
Includes issuance costs and withholdings	2,003	418	5,875	-	8,296
Includes exchange difference	6,781	(293)	(3,231)	-	3,257

The principal outstanding balances as of December 31, 2022 for transactions between Genneia (standalone) and its subsidiaries (which were eliminated in the consolidation process) are as follows:

	Subsidiaries A	Subsidiaries B
Investments	31,919	-
Trade receivables	9,218	4,301
Other receivables (1)	50,423	24,611
Accounts payable	1,874	-
Loans	6	-
Other liabilities	5,425	2,090

(1) Includes balances from estructured loans granted to Subsidiaries A amounting to 49,650 and to Subsidiaries B amounting to 19,627.

The main operations for the year ended December 31, 2022 for transactions between Genneia (standalone) and its subsidiaries (which were eliminated in the consolidation process) are as follows:

	Subsidiaries A	Subsidiaries B
	Gain (loss)	
Sales	9,347	2,935
Purchases	297	-
Recovery (reimbursement) of expenses, investments and other services, net	-	-
Loans granted (collected), net	1,583	10,160
Loans received (paid), net	7,338	(3,408)
Interests gain (loss), net	3,099	2,257

(1) Includes services provided to Subsidiaries A amounting to 9,347 and to Subsidiaries B amounting to 2,935 which were presented in the lines of Cost of sales and Administrative expenses in each Subsidiary and have been eliminated in the consolidation process.

Osvaldo Hector Baños
Authorized Director

GENNEIA S.A.

Annex B - Operational data (Not covered by the Report of Independent Public Accountants)
For the purpose of facilitating the investor's reading the following tables present operational informatión about our operative centers and their performance.

	Unit	January to December 31, 2022	January to December 31, 2021
THERMAL POWER PLANTS			
Generation	**MW/h**	**276,864**	**303,612**
Las Armas	MW/h	-	964
Bragado	MW/h	256,180	289,266
Cruz Alta	MW/h	20,684	13,382
Installed capacity	**MW**	**363**	**363**
Bragado	MW	118	118
Cruz Alta	MW	245	245
Volume of Energy Dispatched	**MW**	**276,864**	**303,612**
Gas Natural	MW	262,155	261,846
Gas Oil	MW	14,709	41,766
WIND FARMS			
Generation	**MW/h**	**2,439,319**	**2,313,715**
Rawson	MW/h	377,909	368,509
Trelew	MW/h	150,090	143,786
Madryn	MW/h	951,575	927,112
Chubut Norte I	MW/h	128,955	125,794
Chubut Norte II	MW/h	98,561	88,491
Villalonga I	MW/h	246,607	231,482
Villalonga II	MW/h	16,159	15,193
Pomona I	MW/h	416,544	366,704
Pomona II	MW/h	52,919	46,644
Installed capacity	**MW**	**605**	**605**
Rawson	MW	109	109
Trelew	MW	51	51
Madryn	MW	222	222
Chubut Norte I	MW	29	29
Chubut Norte II	MW	26	26
Villalonga I	MW	52	52
Villalonga II	MW	3	3
Pomona I	MW	101	101
Pomona II	MW	12	12
SOLAR FARMS			
Generation	**MW/h**	**209,434**	**203,855**
Ullum Solar 1	MW/h	62,547	61,439
Ullum Solar 2	MW/h	64,373	62,890
Ullum Solar 3	MW/h	82,514	79,526
Installed capacity	**MW**	**82**	**82**
Ullum Solar 1	MW	25	25
Ullum Solar 2	MW	25	25
Ullum Solar 3	MW	32	32
GAS COMMERCIALIZATION AND TRANSPORTATION			
Total natural gas sales	M3	225,438,301	166,253,337
Total transportation sales	M3	187,526,694	182,005,452

GENNEIA S.A.

	Unit	January to December 31, 2022	January to December 31, 2021
WIND FARMS			
Non-controlling companies			
Generation	**MW/h**	**775,842**	**687,008**
Necochea	MW/h	151,304	157,897
Chubut Norte III	MW/h	246,622	210,527
Chubut Norte IV	MW/h	377,916	318,584
Installed capacity	**MW**	**179**	**179**
Necochea	MW	38	38
Chubut Norte III	MW	58	58
Chubut Norte IV	MW	83	83

Osvaldo Hector Baños
Authorized Director

GENNEIA S.A.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

RATIFICATION OF LITHOGRAPHED SIGNATURES

I hereby ratify the signatures that appear in lithographed form on the preceding sheets from page No.1 through page No.78.

Osvaldo Hector Baños
Authorized Director