Central Puerto S.A.

Consolidated financial statements for the year ended December 31, 2021, together with the independent auditor´s report

English translation of the consolidated financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV"). In case of discrepancy, the consolidated financial statements filed with the CNV prevail over this translation

CENTRAL PUERTO S.A.

Registered office: Av. Edison 2701 - Ciudad Autónoma de Buenos Aires - República Argentina

FISCAL YEAR N° 30 BEGINNING JANUARY 1, 2021

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

CUIT (Argentine taxpayer identification number): 33-65030549-9.

Date of registration with the Public Registry of Commerce:

- Of the articles of incorporation: March 13, 1992.
- Of the last amendment to by-laws: April 28, 2017.

Registration number with the IGJ (Argentine regulatory agency of business associations): 1.855, Book 110, Volume A of Corporations.

Expiration date of the articles of incorporation: March 13, 2091.

The Company is not enrolled in the Statutory Optional System for the Mandatory Acquisition of Public Offerings.

CAPITAL STRUCTURE

(stated in pesos)

Class of shares	Subscribed, paid-in, issued and registered
1,514,022,256 common, outstanding book-entry shares, with face value of 1 each and entitled to one vote per share.	1,514,022,256

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CENTRAL PUERTO S.A.

CONSOLIDATED STATEMENT OF INCOME
for the year ended December 31, 2021

	Notes	2021 ARS 000	2020 ARS 000
Revenues	5	57,079,339	57,521,079
Cost of sales	Exhibit F	(29,562,588)	(25,381,445)
Gross income		**27,516,751**	**32,139,634**
Administrative and selling expenses	Exhibit H	(4,151,623)	(4,486,896)
Other operating income	6.1	10,919,061	21,280,499
Other operating expenses	6.2	(807,635)	(689,930)
Impairment of property, plant and equipment and intangible assets	2.3.8	(7,765,017)	(6,062,276)
Operating income		**25,711,537**	**42,181,031**
(Loss) gain on net monetary position		(1,653,978)	1,749,785
Finance income	6.3	1,942,647	7,788,279
Finance expenses	6.4	(17,815,205)	(33,655,663)
Share of the profit of associates	3 & Exhibit C	(564,502)	164,149
Income before income tax		**7,620,499**	**18,227,581**
Income tax for the year	7	(8,268,362)	(7,725,155)
Net (loss) income for the year		**(647,863)**	**10,502,426**
Attributable to:			
– Equity holders of the parent		(742,076)	10,402,779
– Non-controlling interests		94,213	99,647
		(647,863)	**10,502,426**
Basic and diluted (loss) earnings per share (ARS)	8	(0.49)	6.91

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CENTRAL PUERTO S.A.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended December 31, 2021

	Notes	2021 ARS 000	2020 ARS 000
Net (loss) income for the year		**(647,863)**	**10,502,426**
Other comprehensive income for the year			
Other comprehensive income (loss) not to be reclassified to income in subsequent periods			
Remeasurement of losses from long-term employee benefits	11.3	387	11,277
Income tax related to remeasurement of losses from long-term employee benefits	7	(135)	(2,969)
Other comprehensive income (loss) not to be reclassified to income in subsequent periods		**252**	**8,308**
Other comprehensive income for the year		**252**	**8,308**
Total comprehensive (loss) income for the year		**(647,611)**	**10,510,734**
Attributable to:			
– Equity holders of the parent		(741,824)	10,411,087
– Non-controlling interests		94,213	99,647
		(647,611)	**10,510,734**

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CENTRAL PUERTO S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at December 31, 2021

	Notes	2021 ARS 000	2020 ARS 000
Assets			
Non-current assets			
Property, plant and equipment	Exhibit A	110,623,326	119,525,703
Intangible assets	12 & Exhibit B	6,039,588	10,179,651
Investment in associates	3 & Exhibit C	6,300,371	7,039,925
Other financial assets	Exhibit D	34,877	-
Trade and other receivables	10.1	30,427,894	44,376,921
Other non-financial assets	11.1	344,226	730,724
Inventories	9	381,710	993,388
Deferred tax asset	7	131,556	148,496
		154,283,548	**182,994,808**
Current assets			
Inventories	9	1,447,182	1,213,912
Other non-financial assets	11.1	2,353,292	1,359,017
Trade and other receivables	10.1	22,753,339	28,279,049
Other financial assets	Exhibit D	19,839,795	21,247,011
Cash and cash equivalents	13	281,728	420,671
		46,675,336	**52,519,660**
Property, plant and equipment available for sale	18.5	-	3,561,394
Total assets		**200,958,884**	**239,075,862**
Equity and liabilities			
Equity			
Capital stock		1,514,022	1,514,022
Adjustment to capital stock		39,442,309	39,442,309
Legal reserve		6,313,345	5,793,206
Voluntary reserve		83,058,876	73,176,237
Other equity accounts		(2,967,736)	(2,967,736)
Retained earnings		(733,517)	10,411,085
Equity attributable to holders of the parent		**126,627,299**	**127,369,123**
Non-controlling interests		170,113	193,686
Total equity		**126,797,412**	**127,562,809**
Non-current liabilities			
Other non-financial liabilities	11.2	5,416,996	7,930,929
Loans and borrowings	10.3	36,182,243	46,557,746
Compensation and employee benefits liabilities	11.3	341,835	474,880
Provisions	Exhibit E	48,179	68,532
Deferred income tax liabilities	7	15,174,672	13,584,596
		57,163,925	**68,616,683**
Current liabilities			
Trade and other payables	10.2	2,721,562	3,842,213
Other non-financial liabilities	11.2	3,357,632	3,397,995
Loans and borrowings	10.3	6,814,403	30,376,190
Compensation and employee benefits liabilities	11.3	1,632,182	1,537,973
Income tax payable		2,382,082	3,689,390
Provisions	Exhibit E	89,686	52,609
		16,997,547	**42,896,370**
Total liabilities		**74,161,472**	**111,513,053**
Total equity and liabilities		**200,958,884**	**239,075,862**

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CENTRAL PUERTO S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended December 31, 2021

	Attributable to holders of the parent								
	Capital stock		Retained earnings						
	Face value (1)	Adjustment to capital stock	Legal reserve	Voluntary reserve	Other equity accounts	Unappropriated retained earnings	Total	Non-controlling interests	Total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
As of January 1, 2021	**1,514,022**	**39,442,309**	**5,793,206**	**73,176,237**	**(2,967,736)**	**10,411,085**	**127,369,123**	**193,686**	**127,562,809**
Net (loss) income for the year	-	-	-	-	-	(742,076)	(742,076)	94,213	(647,863)
Other comprehensive income for the year	-	-	-	-	-	252	252	-	252
Total comprehensive (loss) income for the year	-	-	-	-	-	(741,824)	(741,824)	94,213	(647,611)
Increase in legal reserve	-	-	520,139	-	-	(520,139)	-	-	-
Increase in voluntary reserve	-	-	-	9,882,639	-	(9,882,639)	-	-	-
Dividends in cash distributed by a subsidiary (2)	-	-	-	-	-	-	-	(117,786)	(117,786)
As of December 31, 2021	**1,514,022**	**39,442,309**	**6,313,345**	**83,058,876**	**(2,967,736)**	**(733,517)**	**126,627,299**	**170,113**	**126,797,412**
As of January 1, 2020	**1,514,022**	**39,442,309**	**4,888,133**	**54,478,206**	**-**	**19,603,102**	**119,925,772**	**1,624,867**	**121,550,639**
Net income for the year	-	-	-	-	-	10,402,779	10,402,779	99,647	10,502,426
Other comprehensive income for the year	-	-	-	-	-	8,308	8,308	-	8,308
Total comprehensive income for the year	-	-	-	-	-	10,411,087	10,411,087	99,647	10,510,734
Increase in legal reserve	-	-	905,073	-	-	(905,073)	-	-	-
Increase in voluntary reserve	-	-	-	18,698,031	-	(18,698,031)	-	-	-
Dividends in cash distributed by a subsidiary (3)	-	-	-	-	-	-	-	(96,540)	(96,540)
Transaction with non-controlling interest (Note 16)	-	-	-	-	(2,967,736)	-	(2,967,736)	(1,436,813)	(4,404,549)
Share-based payments	-	-	-	-	-	-	-	2,525	2,525
As of December 31, 2020	**1,514,022**	**39,442,309**	**5,793,206**	**73,176,237**	**(2,967,736)**	**10,411,085**	**127,369,123**	**193,686**	**127,562,809**

(1) A subsidiary holds 8,851,848 common shares.
(2) Distribution of dividends in cash approved by the Shareholders' Meeting of the subsidiary Central Vuelta de Obligado S.A. held on April 28, 2021.
(3) Distribution of dividends in cash approved by the Shareholders' Meeting of the subsidiary Central Vuelta de Obligado S.A. held on April 28, 2020.

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CENTRAL PUERTO S.A.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended December 31, 2021

	2021 ARS 000	2020 ARS 000
Operating activities		
Income for the year before income tax	7,620,499	18,227,581
Adjustments to reconcile income for the year before income tax to net cash flows:		
Depreciation of property, plant and equipment	7,637,642	5,465,104
Amortization of intangible assets	3,073,753	3,523,429
Impairment of property, plant and equipment and intangible assets	7,765,017	6,062,276
Income from sale of property, plant and equipment	(105,174)	-
(Recovery) discount of tax credits	(236,729)	45,575
Interest earned from customers	(3,610,639)	(4,690,603)
Trade and tax interests lost	624,433	563,199
Finance income	(1,942,647)	(7,788,279)
Finance expenses	17,815,205	33,655,663
Share of the profit of associates	564,502	(164,149)
Material and spare parts impairment	41,355	64,807
Share-based payments	-	2,525
Movements in provisions and long-term employee benefit plan expense	306,174	204,159
Foreign exchange difference for trade receivables	(6,879,987)	(16,531,502)
Loss on net monetary position	(897,937)	(18,647,607)
Working capital adjustments:		
Decrease in trade and other receivables	3,649,803	21,894,898
(Increase) Decrease in other non-financial assets and inventories	(989,538)	515,037
Decrease in trade and other payables, other non-financial liabilities and liabilities from employee benefits	(6,891,718)	(12,334,541)
	27,544,014	30,067,572
Trade and tax interests paid	(624,433)	(563,199)
Interest received from customers	3,522,898	4,696,821
Income tax paid	(4,406,562)	(5,079,094)
Net cash flows provided by operating activities	**26,035,917**	**29,122,100**
Investing activities		
Purchase of property, plant and equipment	(5,372,000)	(18,068,364)
Sale of property, plant and equipment	3,644,979	-
Dividends received	140,168	212,804
Acquisition of available-for-sale financial assets, net	(5,337,330)	(8,239,468)
Net cash flows used in investing activities	**(6,924,183)**	**(26,095,028)**
Financing activities		
Bank and investment accounts overdrafts received (paid), net	(1,610,020)	(1,061,263)
Loans paid	(12,892,771)	(4,874,369)
Loans received	-	6,236,913
Direct financing and loans refinancing costs	(348,314)	(488,263)
Interest and other financial costs paid	(4,197,999)	(5,276,205)
Dividends paid	(117,786)	(96,540)
Net cash flows used in financing activities	**(19,166,890)**	**(5,559,727)**
Decrease in cash and cash equivalents	**(55,156)**	**(2,532,655)**
Exchange difference and other financial results	80,376	417,650
RECPAM generated by cash and cash equivalents	(164,163)	(534,116)
Cash and cash equivalents as of January 1	420,671	3,069,792
Cash and cash equivalents as of December 31	**281,728**	**420,671**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information and main business

Central Puerto S.A. (hereinafter the "Company", "we", "us" or "CEPU") and the companies that make up the business group (hereinafter the "Group") form an integrated group of companies pertaining to the energy sector. The Group is mainly engaged in electric power generation.

CEPU was incorporated pursuant to Executive Order No. 122/92. We were formed in connection with privatization process involving Servicios Eléctricos del Gran Buenos Aires S.A. ("SEGBA") in which SEGBA's electricity generation, transportation, distribution and sales activities were privatized.

On April 1, 1992, Central Puerto S.A., the consortium-awardee, took possession over SEGBA's Nuevo Puerto and Puerto Nuevo plants, and we began operations.

Our shares are listed on the BCBA ("Buenos Aires Stock Exchange"), and, since February 2, 2018, they are listed on the NYSE ("New York Stock Exchange"), both under the symbol "CEPU".

In order to carry out its electric energy generation activity the Group owns the following assets:

- Our Puerto complex is composed of two facilities, Central Nuevo Puerto ("Nuevo Puerto") and Central Puerto Nuevo ("Puerto Nuevo"), located in the port of the City of Buenos Aires. Our Puerto complex's facilities include steam turbines plants and a Combined Cycle plant and has a current installed capacity of 1,714 MW.

- Our Luján de Cuyo plants are located in Luján de Cuyo, Province of Mendoza and have an installed capacity of 571 MW and a steam generating capacity of 125 tons per hour.

- The Group also owns the concession right of the Piedra del Águila hydroelectric power plant located at the edge of Limay river in Neuquén province. Piedra del Águila has four 360 MW generating units.

- The Group is engaged in the management and operations of the thermal plants José de San Martín and Manuel Belgrano through its equity investees Termoeléctrica José de San Martín S.A. ("TJSM") and Termoeléctrica General Belgrano S.A. ("TMB"). Those entities operate the two thermal generation plants with an installed capacity of 865 MW and 873 MW, respectively. Additionally, through its subsidiary Central Vuelta de Obligado S.A. ("CVO") the Group is engaged in the operation of the thermal plant Central Vuelta de Obligado, with an installed capacity of 816 MW.

- The thermal station Brigadier López located in Sauce Viejo, Province of Santa Fe, with an installed power of 280.5 MW (open-cycle operation).

- The thermal cogeneration plant Terminal 6 - San Lorenzo located in Puerto General San Martín, Santa Fe Province, with an installed power of 330 MW and 340 tn/h of steam production.

The Group is also engaged in the natural gas distribution public sector service in the Cuyo and Centro regions in Argentina, through its equity investees belonging to ECOGAS Group.

On July 19, 2018, the National Gas Regulation Entity (Enargas) filed the Company with the Registry of Traders and Trade Agreements of Enargas.

Moreover, through CP Renovables S.A. ("CPR") and its subsidiaries, Vientos La Genoveva S.A.U. and Vientos La Genoveva II S.A.U. the Group takes part on the development and performance of energy projects based on the use of renewable energy sources. In this regard, as of the issuance date of these financial statements, the Group has a total installed capacity of 373.8 MW of commercially-authorized power from sources of renewable energy, which is distributed as follows: (i) wind farm La Castellana 100.8 MW; (ii) wind farm La Castellana II 15.2 MW; (iii) wind farm La Genoveva 88.2 MW; (iv) wind farm La Genoveva II 41.8 MW; (v) wind farm Achiras 48 MW; (iv) wind farm Los Olivos 22.8 MW and (vii) wind farm Manque 57 MW.

The issuance of Group's consolidated financial statements of the year ended December 31, 2021 was approved by the Company's Board of Directors on March 9, 2022.

1.1. Overview of Argentine Electricity Market

Transactions among different participants in the electricity industry take place through the wholesale electricity market ("WEM") which is a market in which generators, distributors and certain large users of electricity buy and sell electricity at prices determined by supply and demand ("Term market") and also, where prices are established on an hourly basis based on the economic production cost, represented by the short term marginal cost measured at the system's load center ("Spot market"). CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima) is a quasi-government organization that was established to administer the WEM and functions as a clearing house for the different market participants operating in the WEM. Its main functions include the operation of the WEM and dispatch of generation and price calculation in the Spot market, the real-time operation of the electricity system and the administration of the commercial transactions in the electricity market. Currently, the Term market has CAMMESA as sole seller, in accordance with Section 9 of SE Resolution No. 95/2013.

After the Argentine economic crisis in 2001 and 2002 and the Convertibility Law, the costs of generators increased as a result of the Argentine peso devaluation. In addition, the price of fuel for their generation increased as well. The increasing generation costs combined with the freezing of rates for the final user decided at the time by National Government led to a permanent deficit in CAMMESA accounts, which faced difficulties to pay the energy purchases to generators. Due to this structural deficit, the Secretariat of Energy issued a series of regulations to keep the electricity market working despite the deficit.

1.2. Amendments to WEM regulations

a) Resolution SE No. 406/03 and other regulations related to WEM generators' receivables

Resolution 406/03 issued in September 2003 enforced priority payments of generator's balances. Under the priority payment plan, generators only collected the variable generation costs declared and the payments for power capacity and the remaining payments on these plants were delayed as there were not sufficient funds as a result of the structural deficit. Resolution 406/03 established that the resulting monthly obligations to generators for the unpaid balance were to be considered payments without a fixed due date, or "LVFVD receivables" using the Spanish acronym. Although these obligations did not have a specified due date, the Resolution provided that they would earn interest at an equivalent rate to the one received by CAMMESA on its own cash investments, hereafter "the CAMMESA rate".

As a result of this regulation, a portion of the invoices issued by Company's plants were not paid in full beginning in 2004.

Between 2004 and 2007, the Argentine government issued a series of resolutions aimed at increasing thermal generation capacity while at the same time providing a mechanism for generators to collect their LVFVD receivables. These resolutions created funds called the "FONINVEMEM" which were administered by trusts ("the FONINVEMEM trust") and made investments in two thermal generation plants within Argentina. All WEM creditor agents with LVFVD (including the Company) were invited to state formally their decision to participate in forming the FONINVEMEM. The Company, as most LVFVD generators, stated its decision to participate in the creation of the FONINVEMEM with the abovementioned receivables.

Within this framework, generators created the companies Termoeléctrica José de San Martín S.A. (“TSM”) and Termoeléctrica Manuel Belgrano S.A. (“TMB”), which were engaged in managing the purchase of equipment, and building, operating and maintaining each new power plant.

Under these Resolutions, the FONINVEMEM trusts are the owner of the Central Termoeléctrica San Martin and Central Termoeléctrica Belgrano plants during the first ten years of operations. Trusts are aimed at administrating, each of them, 50% of the resources accrued under FONINVEMEM and other funds for the purpose of financing the power stations. Under these agreements, CAMMESA acts as a Trustor, Banco de Inversión y Comercio Exterior (“BICE”) as Trustee, the Secretariat of Energy as regulatory authority and TSM and TMB as Trust Beneficiaries and the Company, with the remaining shareholders of TSM and TMB, as guarantors of the obligations of the latter.

The trust agreements had to remain in force until the termination date of the supply agreement that the Trustee - in representation of the Trust - entered into with CAMMESA - as the purchasing party - that had to remain valid for 10 years as from the date of the commercial authorization of the power stations. Upon the termination of that term, the trust assets must be transferred to TSM and TMB provided that, prior to such transference, TSM and TMB and their shareholders perform all the corporate acts necessary to allow private contributors and/or the Argentine Government to receive their correspondent shares in the capital of the power stations pursuant to the terms of the agreement. Failure to comply with this condition, holders of interest certificates (Argentine Government) and the generators who are the current shareholders of TSM and TMB shall be deemed as trust beneficiaries.

The FONINVEMEM agreements established that the receivables mentioned above will be paid by CAMMESA in 120 equal, consecutive monthly installments commencing on the commercial operation date of the plants. Also, the agreements established that the LVFVD receivables would be collected converted to US dollar and began earning interest at LIBOR plus a spread of 1% and 2%.

Once Manuel Belgrano and San Martin plants were commissioned (on January 7, 2010 and February 2, 2010, respectively), CAMMESA began paying the LVFVD receivables. On May 2010, CAMMESA informed the Company of the payment plan, including the amount of accrued interest at the CAMMESA rate which was added to the principal to be repaid in monthly installments over a ten-year period. Upon receipt of the payment schedule, the Company recognized accrued interest (related to the CAMMESA rate). The Company also began recognizing LIBOR interest income based on the contractual rate provided in the Resolution and the conversion of the receivables into US dollar. Since achieving commercial operations in 2010, CAMMESA have made all scheduled contractual principal and interest payments in accordance with the installment plan.

On January 7, 2020, the supply agreement with TMB was terminated and on February 2, 2020, the supply agreement with TSM was terminated, therefore payments of the final installment of the 120 established in the agreement for each power stations ceased. As a result, the reimbursement for the LVFVD receivables is deemed completed. In Note 3.1, the events that occurred after the termination of the supply agreements with TMB and TSM are included.

Additionally, in 2010 the Company approved a new agreement with the former Secretariat of Energy (Central Vuelta Obligado, the “CVO agreement”). This agreement established, among other agreements, a framework to determine a mechanism to settle unpaid trade receivables as per Resolution 406/03 accrued over the 2008 - 2011 period by the generators (“CVO receivables”) and for that purpose, enabling the construction of a thermal combined cycle plant named Central Vuelta de Obligado. The CVO agreement established that the CVO receivables will be paid by CAMMESA in 120 equal and consecutive monthly installments. For the determination of the novation of CVO credits, the following mechanism was applied: the cumulative LVFVD (sale settlements with due date to be defined) were converted to USD at the exchange rate established in the agreement (ARS 3.97 per USD for the cumulative LVFVD until the execution date of the CVO Agreement and the closing exchange rate corresponding to each month for the LVFVD subsequently accumulated), the LIBOR rate was applied plus a 5% margin.

As from March 20, 2018, CAMMESA granted the commercial operations as a combined cycle of Central Vuelta de Obligado thermal power plant (the "Commercial Approval"). The financial impact of the Commercial Approval is described in Note 10.1.

Under the agreement mentioned above, generators created the company Central Vuelta de Obligado S.A., which was in charge of managing the purchase of equipment and construction of the Central Vuelta de Obligado thermal power plant and currently it is in charge of managing its operation and maintenance.

TSM and TMB

After termination of the supply agreements with TSM and TMB dated February 2, 2020 and January 7, 2020, respectively, trust agreements also terminated. As from those dates, a 90-day period commenced in which TSM and TMB and their shareholders had to perform all the company acts necessary to allow the Argentine Government to receive the corresponding shares in the capital of TSM and TMB that their contributions give them rights to.

On January 3, 2020, i.e. before the aforementioned 90-day period commenced, the Argentine Government (through the Ministry of Productive Development) served notice to the Company (together with TSM, TMB and their other shareholders and BICE, among others) stating that, according to the Final Agreement for the Re-adaptation of WEM, TSM and TMB shall perform the necessary acts to incorporate the Argentine Government as shareholder of both companies, acknowledging the same equity interest rights: 65.006% in TMB and 68.826% in TSM.

On January 9, 2020, the Company, together with the other generation shareholders of TSM and TMB, rejected such act understanding that the equity interest the Government claims does not correspond with the contributions made for the construction of power stations and that gave it right to claim such equity interest.

On March 4, 2020, the Company was notified on two notes sent by the Minister of Productive Development whereby he answered the one sent by the Company on January 9, 2020 - mentioned above -, ratifying the terms of the note notified to the Company on January 3, 2020. In March 2020, the Company raised a reconsideration motion, with higher supplementary appeal, against the Argentine Government's order for the acts mentioned above.

On May 4 and 8, 2020, the Company attended the Special Shareholder's Meetings of TMB and TSM, respectively, in which the admission of the Argentine Government as shareholder of TSM and TMB was allowed, in accordance with the shareholding interest claimed by the Argentine Government. This with the sole purpose of complying with the precedent condition established in the respective Trust Agreements, which stated that for the trusted equity -comprised, among others, by the power plants- to be transferred to the companies TSM and TMB in a 90-day period counted as from the end of the supply agreements, such companies and their shareholders (among which the Company is included) had to allow the entrance of the Argentine Government in TSM and TMB, receiving the same amount of shares representing the contributions made by the Argentine Government for the construction of the plants and giving it the right to claim such interest.

In both cases, when the mentioned Shareholders' Meetings were held, through which the Argentine Government was allowed as shareholder of TMB and TSM due to its interest claim, the Company made the corresponding reservation of rights so as to continue the abovementioned claims already commenced.

On November 19, 2020, BICE (in its capacity as trustee of both trust agreements) had the condition precedent established in the Trust Agreements fulfilled since the necessary corporate acts for the Argentine Government to be allowed as shareholder of TSM and TMB were performed. Finally, on March 11, 2021, the Argentine Government has subscribed its shares in TSM and TMB. This way, the Group´s equity interest in TSM and TMB was changed from 30.8752% to 9.6269% and from 30.9464% to 10.8312%, respectively. As of the date of these financial statements, the transference of power stations has not been made to TSM and TMB.

On the other hand, the Company, together with the other shareholders of TSM and TMB (as guarantor within the framework and the limits stated by the Final Agreement for the Re-adaptation of WEM, Note SE no. 1368/05 and trust agreements), BICE, TSM, TMB and SE signed: a) on January 7, 2020 an amendment addenda of the Operation and Maintenance ("OMA") of Thermal Plant Manuel Belgrano and b) on January 9, 2020 an amendment addenda of the Operation and Maintenance Agreement ("OMA") of Thermal Plant San Martín, to extend the operating period until the effective transference of the trust's liquidation equity.

The values recorded in these financial statements for the investments in TMB and TSM are included in non-current assets under other financial assets. During the years ended December 31, 2020 and 2019, the Company received cash dividends from TMB and TSM for 212,804 and 240,894, respectively.

b) Resolution No. 95/2013, Resolution No. 529/2014, Resolution No. 482/2015 and Resolution No. 22/2016

On March 26, 2013, the former Secretariat of Energy released Resolution No. 95/2013 ("Resolution 95"), which affects the remuneration of generators whose sales prices had been frozen since 2003. This new regulation, which modified the current regulatory framework for the electricity industry, is applicable to generators with certain exceptions. It defined a new compensation system based on compensating for fixed costs, non-fuel variable costs and an additional remuneration. Resolution 95 converted the Argentine electric market towards an "average cost" compensation scheme. Resolution 95 applied to all Company's plants, excluding La Plata plant, which also sells energy in excess of YPF's demand on the Spot market pursuant to the framework in place prior to Resolution 95.

In addition, Resolution 95 addressed LVFVD receivables not already included in any one of the FONINVEMEM trusts.

Thermal units must achieve an availability target which varies by technology in order to receive full fixed cost revenues. The availability of all Company's plants exceeds this market average. As a result of Resolution 95, revenues to Company's thermal units increased, but the impact on hydroelectric plant Piedra del Águila is dependent on hydrology. The new Resolution also established that all fuels, except coal, are to be provided by CAMMESA.

The resolution also established that part of the additional remuneration shall be not collected in cash rather it is implemented through LVFDV and will be directed to a "New Infrastructure Projects in the Energy Sector" which need to be approved by the former Secretariat of the Energy.

Finally, Resolution 95 suspended the inclusion of new contracts in the Term market as well as their extension or renewal. Notwithstanding the foregoing, contracts in force as at the effective date of Resolution 95 were continue being managed by CAMMESA upon their termination. As from such termination, large users should acquire their supplies directly from CAMMESA. Also, Resolution 95 temporarily suspended the acquisition of fuel by the generation agents. All fuel purchases for the generation of electric power are centralized through CAMMESA.

On May 23, 2014, the Official Gazzette published Resolution No. 529/2014 issued by the former Secretariat of Energy ("Resolution 529") which retroactively updated the prices of Resolution 95 to February 1, 2014, changed target availability and added a remuneration for non-recurrence maintenance. This remuneration is implemented through LVFDV and is aimed to cover the expenses that the generator incurs when performing major maintenances in its units.

On July 17, 2015, the Secretariat of Electric Energy set forth Resolution No. 482/2015 ("Resolution 482") which retroactively updated the prices of Resolution 529 to February 1, 2015, and created a new trust called "Recursos para las inversiones del FONINVEMEM 2015-2018" in order to invest in new generation plants. Company's plants would receive compensation under this program.

Finally, on March 30, 2016, through Resolution No. 22/2016 ("Resolution 22"), the values set by Resolution 482 were updated to become effective as from the transactions of February 2016.

c) Resolution No. 19/2017

On January 27, 2017, the Secretariat of Electric Energy ("SEE") issued Resolution SEE No. 19/17 (published in the Official Gazette on February 2, 2017) (Resolution 19), which replaced Resolution 95, as amended. This resolution changes electric energy generators remuneration methodology for transactions operated since February 1, 2017.

Resolution 19 substantially amended the tariff scheme applicable, which was previously governed by Resolution 22. Among its most significant provisions, such resolution established: (a) that generation companies would receive a remuneration of electric power generated and available capacity, (b) gradual increases in tariffs effective as of February, May and November 2017, (c) that the new tariffs would be denominated in U.S. dollars, instead of Argentine pesos, thus protecting generation companies from potential fluctuations in the value of the Argentine peso and (d) 100% of the energy sales are collected in cash by generators, eliminating the creation of additional LVFVD receivables.

Pursuant to this resolution, the Secretariat of Electric Energy established that electricity generators, co-generators and self-generators acting as agents in the WEM and which operate conventional thermal power plants, may make guaranteed availability offers (ofertas de disponibilidad garantizada) in the WEM. Pursuant to these offers, these generation companies may commit specific capacity and power output of the generation, provided that such capacity and energy had not been committed under other power purchase agreements. The offers must be accepted by CAMMESA (acting on behalf of the electricity demanding agents of the WEM), who will be the purchaser of the power under the guaranteed availability agreements (compromisos de disponibilidad garantizada). The term of the guaranteed availability agreements is 3 years, and their general terms and conditions are established in Resolution 19.

Resolution 19 also establishes that WEM agents that operate hydroelectric power plants shall be remunerated for the energy and capacity of their generation units in accordance with the values set forth in such resolution.

d) SGE (Secretaría de Gobierno de Energía) Resolution No. 70/2018 and Ministry of Productive Development Resolution No. 12/2019

On November 6, 2018, Resolution No. 70/2018 of the SGE was published, which resolution replaces Article 8 of Resolution issued by former SE no. 95/2013. The new article allows MEM Generators, Autogenerators and Cogenerators to obtain their own fuel. This does not alter the commitments assumed by Generation Agents within the context of MEM supply agreements with CAMMESA. It is established that generation costs with their own fuel will be valued according to the recognition mechanism of Average Variable Costs ("CVP") recognized by CAMMESA. The Resolution also establishes that regarding those Generators not purchasing their own fuel, CAMMESA will continue the commercial management and the fuel supply.

Regarding this matter, under Resolution No. 12/2019 by the Ministry of Productive Development (published in the Official Gazette on December 30, 2019) fuel purchase for the generation of electric power is once again centralized through CAMMESA, therefore repealing the effect of Resolution No. 70/2018 of the former Secretariat of Energy, and Section 8 of Resolution No. 95/2013 of the former Secretariat of Energy and Section 4 of Resolution No. 529/2014 of the former Secretariat of Energy are back in force.

e) Resolution of the Secretariat of Renewable Resources and Electricity Market no. 1/2019

On March 1, 2019 Resolution No. 1/2019 ("Resolution 1") of the Secretariat of Renewable Resources and Electricity Market was published in the Official Gazette by virtue of which Resolution 19 was abolished. It establishes the new remuneration values of energy, power and associated services for the affected generators, as well as their application methodology. Its validity commences on the date of its publication in the Official Gazette.

According to Resolution 1, the approved remuneration system will be of transitional application and until the following are defined and gradually implemented: regulatory mechanisms aimed at reaching an autonomous, competitive and sustainable operation that allows for freedom of contract between supply and demand; and a technical, economical and operative functioning for the integration of different generation technologies so as to guarantee a reliable and cost effective system.

The following are the main changes introduced by Resolution 1 in connection with Resolution 19:

Energy Sale:

- The price of energy generated by thermal power stations is reduced. Therefore, the price for energy generated with natural gas is of 4 USD/MWh and 7 USD/MWh for energy generated with liquid fuel.

- The price of energy operated by thermal power stations is reduced. Therefore, the price for energy operated with any fuel is of 1.4 USD/MW.

- The price for energy generated from non-conventional energy sources (renewable energies) is fixed at 28 USD/MWh.

Power Sale:

- DIGO price (established by Resolution 19) goes from 7,000 USD/MW-month during the twelve months of the year to 7,000 USD/MW-month the six months of higher seasonal demand for electrical energy (December, January, February, June, July and August) and to 5,500 USD/MW-month the remaining months of the year (March, April, May, September, October and November).

- Some minimum values of offered availability are reduced. Its compliance is subject to the foregoing prices.

- A weighting factor is fixed for the foregoing prices, between 1 and 0.7, depending on the use factor of the twelve months previous to each month of the transaction.

f) Resolution No. 31/2020 of the Secretariat of Energy

On February 27, 2020, the Secretariat of Energy published in the Official Gazette Resolution No. 31 ("Resolution 31") which sets forth the criteria to calculate the economic transactions of energy and power that the generating parties commercialize in the spot market, which is in force as from February 1, 2020.

This new regulation, contrary to Resolution 1, establishes all prices for the remuneration of energy and power in Argentine pesos, and it sets forth that the prices shall be adjusted on a monthly basis with a formula based on the evolution of Consumer Price Index (IPC) and the Domestic Wholesale Price Index (IPIM). New power prices are generally reduced in relation to the current prices as at January 2020, and the energy prices remain equivalent, expressed in Argentine pesos instead of US dollars. Finally, this regulation introduces a new remuneration component which applies to the energy generated during the first 50 hours of maximum thermal requirement of the month (MTR, which is determined by the sum of the hours of all the thermal generation of the system), it determines different remuneration prices based on the season of the year and the energy delivered during the first and second 25 hours of MTR.

On April 8, 2020, the Company learned that the Secretariat of Energy instructed CAMMESA to postpone until further notice the application of the price update mechanism described in the second paragraph of this note. Accordingly, CAMMESA did not apply the price update mechanism to the energy and power sold since March 2020.

g) Secretariat of Energy Resolution No. 440/2021

Through Resolution No. 440 ("Resolution 440"), published in the Official Gazette on May 21, 2021, the Secretariat of Energy established a new remuneration scheme for MEM generation agents. In this regard, Exhibits II, III, IV and V of Resolution 31 were replaced. Moreover, section 2 of Resolution 31, which established a system for the automatic updating of remuneration values, was repealed. In general terms, Resolution 440 increased the remuneration values of generation agents by 29% compared to Resolution 31.

It was established that for what Resolution 440 set forth (collection of the new values as from February 2021 transactions, among others), MEM generation agents must submit before CAMMESA a note -to CAMMESA's satisfaction- stating full and unconditional withdrawal of any administrative complaint or ongoing judicial procedure against the National Government, the Secretariat of Energy and/or CAMMESA, related to section 2 of Resolution 31. Dated June 17, 2021, the Company submitted the requested withdrawal note.

In addition, on November 9, 2021, the Secretariat of Energy established that in order to determine the Power Availability Remuneration of thermal generators under Resolution 440, a constant Utilization Factor equal to 70% must be considered.

h) Secretariat of Energy Resolution No. 354/2020

This resolution established, among other things, that as from the effectiveness of Plan "GasAr" (Plan Gas 4), Generators of WEM may adhere to centralized dispatch, assigning CAMMESA such contracts entered into with producers or transporters of natural gas, so that such contracts are used by the Dispatch Entity (OED for its acronym in Spanish), based on dispatch criteria.

In addition, this resolution established that generation agents who, pursuant to Resolution No. 287/2017, have the obligation of self-procuring fuel are able to deem such obligations null and therefore, have their associated costs recognized, and they must keep maintenance of the transport capacity for its management in centralized dispatch, as long as CAMMESA determines the convenience of having such.

i) Secretariat of Energy Resolution No. 1037/2021

On November 2, 2021, Resolution No.1037/2021 was published in the Official Gazette, whereby the Secretariat of Energy, upon verifying a status of high energy demand in Brazil due droughts in the area, created an Exports Account where the revenue margins will be accumulated after such electric power export. Such amounts will be destined to financing energy infrastructure works.

In addition, through such Resolution, the Secretariat informed there will be an additional and temporary recognition in the remuneration of Generation Agents under the scope of Resolution 440, covering economic transactions between September 1, 2021 and February 28, 2022. Such recognition was established in an exported 1000 $/MWh additional amount during the month, which will be assigned in a proportional manner to the power generated on a monthly basis to each generating agent.

2. Basis of preparation of the consolidated financial statements

2.1. Applied Professional Accounting Standards

The Group prepares its consolidated financial statements in accordance with the regulations in force of the Argentine Securities Commission (*Comisión Nacional de Valores* - "CNV", for its Spanish initials), which regulations provide that the entities issuing shares/corporate bonds, with certain exceptions, must prepare their financial statements by applying Technical Resolution No. 26 (as amended) of the Argentine Federation of Professional Councils in Economic Sciences (*Federación Argentina de Consejos Profesionales de Ciencias Económicas* - "FACPCE", for its Spanish initials), which sets forth the adoption of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");while other entities may use the IFRS for SMEs instead of the Argentine Professional Accounting Standards ("NCPA", for its Spanish initials).

2.2. Basis of preparation

The consolidated financial statements of the Group for the year ended December 31, 2021 have been prepared in accordance with IFRS as issued by the IASB.

In preparing these consolidated financial statements, the Group and its subsidiaries applied the significant accounting policies, estimates and assumptions described in notes 2.3 and 2.4.

The Group's consolidated financial statements are presented in Argentine pesos, which is the Group's functional currency, and all values have been rounded to the nearest thousand (ARS 000), except when otherwise indicated.

2.2.1. Basis of consolidation

The consolidated financial statements as of December 31, 2021, include the financial statements of the Group formed by the parent company and its subsidiaries: Central Vuelta de Obligado S.A., Vientos La Genoveva S.A.U., Vientos La Genoveva II S.A.U., Proener S.A.U. and CP Renovables S.A. and its subsidiaries.

Control is achieved when the investor is exposed or entitled to variable returns arising from its ownership interest in the investee, and has the ability to affect such returns through its power over the investee. Specifically, the investor controls an investee, if and only if it has:

- Power over the investee (i.e. the investor has rights that entitle it to direct the relevant activities of the investee).
- Exposure or right to variable returns arising from its ownership interest in the investee.
- Ability to exercise its power over the investee to significantly affect its returns.

Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ends when the parent company loses control over the subsidiary. The assets, liabilities, income and expenses of a subsidiary acquired or sold during the fiscal year are included in the consolidated financial statements from the date on which the parent company acquired control of the subsidiary to the date on which the parent company ceased to control the subsidiary.

The result for the fiscal year and each component of the other comprehensive income (loss) are assigned to the owners of the parent company and non-controlling interests, even if the results of the non-controlling interests give rise to a debit balance. If necessary, appropriate adjustments are made to the subsidiaries' financial statements so that their accounting policies are in accordance with the Group's accounting policies. All assets and liabilities, equity, income, expenses and cash flows within the Group that relate to transactions among the members of the Group are completely eliminated in the consolidation process.

A change in ownership interest in a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control of a subsidiary, it cancels the carrying amount of the assets (including goodwill) and related liabilities, non-controlling interests and other equity components, while recognizing the profit or loss resulting from the transaction in the relevant income statement. Any retained residual interest is recognized at its fair value.

2.2.2. Measuring unit

The financial statements as at December 31, 2021, including the figures for the previous period (this fact not affecting the decisions taken on the financial information for such periods) were restated to consider the changes in the general purchasing power of the functional currency of the Company (Argentine peso) pursuant to IAS 29 and General Resolution No. 777/2018 of the Argentine Securities Commission. Consequently, the financial statements are stated in the current measurement unit at the end of the reported period.

In accordance with IAS 29, the restatement of the financial statements is necessary when the functional currency of an entity is the currency of a hyperinflationary economy. To define a hyperinflationary state, the IAS 29 provides a series of non-exclusive guidelines that consist on (i) analyzing the behavior of the population, prices, interest rates and wages before the evolution of price indexes and the loss of the currency's purchasing power, and (ii) as a quantitative characteristic, which is the most considered condition in practice, verifying if the three-year cumulative inflation rate approaches or exceeds 100%.

Due to different macroeconomic factors, the triennial inflation in 2021 was higher than such figure, as the goals of the Argentine government, and other available projections, indicate that this trend will not revert in the short term.

So as to evaluate the mentioned quantitative condition and to restate the financial statements, the Argentine Securities Commission established that the series of indexes to be used in the IAS 29 application is the one established by the Argentine Federation of Professional Councils in Economic Sciences.

Regard being had to the mentioned index, the inflation was of 50.9% and 36.1% in the periods ended December 31, 2021 and 2020, respectively.

The following is a summary of the effects of the IAS 29 application:

Restatement of the Balance Sheet

(i) The monetary items (those with a fixed face value in local currency) are not restated since they are stated in the current measurement unit at the closing date of the reported period. In an inflationary period, keeping monetary assets causes the loss of purchasing power, and keeping monetary liabilities causes gain in purchasing power as long as those items are not tied to an adjustment mechanism compensating those effects. The monetary loss or gain is included in the income (loss) for the reported period.

(ii) The assets and liabilities subject to changes established in specific agreements are adjusted in accordance with those agreements.

(iii) Non-monetary items measured at their current values at the end of the reported period are not restated to be included in the balance sheet; however, the adjustment process must be completed to determine the income (loss) produced for having those non-monetary items in the terms of a uniform measurement unit.

As at December 31, 2021 and 2020, the Company counted with the following items measured with the current value method: the share kept in foreign currency of the items Trade and other receivables, Cash and cash equivalents, Loans and borrowings that accrue interest, and Trade and other payables.

(iv) Non-monetary items at historical cost or at current value of a date previous to the closing of the reported period are restated at rates reflecting the variation occurred at the general level of prices from the acquisition or revaluation date until the closing date; then the amounts restated for those assets are compared with the corresponding recoverable values. Charges to the income (loss) for the period due to property, plant and equipment depreciation and intangible assets amortization, as well as other non-monetary assets consumption are determined in accordance with the new restated amounts.

As at December 31, 2021 and 2020, the items subject to this restatement process were the following:

– Non-monetary items at current values for a date previous to the closing of the period: certain machines, equipment, turbogroups and auxiliary equipment of the Property, Plant and Equipment item, which were measured at the date of the Transition to IFRS (January 1, 2011) at their fair value as at that date.

– Non-monetary items at historical cost: the remaining items Property, Plant and Equipment, Intangible assets, Investment in associates, Inventories and Deferred income tax assets and liabilities.

(v) When borrowing costs in non-monetary assets are active in accordance with IAS 23, the share of those cost compensating the creditor for the effects of inflation is not capitalized.

The Company proceeded to the activation of borrowing costs as stated in Note 2.3.6.

(vi) The restatement of the non-monetary assets in the terms of a current measurement unit at the end of the reported period without an equivalent adjustment for tax purposes leads to a temporary taxable difference and to the recognition of a deferred-tax liability whose balancing entry is recognized in the income (loss) for the period. For the next closing of the period, the deferred-tax items are restated for inflation to determine the item on income (loss) for such period.

In Note 7 the effects of this process are detailed.

Restatement of the statement of income (loss) and other comprehensive income

The expenses and income are restated as from the date of accountable entry, including interest and currency exchange differences, except for those items not reflecting or including in their determination the consumption of assets measured in currency of purchasing power previous to the consumption entry, which are restated taking into account the origin date of the asset related to the item (for example, depreciation, devaluation and other consumptions of assets valued at historical cost); and except for income (loss) emerging from comparing two measurements expressed in currency of purchasing power of different dates. For such purpose, it is necessary to identify the compared amounts, separately restate them and compare them again, but with amounts already restated.

(i) The income (loss) for exposure to change in purchasing power of currency (RECPAM), originated by the keeping of monetary assets and liabilities, is shown in a separate item of the income (loss) for the period.

Restatement of the Statement of Changes in Equity

All the components of equity are restated by applying the general prices index as from the beginning of the period, and each variation of such components is re-expressed as from the contribution date or as from the moment in which such contribution was made through any other form, with the exception of the account "Capital stock -face value" which has been maintained for its nominal value and the effects of their restatement can be found in the account "Adjustment to capital stock".

Restatement of the Statement of Cash Flows

IAS 29 sets forth that all the items of this section shall be restated in terms of the current measurement unit at the closing date of the reported period.

The monetary result generated by cash and equivalents to cash are stated in the Statement of Cash Flows separately from the cash flows resulting from operation, investment and financing activities as a specific item of the conciliation between the existence of cash and cash equivalents at the beginning and at the end of the period.

2.3. Summary of significant accounting policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements.

2.3.1. Classification of items as current and non-current

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. An entity shall classify an asset as current when:

- it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. An entity shall classify a liability as current when:

- it is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, in all cases.

2.3.2. Fair value measurement

The Group measures certain financial instruments at their fair value at each reporting date. In addition, the fair value of financial instruments measured at amortized cost is disclosed in Note 10.5.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

- Level 2 input data: valuation techniques with input data other than the quoted prices included in Level 1, but which are observable for assets or liabilities, either directly or indirectly.

- Level 3 input data: valuation techniques for which input data are not observable for assets or liabilities.

2.3.3. Transactions and balances in foreign currency

Transactions in foreign currencies are recorded by the Group at the related functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting period-end.

All differences are taken to consolidated statement of income under other operating income or expenses, or under finance income or expenses, depending on the nature of assets or liabilities generating those differences.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured by their fair value in foreign currency are converted using exchange rates at the date in which such fair value is determined.

2.3.4. Revenue recognition

2.3.4.1. Revenue from ordinary activities

IFRS 15 presents a five-step detailed model to explain revenue from contracts with customers. Its fundamental principal lies on the fact that an entity has to recognize revenue to represent the transference of goods or services promised to the customers, in an amount reflecting the consideration the entity expects to receive in exchange for those goods or services at the moment of executing the performance obligation. An asset is transferred when (or while) the client gets control over such asset, defined as the ability to direct the use and substantially obtain all the remaining benefits of the asset. IFRS 15 requires the analysis of the following:

- If the contract (or the combination of contracts) contains more than one promised good or service, when and how such goods or services should be granted.

- If the price of the transaction distributed to each performance obligation should be recognized as revenue throughout time or at a specific moment. According to IFRS 15, an entity recognizes revenue when the performance obligation is satisfied, i.e. every time control over those goods and services is transferred to the customer. The new model does not include separate guidelines for the "sale of goods" and the "rendering of services"; instead, it requires that entities should evaluate whether revenue should be recognized throughout time or at a specific moment, regardless of the fact that it includes "the sale of goods" or "the rendering of services".

- When the price includes an estimation element of variable payments, how that will affect the amount and the time to recognize such revenue. The concept of variable payment estimation is broad. A transaction price is considered as variable due to discounts, reimbursement, credits, price concessions, incentives, performance bonus, penalties and contingency agreements. The new model introduces a big condition for a variable consideration to be considered as revenue: only as long as it is very unlikely for a significant change to occur in the cumulative revenue amount, when the uncertainties inherent to the variable payment estimation are solved.

- When the incurred cost to close an agreement and the costs to comply with it can be recognized as an asset.

The Company has a sole relevant revenue source, which consists on the commercialization of energy produced in the spot market and under the energy supply agreements, CAMMESA being its main customer.

The Company recognizes its sales revenue in accordance with the availability of its machines' effective power, the energy and steam supplied; and as balancing entry, a sales receivable is recognized, which represents the Company's unconditional right to consideration owed by the customer. Billing for the service is monthly made by CAMMESA in accordance with the guidelines established by SEE; and compensation is usually received in a maximum term of 90 days. Therefore, no implicit financing components are recognized. The satisfaction of the performance obligation is done throughout time since the customer simultaneously receives and consumes the benefits given by the performance of the entity as the entity does it.

Revenues from energy, power and steam sales are calculated at the prices established in the respective contracts or at the prices prevailing in the electricity market, according to the regulations in force. These include revenues from the sale of steam, energy and power supplied and not billed until the closing date of the reported period, valued at the prices defined in the contracts or in the respective regulations.

Additionally, the Group recognizes the sales from contracts regarding the supplied energy and the prices established in such contracts, and as balancing entry it recognizes an account receivable. Such credit represents the unconditional right the Company has to receive the consideration owed by the customer. Billing for the service is monthly made by CAMMESA in the case of the contracts of the wind farms La Castellana and Achiras and for the Energía plus contract in accordance with the guidelines established by SEE; and compensation is received in a maximum term of 90 days. Therefore, no implicit financing components are recognized. For the rest of the clients, billing is also monthly and done by the Company; and compensation is received in a maximum term of 90 days. Therefore, no implicit financing components are recognized. The satisfaction of the performance obligation is done throughout time since the customer simultaneously receives and consumes the benefits given by the performance of the entity as the entity does it.

The Group recognizes revenues from resale and distribution of gas and revenues for the monthly management of the thermal power plant CVO in accordance with the monthly fees established in the respective contracts and as balancing entry, it recognizes a sale credit. Such credit represents the unconditional right the Company has to receive the consideration owed by the customer. Billing for the service is also monthly made by the Company and compensation is generally received in a maximum term of 90 days. Therefore, no implicit financing components are recognized.

The detail of revenues from ordinary activities of the Group is included in Note 5 to these consolidated financial statements.

2.3.4.2. Other income and expenses - Interest

For all financial assets and liabilities measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. In general, interest income and expense are included in finance income and expenses in the consolidated statement of income, respectively, unless they derive from operating items (such as trade and other receivables or trade and other payables); in that case, they are booked under other operating income and expenses, as the case may be.

2.3.5. Taxes

Current income tax

Current income tax assets and liabilities for the year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute those amounts are those that are enacted or substantively enacted, at the end of the reporting period. The statutory tax rate for the Group for the fiscal year 2020 is 30%.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

Management periodically assesses the positions taken in each tax report regarding the situations in which the applicable tax regulations are subject to interpretation, and it determines whether they must be treated as uncertain tax treatment, and in such case, whether it must be treated independently or collectively with one or more tax treatments, pursuant to IFRIC 23. For these cases, we use the approach which better predicts uncertainty and applies criteria to identify and quantify uncertainties.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their related carrying amounts.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

– where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

– in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and tax carry forwards losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and/or the tax losses carry forward can be utilized, except:

– where the deferred income tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and taxable profit will be available against which those differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting period date and reduced against income or loss for the period or other comprehensive income, as the case may be, to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized (recovered). Unrecognized deferred income tax assets are reassessed at each reporting period date and are recognized with a charge to income or other comprehensive income for the period, as the case may be, to the extent that it has become probable that future taxable profits will allow the deferred income tax asset not previously recognized to be recovered.

Deferred income tax assets and liabilities are measured at undiscounted nominal value at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting period date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transactions either in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets and liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Uncertainties over income tax treatments

The Group determines whether each tax treatment should be considered independently or whether some tax treatments should be considered together and uses an approach that provides better predictions of the resolution of the uncertainty.

The Group applies significant judgment when identifying uncertainties on the income tax treatment. The Group evaluated whether the Interpretation had an impact on its consolidated financial statements, especially within the framework of tax inflation adjustment in determining the tax income of mentioned periods:

a) Income tax return for fiscal year 2014

In February 2015 CPSA filed income tax returns for the nine-month period ended September 30, 2014, applying the adjustment for inflation mechanism established by the Argentine Income Tax Law. In addition, the Company filed its income tax return for the three-month period ended December 31, 2014, applying the same adjustment for inflation mechanism.

Later on, on July 27, 2021, the Argentine Tax Authorities issued a resolution through which it implemented an infringement investigation in relation to the income tax for the irregular fiscal periods ended September 2014 and December 31, 2014, for the alleged omission included in Section 45, Law No. 11683. On September 8, 2021, CPSA submitted the corresponding deposition and the corresponding evidence. As the date of the issuance of these financial statements, the proceedings are kept by Argentine Tax Authorities.

b) Action for recovery - Income tax refund for fiscal period 2010

In December 2014, the Company, as merging company and continuing company of HPDA, raised a recourse action before fiscal authorities regarding the income tax for the fiscal period 2010, which was incorrectly entered by HPDA. This recourse action seeks to recover the income tax entered by HPDA in accordance with the lack of application of the inflation- adjustment mechanism established by the Law on Income Tax. In December 2015, since the term stated by Law no. 11,683 elapsed, the Company brought a contentious-administrative claim before the National Court to ask for its right to obtain the income tax recovery.

In October 2018, the Company was served notice of the judgment issued by the Federal Contentious-Administrative Court No. 5, which granted the right to recourse. The judgment ordered tax authorities to return the amount of 67,612 (at historical values) to the Company plus the interest stated in the BCRA Communication 14290 and ordered that legal cost must be borne by the defendant. Such judgment was appealed by the National Tax Administration, and on September 9, 2019, Division I of the National Court of Appeals of the Federal Contentious- Administrative Court ("CNACAF") confirmed the appealed judgment. On September 24, 2019, the National Tax Administration raised Federal Extraordinary Appeal ("REF") against CNACAF judgment, which was replied by the Company. On October 29, 2019, CNACAF granted the REF and sent the file to the Argentine Supreme Court.

c) Action for recovery - income tax refund for fiscal years 2009, 2011 and 2012

In December 2015, the Company filed a petition with the Argentine Tax Authorities for the recovery of income tax for the fiscal year 2009, in the amount of 20,395 at historical values which had been incorrectly paid by the Company in excess of our income tax liability. By filling such action, the Company seeks to recover the excess income tax paid by CPSA due to the failure to apply the adjustment for inflation set forth in the Argentine Income Tax Law. On April 22, 2016, after the term required by Law No. 11,683 expired, the Company filed an action for recovery for the amount claimed with the Argentinean Tax Court. On September 27, 2019, the judge entered judgment rejecting the complaint filed by the Company. Such judgment was appealed by the Company last October 4, 2019. Room I of CNACAF (Argentine Appeal Court for Federal Contentious Administrative Matters) granted the appeal presented by the Company on March 11, 2020. Upon this resolution, the Argentine Tax Authorities raised an Extraordinary Appeal, which was granted by CNACAF on September 1, 2020.

In December 2017, the Company, as merging company and continuing company of HPDA, filed a petition with the Argentine Tax Authorities for the recovery of 52,783 at historical values paid in excess by HPDA for payment of Income Tax for 2011 fiscal period. The purpose of such action is to recover the income tax paid by HPDA due to the failure to apply the adjustment for inflation mechanism aforementioned. On April 1, 2019 such claim was rejected by national fiscal authorities. Therefore, the Company filed an administrative and legal action on April 25, 2019.

In December 2018, the Company brought two administrative complaints of recovery before the Argentine Tax Authorities: the first one was filed by the Company, as merging company and continuing company of HPDA, regarding the income tax for the fiscal period 2012 that amounted to 62,331 at historical values, which was entered in excess by HPDA. The second complaint was filed by the Company regarding the income tax for the same fiscal period that amounted to 33,265 at historical values, which was entered in excess by the Company. These recourse actions seek to recover the income tax entered by HPDA and the Company in accordance with the lack of application of the inflation-adjustment mechanism aforementioned. On September 12, 2019, the Company filed both recourse actions before the Federal Contentious- Administrative Court against the Argentine Tax Authorities in accordance with Section 82, paragraph "c" of Law no. 11,683 (restated text 1998 as amended), as the term established in the second paragraph of Section 81 of such law had elapsed.

d) Action for recovery - Income tax for the fiscal year 2015

On December 23, 2020, the Company submitted before the fiscal authorities an action for recovery of the income tax for the fiscal year 2015 for the amount of 129,231 (at historical values) unduly paid by CPSA. The purpose of the action for recovery is to obtain reimbursement of the income tax paid by CPSA based on the lack of application of the inflation adjustment mechanism set forth in the Argentine Income Tax Act. On April 22, 2021, the Company filed a recovery lawsuit before the Court for Contentious Administrative Matters against the Argentine Tax Authorities pursuant to the provisions of Section 82, subsection c of Law No. 11683 (restated and amended 1998), on the grounds that the term established in the second paragraph of Section 81 of that body of rules had elapsed.

e) Action of recovery - Income tax for the fiscal year 2016

On January 24, 2022, the Company filed before the tax authorities a recovery action of the income tax for the fiscal year 2016, for the amount of 189,376 (at historical values) unduly paid by CPSA. Such recovery action is aimed at obtaining the reimbursement of the income tax paid by CPSA based on the lack of application of the inflation adjustment mechanism set for by the Argentine Income Tax Act.

The Group considered, based on the opinion of its legal advisors and on the IFRIC 23 accounting guidelines: 1) regarding the income tax 2014 determination stated in a), that it is probable that tax authorities will accept the position and, therefore, it is not required to register a liability under such item, and 2) regarding recourse actions for income tax, except for the case of recourse action by HPDA for the fiscal period 2011, that it is also probable that the positions adopted by the Company will be accepted in court; therefore, an asset has been recognized for such recourse actions.

The corresponding asset is included in the item “Other non-financial assets” of Current Assets under “Income Tax Credits” and it amounts to 277,067 and 291,743 as of December 31, 2021 and 2020, respectively.

Other taxes related to sales and to bank account transactions

Revenues from recurring activities, expenses incurred and assets are recognized excluding the amount of sales tax, as in the case of value-added tax or turnover tax, or the tax on bank account transactions, except:

– where the tax incurred on a sale or on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as the case may be;

– receivables and payables are stated including value-added tax.

The charge for the tax on bank account transactions is presented in the administrative and selling expenses line within the consolidated statement of income.

The net amount of the tax related to sales and to bank account transactions recoverable from, or payable to, the taxation authority is included as a non-financial asset or liability, as the case may be.

2.3.6. Property, plant and equipment

Property, plant and equipment are measured at the acquisition cost restated according to Note 2.2.2, net of the cumulative depreciation and/or the cumulative losses due to impairment, if any. This cost includes the cost of replacing components of property, plant and equipment and the cost for borrowings related to long-term construction projects, as long as the requirements for their recognition as assets are fulfilled.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognizes the replaced part and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major maintenance is performed, its cost is recognized as a replacement if the conditions for the recognition thereof as an asset are met. All other regular repair and maintenance costs are recognized in the consolidated statement of income as incurred.

Electric power facilities and materials and spare parts related to the Puerto Combined Cycle plant are depreciated on a unit-of-production basis.

Electric power facilities related to the Luján de Cuyo combined cycle plant and cogeneration unit, the Terminal 6 - San Lorenzo cogeneration unit and the Brigadier Lopez thermal station are depreciated on a straight-line basis over the total useful lives estimated.

Electric power facilities and auxiliary equipment of Piedra del Águila hydroelectric power plant are depreciated on a straight-line basis over the remaining life of the concession agreement of the mentioned power plant.

The depreciation of the remaining property, plant and equipment is calculated on a straight-line basis over the total estimated useful lives of the assets as follows:

- Buildings: 5 to 50 years.
- Wind turbines: 20 years.
- Lands are not depreciated.
- Material and spare parts: based on the useful life of related machinery and equipment to be replaced.
- Furniture, fixtures and equipment: 5 to 10 years.
- Others:3 to 5 years.
- Turbines and Construction in progress: they are not depreciated until they are not in conditions of being used.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognized.

The residual values, useful lives and methods of depreciation are reviewed at each reporting period end and adjusted prospectively, if appropriate.

During years ended December 31, 2020 and 2019, the Group capitalized interest for an amount of 457,804 and 349,030, respectively. The rate used to capitalize interest corresponds to the effective rate of specific loans used to finance the projects, net of the share compensating the creditor for the effects of inflation.

2.3.7. Intangible assets

Intangible assets acquired separately are measured on initial recognition at acquisition cost restated according to Note 2.2.2. The cost of the intangible assets acquired in a business combination is their fair value at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization (if they are considered as having finite useful lives) and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. The useful lives of the intangible assets recognized by the Group are finite.

Intangible assets with finite useful lives are amortized over their useful economic lives. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of the asset is accounted for by changing the amortization period or method, as appropriate, and are treated prospectively as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible assets.

The Group's intangible assets are described in Note 12.

2.3.8. Impairment of property, plant and equipment and intangible assets

The Group assesses at each reporting period-end whether an existing event or one that took place after year end and provides additional evidence of conditions that existed at the end of the reporting period, indicates that an individual component or a group of property, plant and equipment and/or intangible assets with limited useful lives may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the fair value less costs to sell, and the value-in-use. That amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets; in which case, such assets are considered together as a cash-generating unit ("CGU").

Where the carrying amount of an individual asset or CGU exceeds its recoverable amount, the individual asset or CGU, as the case may be, is considered impaired and is written down to its recoverable amount.

In assessing value in use of an individual asset or CGU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the individual asset or CGU, as the case may be.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used including obtaining appraisals from valuation specialists. These calculations are verified by valuation multiples, quoted values for similar assets on active markets and other available fair value indicators, if any.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These detailed budgets and forecast calculations generally cover a five-year period. For longer periods, if applicable, a long-term growth rate may be calculated and applied to project future cash flows after the fifth year. Budgets and calculations related to Complejo Hidroeléctrico Piedra del Águila are limited to the term of the concession contract.

Impairment losses of continuing operations are recognized in a specific line of the consolidated statement of income.

In addition, for the assets for which an impairment loss had been booked, as of each reporting period-end, an assessment is made whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.

Should there be such triggering event, the Group makes an estimate of the recoverable amount of the individual asset or of the cash generating unit, as the case may be.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the individual assets or CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset or CGU does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of the related depreciation or amortization, had no impairment loss been recognized for the asset or CGU in prior periods. Such reversal is recognized in the statement of income in the same line in which the related impairment charge was previously recognized (generally under the cost of sales or other operating expenses), unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The Group has identified indicators of potential impairment of its property, plant and equipment and its intangible assets with limited useful life, for its thermal stations cash- generation units, due to the effects from the repeal of the spot market price update mechanism established by Resolution 440, as described in Note 1.2.g), and also due to the current economic uncertainties. The Group has also identified indicators of potential impairment of the Company´s gas turbine due to the uncertainty about new projects that would enable the use of such acquired turbine.

In order to measure the recoverability of its property, plant and equipment and its intangible assets with a limited useful life that present indicators of impairment, the Group estimated the value in use of such assets, except for the generating group classified as “Turbines”, for which the fair value less cost of sale method has been estimated. As a result of the recoverability analysis, the Group determined that the net book value of the assets related to the cogeneration unit Luján de Cuyo and hydroelectric power station Piedra del Águila and the General Electric generating group stored at central Nuevo Puerto facilities, did not exceed their recoverable value as at December 31, 2021.

CGUs Thermal Station Brigadier López, Luján de Cuyo Combined Cycle Power Plant, Nuevo Puerto combined cycle power plant and Terminal 6 San Lorenzo cogeneration unit.

The Group estimated that the book value of the assets of the cash-generating unit of the Thermal Station Brigadier López exceeded its recoverable asset by 4,703,102. Therefore, an impairment loss was recognized in the consolidated statement of income for the year ended December 31, 2021 as “Impairment of property, plant and equipment and intangible assets”. The impairment was allocated on a pro-rata basis to property, plant and equipment by 3,634,130 to "Electric power facilities", "Lands and buildings", "Construction in progress" and "Others" and to intangible assets by 1,068,972. After recognizing this impairment, the net book value of property, plant and equipment and intangible assets related to Thermal Station Brigadier López amounted to 9,954,912 and 2,279,405, respectively.

In addition, the Group estimated that the book value of the assets of the cash generating unit of the combined cycle plant located in Luján de Cuyo exceeded its recoverable value by 599,205. Therefore, an impairment loss was recognized in the consolidated statement of income for the year ended December 31, 2021 as “Impairment of property, plant and equipment and intangible assets”. The impairment was allocated on a pro-rata basis to “Electric power facilities”, “Lands and buildings” and “Others”. After recognizing such impairment, the net book value of property, plant and equipment of Luján de Cuyo Combined Cycle Power Plant is 3,720,641.

Also, the Group estimated that the book value of the assets of the cash generating unit of the combined cycle plant located in Nuevo Puerto exceeded its recoverable value by 1,025,203. Therefore, an impairment loss was recognized in the consolidated statement of income for the year ended December 31, 2021 as “Impairment of property, plant and equipment and intangible assets”. The impairment was allocated on a pro-rata basis to “Electric power facilities”, “Lands and buildings” and “Others”. After recognizing such impairment, the net book value of property, plant and equipment of Nuevo Puerto combined cycle power plant is 4,221,934.

Finally, the Group estimated that the book value of the assets of the cash generating unit of the Terminal 6 San Lorenzo cogeneration unit exceeded its recoverable value by 1,437,507. Therefore, an impairment loss was recognized in the consolidated statement of income for the year ended December 31, 2021 as “Impairment of property, plant and equipment and intangible assets”. The impairment was allocated on a pro-rata basis to “Electric power facilities” and “Lands and buildings”. After recognizing such impairment, the net book value of property, plant and equipment of Terminal 6 San Lorenzo cogeneration unit is 37,402,826.

The Group estimated the recoverable value considering probability weighted scenarios in relation with the evolution of prices for energy and power. This approach required preparing scenarios with different estimations of the expected cash flows considering such variables and assigning occurrence probabilities, based on the experience and expectations of the Group about the outcome of the uncertainties involved.

Key assumptions to estimate the value in use are the following:

- Gross margin: the margin has been determined for the budgeted period (5 years) based on the energy prices arising from Resolution 440 and energy supply signed agreements, whereas the cost of sale was determined based on the costs incurred in the past. The most relevant cost was the plant maintenance, which was estimated with the provisions from the agreements in force with the suppliers General Electric and Siemens S.A. No growth rates were considered after the budgeted period, pursuant to IAS 36.

- Discount rate: it represents the current market assessment of the specific risks of the Company, taking into consideration the time-value of money. Discount rate calculation is based on the circumstances of the market participants and it is derived from the weighted average cost of capital (WACC). The WACC rate takes into consideration both debt and equity. The cost of equity is derived from the expected return on investment by market participant investors, whereas the cost of debt is based on the conditions of the debt which market participants could access to. The specific risks of the operational segment are incorporated by applying individual beta factors, which are annually assessed from the available public information of the market.

  The post-tax discount rate used for determining the value in use as of December 31, 2021 was 12.69%.

  Any increase in the discount rate would entail an additional impairment loss for the cash-generation units Thermal Station Brigadier López, Combined cycle plant in Luján de Cuyo, Nuevo Puerto combined cycle power plant and Terminal 6 San Lorenzo cogeneration unit.

- Macroeconomic variables: estimated inflation and devaluation rates, as well as exchange rates, were obtained from external sources, which are well known consulting firms dedicated to the local and global economic analysis, widely experienced in the market. An increase in inflation rates over devaluation rates, regarding the variables considered for the determination of the value in use, would entail an additional impairment loss for the cash-generation units Thermal Station Brigadier López, Combined cycle plant in Luján de Cuyo, Nuevo Puerto combined cycle power plant and Terminal 6 San Lorenzo cogeneration unit.

Thermal Station Brigadier López, Luján de Cuyo Combined Cycle Power Plant, Nuevo Puerto combined cycle power plant and Terminal 6 San Lorenzo cogeneration unit belong to the electric power generation from conventional sources operating segment.

2.3.9. Financial instruments. Presentation, recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.3.9.1. Financial assets

Classification

According to IFRS 9 "Financial instruments", the Group classifies its financial assets in three categories:

- Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met: (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to solely payments of principal and interest.

Additionally, and for those assets complying with the above-mentioned conditions, IFRS 9 provides for the option of determining, at initial recognition, an asset measured at fair value if doing so would eliminate or significantly reduce a measurement or recognition inconsistency, which would appear if the assets or liabilities valuation or the recognition of their profits or losses are made on different grounds. The Group has not classified a financial asset at fair value using this option.

At the closing of these consolidated financial statements, the financial assets at amortized cost of the Group include certain cash elements and cash equivalents, trade and other receivables and other non-current financial assets.

- Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

At the closing of these consolidated financial statements, the Group has not financial assets at fair value through other comprehensive income.

- Financial assets at fair value through profit or loss

Any financial assets at fair value through profit or loss belong to a residual category that includes the financial assets that are not held in one of the two business models mentioned, including those kept to negotiate and those classified at fair value at initial recognition.

At the closing of these consolidated financial statements, the financial assets of the Group at fair value through profit or loss include mutual funds, public debt securities, stocks and corporate bonds accounted under other financial assets.

Recognition and measurement

The purchase and sale of financial assets are recognized at the date on which the Group commits to purchase or sale the asset.

Financial assets valued at amortized cost are initially recognized at their fair value plus cost of transaction. These assets accrue interest according to the effective interest rate method.

Financial assets valued at fair value through profit or loss and other comprehensive income are initially recognized at fair value, and transaction costs are recognized as expenses in the comprehensive income statement. Subsequently, they are valued at fair value. Changes in fair value and income from the sale of financial assets at fair value through profit or loss and other comprehensive income are recorded in Finance Income or Finance Expenses and Other comprehensive income, respectively, in the consolidated statement of income and comprehensive income, respectively.

In general, the Group uses the transaction price to determine the fair value of a financial instrument at the initial recognition. In the rest of the cases, the Group only records revenue or loss at initial recognition if the fair value of the instrument is evidenced with other comparable and visible transactions of the market for the same instrument or if it is based on a valuation technique that only includes visible market data. Revenue or loss not recognized at the initial recognition of a financial asset is later recognized as long as they derive from a change in factors (including time) in which the market participants consider establishing the price.

The profit or loss of debt instruments are measured at amortized cost and are not determined in a hedge relationship. They are recognized in profit or loss when the financial assets are removed or when impairment is recognized; and during the amortization process using the effective interest rate method. The Group only reclassifies all investments in debt instruments when it changes the business model used to manage those assets.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized; that is to say, it is deleted from the statement of financial position, when:

- the contractual rights to receive cash flows from the asset have expired;

– the contractual rights to receive cash flows from the asset have been transferred or an obligation has been assumed to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) all the risks and rewards of the asset have been transferred substantially, or (b) all the risks and rewards of the asset have neither been transferred nor retained substantially, but control of the asset has been transferred.

When the contractual rights to receive cash flows from an asset have been transferred or a pass-through arrangement has been entered into, but all of the risks and rewards of the asset have neither transferred nor retained substantially and no control of it has been transferred, such asset shall continue to be recognized to the extent of the Group's continuing involvement in it. In this case, the Group shall also recognize the associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

IFRS 9 establishes an "expected credit loss" model ("ECL"). This requires the application of considerable judgment with regard to how changes in economic factors affect ECL, which is determined over a weighted average base. ECL results from the difference between contractual cash flows and cash flows at current value that the Group expects to receive.

The impairment model set forth by IFRS 9 is applicable to the financial assets measured at amortized value or at fair value through changes in other comprehensive income, except for the investment in equity securities and assets from the contracts recognized under IFRS 15.

Pursuant to IFRS 9, loss allowances are measured using one of the following bases:

– The 12-month ECL: these are expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; and

– Full lifetime expected credit losses: these are expected credit losses that result from all possible default events over the life of the financial instrument.

Given the nature of the clients with which the Group operates and on the base of the foregoing criteria, the Group did not identify expected credit losses.

With regard to financial placements and according to the placement policies in force, the Group monitors the credit rate and the credit risk of these instruments. Pursuant to the analysis, the Group did not identify the need to record impairment of these types of instruments.

2.3.9.2. Financial liabilities

Initial recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge ratio, as appropriate.

Financial liabilities are initially recognized at their fair value, net of the incurred transaction costs. Since the Group has no financial assets whose characteristics require the fair value accounting, according to IFRS, after the initial recognition, the financial assets are valued at amortized cost. Any difference between the amount received as financing (net of transaction costs) and the reimbursement value is recognized in comprehensive income throughout the life of the debt financial instrument using the method of effective interest rate.

At the closing of these consolidated financial statements, the financial liabilities classified as loans and borrowings of the Group include Trade and other payables, and Loans and borrowings that accrue interest.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized as finance income or costs in the statement of income, as the case may be.

2.3.9.3. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.3.9.4. Financial assets and liabilities with related parties

Assets and liabilities with related parties are recognized initially at fair value plus directly attributable transaction costs. As long as credits and debts with related parties do not derive from arms-length transactions, any difference arising at the initial recognition between such fair value and the consideration given or received in return shall be considered as an equity transaction (capital contribution or payment of dividends, which will depend on whether it is positive or negative).

Following initial recognition, these receivables and payables are measured at their amortized cost through the EIR method. The EIR amortization is included in finance income or costs or other operating income or expenses in the statement of income, depending on the nature of the liability giving rise to it.

2.3.9.5. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The derivative financial instruments used by the Group are initially recognized through their fair values at the date on which the contract is entered into, and they are subsequently measured again at their fair value. The derivative financial instruments are accounted as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

The method to recognize the loss or income from the change in fair value depends on whether the derivative was determined as a hedge instrument; in such case, on the nature of the item it is covering. The Company can determine certain derivative as:

- Fair value hedge;

- Cash flow hedge;

At the beginning of the transaction, the Group records the relationship between the hedge instruments and items covered, as well as its objectives for risk management and the strategy to make different hedge operations. It also records its assessment, both at the beginning and on a continuous base, on whether the derivatives used in the hedge transactions are highly effective to compensate changes in fair value or in the cash flows of the items covered.

Fair value hedge

Changes in fair value of derivatives determined and classified as fair value hedge are recorded in the statement of comprehensive income together with any change in the fair value of the covered asset or liability attributable to the covered risk.

Cash flow hedge

The effective part of changes in fair value of the derivatives determined and classified as cash flow hedge are recognized in Other comprehensive income. The loss or income related to the non-effective part is immediately recognized in the statement of comprehensive income within the Finance Expenses or Finance Income, respectively.

The cumulative amounts in Other comprehensive income are recorded in the statement of comprehensive income in the periods in which the item covered affects the comprehensive income. In the case of interest rates hedge, this means the amounts recognized in equity are reclassified as net finance income as interest is accrued on associated debts.

As at December 31, 2021, the Group has no hedging derivative instruments. Hence, swap contracts of interest rate and stock options contracts are measured at their current value at the closing of each period or fiscal year and are stated as assets or liabilities depending on the rights and obligations emerging from the respective contracts. In this way, changes in the accounting measure of such contracts are recognized in the consolidated statement of income under finance income or finance cost, as applicable.

2.3.10. Inventories

Inventories are valued at the lower of restated acquisition cost and net realizable value. In the estimation of recoverable values, the purpose of the asset to be measured and the movements of items of slow or scarce rotation are taken into account. Inventories balance is not higher than its net realizable value at the corresponding dates.

2.3.11. Cash and cash equivalents

Cash is deemed to include both cash fund and freely-available bank deposits on demand. Short-term deposits are deemed to include short-term investments with significant liquidity and free availability that, subject to no previous notice or material cost, may be easily converted into a specific cash amount that is known with a high degree of certainty upon the acquisition, are subject to an insignificant risk of changes in value, maturing up to three months after the date of the related acquisitions, and whose main purpose is not investment or any other similar purpose, but settling short-term commitments.

For the purpose of the consolidated statement of financial position and the consolidated statement of cash flows, cash and cash equivalents comprise cash at banks and on hand and short-term investments meeting the abovementioned conditions.

2.3.12. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income under the item that better reflects the nature of the provision net of any reimbursement to the extent that the latter is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax market rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the statement of income.

– Provision for lawsuits and claims

In the ordinary course of business, the Group is exposed to claims of different natures (e.g., commercial, labor, tax, social security, foreign exchange or customs claims) and other contingent situations derived from the interpretation of current legislation, which result in a loss, the materialization of which depends on whether one more events occur or not. In assessing these situations, Management uses its own judgment and advice of its legal counsel, both internal and external, as well as the evidence available as of the related dates. If the assessment of the contingency reveals the likelihood of the materialization of a loss and the amount can be reliably estimated, a provision for lawsuits and claims is recorded as of the end of the reporting period.

2.3.13. Contingent liabilities

A contingent liability is: (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (ii) a present obligation that arises from past events but is not recognized because: (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (2) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is not recognized in financial statements; it is reported in notes, unless the possibility of an outflow of resources to settle such liability is remote. For each type of contingent liability as of the relevant reporting period-end dates, the Group shall disclose (i) a brief description of the nature of the obligation and, if possible, (ii) an estimate of its financial impact; (iii) an indication of the uncertainties about the amount or timing of those outflows; and (iv) the possibility of obtaining potential reimbursements.

2.3.14. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognized in financial statements; it is reported in notes only where an inflow of economic benefits is probable. For each type of contingent asset as of the relevant reporting period-end dates, the Group shall disclose (i) a brief description of the nature thereof and, if possible, (ii) an estimate of its financial impact.

2.3.15. Employee benefits

Employee short-term benefits:

The Group recognizes short-term benefits to employees, such as salary, vacation pay, bonuses, among others, on an accrued basis and includes the benefits arising from collective bargaining agreements.

Post-employment employee long-term benefits:

The Group grants benefits to all trade-union employees when obtaining the ordinary retirement benefit under the Argentine Integrated Pension Fund System, based on multiples of the relevant employees' salaries.

The amount recognized as a liability for such benefits includes the present value of the liability at the end of the reporting period, and it is determined through actuarial valuations using the projected unit credit method.

Actuarial gains and losses are fully recognized in other comprehensive income in the period when they occur and immediately allocated to unappropriated retained earnings (accumulated losses), and not reclassified to income in subsequent periods.

The Group recognizes the net amount of the following amounts as expense or income in the statement of income for the reporting year: (a) the cost of service for the current period; (b) the cost of interest; (c) the past service cost, and (d) the effect of any curtailment or settlement.

Other long-term employee benefits:

The Group grants seniority-based benefits to all trade-union employees when reaching a specific seniority, based on their normal salaries.

The amount recognized as liabilities for other long-term benefits to employees is the present value of the liability at the end of the reporting period. The Group recognizes the net amount of the following amounts as expense or income: (a) the cost of service for the current period; (b) the cost of interest; (c) actuarial income and loss, which shall be recognized immediately and in full; (d) the past service cost, which shall be recognized immediately and in full; and (e) the effect of any curtailment or settlement.

2.3.16. Share-based payments

The cost of share-based payments transactions that are settled with equity instruments of one of our subsidiaries is determined by the fair value at the date when the grant is made using an appropriate valuation model.

This cost is recognized in the consolidated financial statements under employee benefits expense, together with a corresponding total increase in non-controlling interest.

During the years ended December 31, 2020 the expense booked in the consolidated financial statements under employee benefits expense amounts to 2,525. During year ended December 31, 2021 no expense has been booked under employee benefits share-based expense.

2.3.17. Investment in associates

The Group's investments in associates are accounted for using the equity method. An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is neither control nor joint control.

According to the equity method, investments in associates are originally booked in the statement of financial position at cost, plus (less) the changes in the Group's ownership interests in the associates' net assets subsequent to the acquisition date. If any, goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

If the cost of the investments is lower than the proportional share as of the date of acquisition on the fair value of the associate's assets and liabilities, a gain is recognized in the period in which the investment was acquired.

The statement of income reflects the share of the results of operations of the associates adjusted on the basis of the fair values estimated as of the date on which the investment was incorporated. When there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes and includes them, when applicable, in the statement of changes in equity.

The Group's share of profit of an associate is shown in a single line on the main body of the consolidated statement of income. This share of profit includes income or loss after taxes of the associates.

The financial information of the associates is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies of the associates in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize impairment losses on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the value of investment in the associates has been impaired. If such was the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associates and its carrying value, and recognizes the loss as "Share of losses of an associate" in the statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. If such was the case, any difference between the carrying amounts of the investment in the associate and the fair value on any retained investment, as well as the disposal proceeds, are recognized in the statement of income.

The information related to associates is included in Note 3 and Exhibit C.

2.3.18. Information on operating segments

For management purposes, the Group is organized in four different business units to carry out its activities, as follows:

- Electric power generation from conventional sources: the Group is engaged in the production of electric power from conventional sources and its sale.

- Electric power generation from renewable sources: the Group also is engaged in the production of electric power from renewable sources and its sale.

- Natural gas transport and distribution: through its equity investees companies belonging to ECOGAS Group, the Group is engaged in the natural gas distribution public sector service in the Cuyo and Centro regions of Argentina and it is also engaged in the natural gas transport sector service through its equity investee Company Transportadora de Gas del Mercosur S.A. Also, the Company resells certain gas transport and distribution capacity that was previously contracted by the Company.

- Management and operations of therma plants: through its equity investees Termoeléctrica José de San Martín S.A. and Termoeléctrica Manuel Belgrano S.A. and its subsidiary Central Vuelta de Obligado S.A. the Group is engaged in the management and operations of these thermal plants.

The Group has three reporting segments: production of electric power from conventional sources, production of electric power from renewable sources and natural gas transport and distribution. Management and operations activities are included in others, because the information is not material.

The financial performance of segments is evaluated based on net income and measured consistently with the net income disclosed in the financial statements (Note 4).

2.3.19. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction or its distribution to the shareholders rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if:

- It is a component of the Group that represents a cash generating unit or a group of cash generating units,
- it is classified as held for sale or as for distribution to equity holders, or it has already been disposed for distribution to the shareholders, and;
- it represents a separate major line of business or geographical area of operations or it is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as income or loss after tax from discontinued operations in the consolidated statement of income.

2.3.20. Business combinations

Business combinations are accounted using the acquisition method when the Group takes effective control of the acquired company.

The Group will recognize in its financial statements the acquired identifiable assets, the assumed liabilities, any non-controlling interest and, if any, goodwill according to IFRS 3.

The acquisition cost is measured as the aggregate of the transferred consideration, measured at fair value on that date, and the amount of any non-controlling interest in the acquiree. The Group will measure the non-controlling interest in the acquiree at fair value or at the proportional interest in the identifiable net assets of the acquiree.

If the business combination is made in stages, the Group will measure again its previous holding at fair value at the acquisition date and will recognize income or loss in the consolidated statement of comprehensive income.

Goodwill is measured at cost, as excess of the transferred consideration regarding the acquired identifiable assets and the net assumed liabilities of the Group. If this consideration is lower than the fair value of the identifiable assets and of the assumed liabilities, the difference is recognized in the consolidated statement of comprehensive income.

2.4. Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make significant estimates and assumptions that affect the recorded amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. In this sense, the uncertainties related to the estimates and assumptions adopted could give rise in the future to final results that could differ from those estimates and require significant adjustments to the amounts of the assets and liabilities affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its accounting assumptions and significant estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Recoverability of property, plant and equipment and intangible assets:

At each closing date of the reported period, the Group evaluates if there is any sign that the property, plant and equipment and/or intangible assets with finite useful lives may have their value impaired. Impairment exists when the book value of assets related to the Cash Generating Unit (CGU) exceeds its recoverable value, which is the higher between its fair value loss costs of sale of such asset and value in use. The value in use is calculated through the estimation of future cash flows discounted at their present value through a discount rate that reflects the current assessments of the market over the temporal value of money and the specific risks of each CGU. Projection calculations cover a five-year period. The recoverable value is sensitive to the used discount rate, as well as the estimated inflows and the growth rate.

2.5. Changes in accounting policies

New standards and interpretations adopted

As from the fiscal year beginning January 1, 2021, the Group has applied for the first time certain new and/or amended standards and interpretations as issued by the IASB.

Below is a brief description of the new and/or amended standards and interpretations adopted by the Group and their impact on these consolidated financial statements.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The UK Financial Conduct Authority (FCA), which is the competent authority for the regulation of benchmarks in the UK, advocated a transition away from reliance on London Interbank Offered Rate ("LIBOR") to alternative reference rates and stated that it would no longer persuade or compel banks to submit rates for the calculation of the LIBOR rates after 2021 (the "FCA Announcement"). The FCA Announcement formed part of ongoing global efforts to reform LIBOR and other major interest rate benchmarks. At this time, the nature and overall timeframe of the transition away from LIBOR is uncertain and no consensus exists as to what rate or rates may become accepted alternatives to LIBOR.

In this sense, the IFRS amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

As of December 31, 2021, the Group has trade receivables under the CVO Agreement, described in Note 1.2.a), as well as loans with due date after 2021, which were indexed to LIBOR and for which the replacement alternative interest rate has not been identified.

These amendments are effective for annual periods beginning on or after 1 January 2021. As of the date of these financial statements, these amendments had no significant impact.

2.6. IFRS issued but not yet effective

The following new and/or amended standards and interpretations have been issued but were not effective as of the date of issuance of these consolidated financial statements of the Group. In this sense, only the new and/or amended standards and interpretations that the Group expects to be applicable in the future are indicated. In general, the Group intends to adopt these standards, as applicable when they become effective.

Amendments to IAS 1 - Classification of liabilities as current or non-current

On January 23, 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements that affects the classification of liabilities as current and non-current. The changes affect the requirements of IAS 1 for the presentation of liabilities.

Specifically, it clarifies the criteria for classifying liabilities as non-current. The date of application of the modification is set for fiscal years beginning on or after January 1, 2023, with retroactive application. The Group is evaluating the impact of these amendments for the presentation of liabilities.

Amendments to IAS 16 - Property, plant and equipment ("PP&E") - Earnings ahead of schedule

In May 2020, the IASB issued an amendment to IAS 16 that prohibits entities from deducting from the cost of an item of PP&E, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for annual periods beginning on or after January 1, 2022 and must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a significant impact on the Group´s financial statements.

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

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and are not expected to have a significant impact on the Group´s financial statements.

Amendments to IFRS 3 - Reference to the Conceptual Framework

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations - Reference to Conceptual Framework. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments are effective for periods beginning on or after January 1, 2022 and must be applied retrospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards (March 2018). The amendments will promote consistency in financial reporting and avoid potential confusion from having more than one version of the Conceptual Framework in use.

The amendments are not expected to have a significant impact on the Group´s financial statements.

Amendments to IAS 8 - Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors.

The amendment is effective for annual periods beginning on or after January 1, 2023 and is not expected to have a significant impact on the Group´s financial statements.

Amendments to IAS 1 Presentation of Financial Statements

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies, and

- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed. The Group is evaluating the impact of the amendments.

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

In May 2021, the IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss

The amendments are effective for annual periods beginning on or after January 1, 2023 and are not expected to have a significant impact on the Group´s financial statements.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. The amendments must be applied prospectively. Early application of the amendments is still permitted and must be disclosed.
The Group will evaluate the impact of the amendments once effective and if there is any transaction to which the amendments apply.

3. Investment in associates

The book value of investment in associates as of December 31, 2021 and 2020 amounts to:

	2021 ARS 000	2020 ARS 000
ECOGAS Group (Note 3.1)	6,106,838	6,765,891
Transportadora de Gas del Mercosur S.A.	193,533	173,083
Termoeléctrica José de San Martin S.A. (Note 1.2.a)	-	60,091
Termoeléctrica Manuel Belgrano S.A. (Note 1.2.a)	-	40,860
	6,300,371	7,039,925

The share of the profit of associates for the years ended December 31, 2021 and 2020 amounts to:

	2021 ARS 000	2020 ARS 000
ECOGAS Group (Note 3.1)	(518,879)	149,414
Transportadora de Gas del Mercosur S.A.	20,451	(23,943)
Termoeléctrica José de San Martin S.A. (Note 1.2.a)	(37,745)	39,763
Termoeléctrica Manuel Belgrano S.A. (Note 1.2.a)	(28,329)	(1,085)
	(564,502)	164,149

3.1. Investments in gas distribution

The Group holds ownership interests of 42.31% in Inversora de Gas del Centro S.A. ("IGCE", the controlling company of Distribuidora de Gas del Centro S.A. "DGCE" and Distribuidora de Gas Cuyana S.A. "DGCU") and 17.20% in DGCE (from now on, "ECOGAS Group"). Consequently, the Group holds, both directly and indirectly, a 40.59% of the capital stock of DGCE, and, indirectly, a 21.58% interest in DGCU. The Company does not control such companies.

IGCE is a private, unlisted company which holds a 55.29% equity interest in DGCE, a company engaged in the distribution of natural gas in the provinces of Cordoba, La Rioja and Catamarca, Argentine, and a 51% equity interest in DGCU, a company engaged in the distribution of natural gas in the provinces of Mendoza, San Juan and San Luis.

During April 2021, the Group received dividends of 140,168 from ECOGAS Group.

3.2. Transportadora de Gas del Mercosur S.A.

The Group has a 20% interest in Transportadora de Gas del Mercosur S.A. ("TGM"). This Company has a gas pipeline that covers the area from Aldea Brasilera (in the Province of Entre Ríos) to Paso de los Libres (in the Province of Corrientes). TGM is a private unlisted company.

4. Operating segments

The following provides summarized information of the operating segments for the years ended December 31, 2021 and 2020:

2021	Electric Power Generation from conventional sources	Electric Power Generation from renewable sources	Natural Gas Transport and Distribution (1) (2)	Others (1)	Adjustments and Eliminations	Total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Revenues	44,300,944	11,346,295	30,781,801	1,751,043	(31,100,744)	57,079,339
Cost of sales	(25,186,092)	(3,378,745)	(23,707,011)	(1,494,242)	24,203,502	(29,562,588)
Administrative and selling expenses	(3,612,032)	(539,591)	(6,215,202)	-	6,215,202	(4,151,623)
Other operating income	10,476,409	422,821	1,005,885	19,831	(1,005,885)	10,919,061
Other operating expenses	(818,208)	10,573	(232,725)	-	232,725	(807,635)
Impairment of property, plant and equipment and intangible assets	(7,765,017)	-	-	-	-	(7,765,017)
Operating income	17,396,004	7,861,353	1,632,748	276,632	(1,455,200)	25,711,537
Other (expenses) income	(23,388,925)	(2,191,957)	(4,503,584)	(177,018)	3,902,084	(26,359,400)
Net (loss) income for the segment	(5,992,921)	5,669,396	(2,870,836)	99,614	2,446,884	(647,863)
Share in the net (loss) income for the segment	**(5,992,921)**	**5,669,396**	**(482,086)**	**157,748**	**-**	**(647,863)**

2020	Electric Power Generation from conventional sources	Electric Power Generation from renewable sources	Natural Gas Transport and Distribution (1) (2)	Others (1)	Adjustments and Eliminations	Total
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Revenues	44,876,174	10,873,096	43,469,160	2,662,597	(44,359,948)	57,521,079
Cost of sales	(21,434,437)	(2,845,346)	(35,563,091)	(2,157,186)	36,618,615	(25,381,445)
Administrative and selling expenses	(3,857,347)	(629,549)	(9,485,941)	-	9,485,941	(4,486,896)
Other operating income	20,621,029	659,470	1,204,404	1,274	(1,205,678)	21,280,499
Other operating expenses	(486,902)	(195,408)	(324,241)	(7,620)	324,241	(689,930)
Impairment of property, plant and equipment and intangible assets	(6,062,276)	-	-	-	-	(6,062,276)
Operating income	33,656,241	7,862,263	(699,709)	499,065	863,171	42,181,031
Other (expenses) income	(24,585,341)	(7,027,608)	(157,337)	(76,348)	168,029	(31,678,605)
Net income (loss) for the segment	9,070,900	834,655	(857,046)	422,717	1,031,200	10,502,426
Share in the net income (loss) for the segment	**9,070,896**	**834,655**	**263,893**	**332,982**	**-**	**10,502,426**

(1) Includes information from associates.
(2) Includes income (expenses) related to resale of gas transport and distribution capacity.

5. Revenues

	2021 ARS 000	2020 ARS 000
Revenues from Resolutions 440, 1, SEE 19, SGE Resolution 70/2018, and amendments	23,816,074	26,375,183
Sales under contracts	30,115,202	27,766,903
Steam sales	1,715,963	1,607,183
Resale of gas transport and distribution capacity	307,995	595,979
Revenues from CVO thermal plant management	1,124,105	1,175,831
	57,079,339	**57,521,079**

6. Other income and expenses

6.1. Other operating income

	2021 ARS 000	2020 ARS 000
Interest earned from customers	3,610,639 (1)	4,690,603 (1)
Foreign exchange difference, net	6,879,987 (2)	16,531,502 (2)
Recovery related to discount of tax credits	236,729	-
Income from sale of property, plant and equipment	105,174	-
Others	86,532	58,394
	10,919,061	**21,280,499**

(1) Includes 910 related to receivables under FONINVEMEM I and II Agreements for the year ended December 31, 2020. It also includes 1,826,268 and 2,428,826 related to CVO receivables for the years ended December 31, 2021 and 2020, respectively.
(2) Includes 30,683 related to receivables under FONINVEMEM I and II Agreements for the year ended December 31, 2020. It also includes 7,062,079 and 15,375,375 related to CVO receivables for the years ended December 31, 2021 and 2020, respectively.

6.2. Other operating expenses

	2021 ARS 000	2020 ARS 000
Net charge related to the provision for lawsuits and claims (Exhibit E)	(56,421)	(12,639)
Material and spare parts impairment (Exhibit E)	(41,355)	(64,807)
Net charge related to the allowance for doubtful accounts (Exhibit E)	(710)	(3,710)
Trade and tax interests	(624,433)	(563,199)
Charge related to discount tax credits	-	(45,575)
Others	(84,716)	-
	(807,635)	**(689,930)**

6.3. Finance income

	2021 ARS 000	2020 ARS 000
Interest earned	38,862	194,244
Net income on financial assets at fair value through profit or loss (1)	1,389,104	7,594,035
Interest rate swap income	514,681	-
	1,942,647	**7,788,279**

(1) Net of 23,209 and 36,717 corresponding to turnover tax for the years ended December 31, 2021 and 2020, respectively.

6.4. Finance expenses

	2021 ARS 000	2020 ARS 000
Interest on loans	(4,711,119)	(5,498,935)
Foreign exchange differences	(12,363,054)	(26,141,070)
Bank commissions for loans and others	(740,444)	(783,506)
Others	(588)	(1,232,152)
	(17,815,205)	**(33,655,663)**

7. Income tax

The major components of income tax during the years ended December 31, 2021 and 2020, are the following:

Consolidated statements of income and comprehensive income

Consolidated statement of income

	2021 ARS 000	2020 ARS 000
Current income tax		
Income tax charge for the year	(6,813,048)	(7,290,674)
Adjustment related to current income tax for the prior year	151,567	31,379
Deferred income tax		
Related to the net variation in temporary differences	(1,606,881)	(465,860)
Income tax	**(8,268,362)**	**(7,725,155)**

Consolidated statement of comprehensive income

	2021 ARS 000	2020 ARS 000
Income tax for the year related to items charged or credited directly to other comprehensive income		
Deferred income tax	(135)	(2,969)
Income tax charged to other comprehensive income	**(135)**	**(2,969)**

The reconciliation between income tax in the consolidated statement of income and the accounting income multiplied by the statutory income tax rate for the years ended December 31, 2021 and 2020, is as follows:

	2021 ARS 000	2020 ARS 000
Income before income tax	**7,620,499**	**18,227,581**
At statutory income tax rate (1)	(2,667,175)	(5,468,274)
Share of the profit of associates	16,462	(10,122)
Effect related to statutory income tax rate change (Note 20)	(4,318,480)	953,621
IFRIC 23 effect	14,676	29,861
Effect related to the discount of income tax payable	(138,822)	298,292
Adjustment related to current income tax for the prior year	151,568	31,379
Loss on net monetary position	(671,091)	(3,768,910)
Unrecognized tax-loss carryforwards	(1,203,604)	-
Others	548,104	208,998
Income tax for the year	**(8,268,362)**	**(7,725,155)**

(1) The statutory income tax rate used amounts to 35% as of December 31, 2021 and 30% as of December 31, 2020.

Deferred income tax

Deferred income tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of income and statement of other comprehensive income	
	2021	**2020**	**2021**	**2020**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**
Trade receivables	7,068	4,889	2,179	(2,486)
Other financial assets	(34,365)	(590)	(33,774)	565,365
Employee benefit liability	222,428	166,043	56,385	1,605
Provisions and others	(485,967)	(442,295)	(43,671)	(535,941)
Investments in associates	(2,082,588)	(1,632,384)	(450,204)	(58,707)
Property, plant and equipment - Material & spare parts - Intangible assets	(7,083,245)	(8,123,664)	1,040,419	1,277,501
Deferred tax income	(3,739,124)	(3,975,695)	236,571	352,040
Tax loss carry-forward	215,111	3,625,419	(3,410,309)	226,900
Tax inflation adjustment - Asset	179,936	282,203	(102,268)	(640,753)
Tax inflation adjustment - Liability	(2,242,370)	(3,340,026)	1,097,656	(1,654,353)
Deferred income tax (expense) income			**(1,607,016)**	**(468,829)**
Deferred income tax liabilities, net	**(15,043,116)**	**(13,436,100)**		

Deferred income tax liability, net, disclosed in the consolidated statement of financial position

	Consolidated statement of financial position	
	2021	**2020**
	ARS 000	**ARS 000**
Deferred income tax asset	131,556	148,496
Deferred income tax liability	(15,174,672)	(13,584,596)
Deferred income tax liability, net	**(15,043,116)**	**(13,436,100)**

As of December 31, 2021, the Group holds tax loss carry-forward in its subsidiaries for 4,047,543 that could be utilized against future taxable profit from such entities as described below:

	Expiration year			
	2024	**2025**	**2026**	**Total**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**
CP Achiras S.A.U.	182,649	171,773	-	354,422
CP La Castellana S.A.U.	-	25,197	-	25,197
CPR Energy Solutions S.A.U.	-	-	71	71
CP Manque S.A.U.	-	174	15	189
CP Los Olivos S.A.U.	-	134	87,702	87,836
Vientos La Genoveva I S.A.U.	-	140,959	-	140,959
CP Renovables S.A.	-	111,840	133,729	245,570
Proener S.A.U.	-	11,055	3,182,245	3,193,299
	182,649	**461,132**	**3,403,762**	**4,047,543**

As of December 31, 2021, the Group considered there is no certainty regarding the existence of future taxable income against which tax loss carry-forward for an amount of 3,438,323 can be applied. Therefore, the corresponding deferred tax asset has not been recognized.

8. Earnings per share

Earnings per share amounts are calculated by dividing net income for the year attributable to equity holders of the parent by the weighted average number of ordinary shares during the year, net number of treasury shares.

There are no transactions or items generating an effect of dilution.

The following reflects information on income and the number of shares used in the earnings per share computations:

	2021 ARS 000	2020 ARS 000
Net (loss) income attributable to equity holders of the parent	(742,076)	10,402,779
Weighted average number of ordinary shares	1,505,170,408	1,505,170,408

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of issuance of these consolidated financial statements that may produce a dilution effect.

9. Inventories

	2021 ARS 000	2020 ARS 000
Non-current:		
Materials and spare parts	674,502	1,244,825
Provision for impairment in value - Exhibit E	(292,792)	(251,437)
	381,710	993,388
Current:		
Materials and spare parts	1,426,845	1,183,215
Fuel oil	7,461	11,262
Diesel oil	12,876	19,435
	1,447,182	1,213,912

10. Financial assets and liabilities

10.1. Trade and other receivables

	2021 ARS 000	2020 ARS 000
Non-current:		
Trade receivables - CAMMESA	30,045,173	44,102,568
Receivables from shareholders	382,678	274,288
Guarantee deposits	43	65
	30,427,894	44,376,921
Current:		
Trade receivables - CAMMESA	16,329,176	21,166,212
Trade receivables - YPF SA and YPF Energía Eléctrica SA	267,828	399,466
Trade receivables - Large users	1,387,877	1,770,049
Receivables from associates and other related parties	50	72
Other receivables	4,783,204	4,964,181
	22,768,135	28,299,980
Allowance for doubtful accounts - Exhibit E	(14,796)	(20,931)
	22,753,339	28,279,049

For the terms and conditions of receivables from related parties, refer to Note 16.

Trade receivables from CAMMESA accrue interest, once they become due. The Group accrues interest on receivables from CAMMESA according to the nature of the receivables, as follows:

FONINVEMEN I and II: During the year ended December 31, 2020 collections of these receivables amounted to 506,116. As mentioned in Note 1.2.a), during January and February 2020 we collected the last installments from the total 120 installments that were established by TMB and TSM agreements, respectively.

CVO receivables: As described in Note 1.2.a), in 2010 the Company approved a new agreement with the former Energy Secretariat (the "CVO agreement") and as from March 20, 2018, CAMMESA granted the commercial operations as a combined cycle of Central Vuelta de Obligado thermal power plant (the "Commercial Approval").

Receivables under CVO agreement are disclosed under "Trade receivables - CAMMESA". CVO receivables are expressed in USD and they accrue LIBOR interest at a 5% rate.

As a consequence of the Commercial Approval and in accordance with the CVO agreement, the Company collects the CVO receivables converted in US dollars in 120 equal and consecutive installments.

During the years ended December 31, 2021 and 2020, collections of CVO receivables amounted to 8,195,688 and 9,506,985, respectively.

The information on the Group's objectives and credit risk management policies is included in Note 17.

The breakdown by due date of trade and other receivables due as of the related dates is as follows:

			Past due				
	Total	To due	90 days	90-180 days	180-270 days	270-360 days	More than 360 days
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
31-12-21	53,181,233	51,985,120	1,169,947	105	-	-	26,061

10.2. Trade and other payables

	2021	2020
	ARS 000	ARS 000
Current:		
Trade and other payables	2,650,134	3,620,276
Insurance payable	-	179,361
Payables to associates and other related parties	71,428	42,576
	2,721,562	3,842,213

Trade payables are non-interest bearing and are normally settled on 60-day terms.

The information on the Group's objectives and financial risk management policies is included in Note 17.

For the terms and conditions of payables to related parties, refer to Note 16.

10.3. Loans and borrowings

	2021	2020
	ARS 000	ARS 000
Non-current		
Long-term loans for project financing (Notes 10.3.1, 10.3.2, 10.3.3, 10.3.4, 10.3.5, 10.3.6 and 10.3.7)	32,463,324	40,687,306
Corporate bonds (Note 10.3.8)	3,378,503	4,448,244
Derivative financial liabilities not designated as hedging instrument - Interest rate swap	340,416	1,422,196
	36,182,243	46,557,746
Current		
Long-term loans for project financing (Notes 10.3.1,10.3.2, 10.3.3, 10.3.4, 10.3.5, 10.3.6 and 10.3.7)	6,300,826	26,680,479
Corporate bonds (Note 10.3.8)	-	1,700,477
Derivative financial liabilities not designated as hedging instrument - Stock options	311,961	436,184
Derivative financial liabilities not designated as hedging instrument - Interest rate swap	197,957	-
Bank and investment accounts overdrafts	3,659	1,559,050
	6,814,403	30,376,190

10.3.1. Loans from the IIC-IFC Facility

On October 20, 2017 and January 17, 2018, CP La Castellana S.A.U. and CP Achiras S.A.U. (both of which are subsidiaries of CPR), respectively, agreed on the structuring of a series of loan agreements in favor of CP La Castellana S.A.U. and CP Achiras S.A.U., for a total amount of USD 100,050,000 and USD 50,700,000, respectively, with: (i) International Finance Corporation (IFC) on its own behalf, as Eligible Hedge Provider and as an implementation entity of the Intercreditor Agreement Managed Program; (ii) Inter-American Investment Corporation (“IIC”), as lender on its behalf, acting as agent for the Inter-American Development Bank (“IDB”) and on behalf of IDB as administrator of the Canadian Climate Fund for the Private Sector in the Americas (“C2F”, and together with IIC and IDB, “Group IDB”, and together with IFC, “Senior Creditors”).

As of the date of these financial statements, the loans disbursements have been fully received by the Group.

In accordance with the terms of the agreement subscribed by CP La Castellana, USD 5 million accrue an interest rate equal to LIBOR plus 3.5%, and the rest at LIBOR plus 5.25% and the loan is amortizable quarterly in 52 equal and consecutive installments as from February 15, 2019.

In accordance with the terms of the agreement subscribed by CP Achiras, USD 40.7 million accrue a fixed interest rate equal to 8.05%, and the rest accrue a 6.77% fixed interest rate. The loan is amortizable quarterly in 52 equal and consecutive installments as from May 15, 2019.

Other related agreements and documents, such as the Guarantee and Sponsor Support Agreement (the “Guarantee Agreement” by which CPSA completely, unconditionally and irrevocably guarantees, as the main debtor, all payment obligations undertaken by CP La Castellana and CP Achiras until the projects reach the commercial operations date) hedging agreements, guarantee trusts, a mortgage, guarantee agreements on shares, guarantee agreements on wind turbines, direct agreements and promissory notes have been signed.

Pursuant to the Guarantee and Sponsor Support Agreement, among other customary covenants for this type of facilities, we committed, until each project completion date, to maintain (i) a leverage ratio of (a) until (and including) December 31, 2018, not more than 4.00:1.00; and (b) thereafter, not more than 3.5:1.00; and (ii) an interest coverage ratio of not less than 2.00:1.00. In addition, our subsidiary, CPR, and we, upon certain conditions, agreed to make certain equity contributions to CP La Castellana and CP Achiras.

As of December 31, 2021, the Group has met the requirements described in (i) and (ii) above.

We also agreed to maintain, unless otherwise consented to in writing by each senior lender, ownership and control of the CP La Castellana and CP Achiras as follows: (i) until each project completion date, (a) we shall maintain (x) directly or indirectly, at least seventy percent (70%) beneficial ownership of CP La Castellana and CP Achiras; and (y) control of the CP La Castellana and CP Achiras; and (b) CP Renovables shall maintain (x) directly, ninety-five percent (95%) beneficial ownership of CP La Castellana and CP Achiras; and (y) control of CP La Castellana and CP Achiras. In addition, (ii) after each project completion date, (a) we shall maintain (x) directly or indirectly, at least fifty and one tenth percent (50.1%) beneficial ownership of each of CP La Castellana, CP Achiras and CP Renovables; and (y) control of each of CP La Castellana, CP Achiras and CP Renovables; and (b) CP Renovables shall maintain control of CP La Castellana and CP Achiras. As of December 31, 2021, the Group has met such obligations.

Under the subscribed trust guarantee agreement, as at December 31, 2021 and 2020, there are trade receivables with specific assignment for the amount of 3,490,299 and 4,214,260, respectively.

As of December 31, 2021 and 2020, the balance of these loans amounts to 11,791,706 and 16,111,904, respectively.

10.3.2. Borrowing from Kreditanstalt für Wiederaufbau ("KfW")

On March 26, 2019 the Company entered into a loan agreement with KfW for an amount of USD 56 million in relation to the acquisition of two gas turbines, equipment and related services relating to the Luján de Cuyo project described in Note 18.7.

In accordance with the terms of the agreement, the loan accrues an interest equal to LIBOR plus 1.15% and it is amortizable quarterly in 47 equal and consecutive installments as from the day falling six months after the commissioning of the gas turbines and equipment.

Pursuant to the loan agreement, among other obligations, CPSA has agreed to maintain a debt ratio of (a) as at December 31, 2021 of no more than 4.00:1.00 and (b) as from that date, no more than 3.5:1.00. As at December 31, 2021, the Company has complied with that requirement.

During 2019 the disbursements for this loan were fully received for a total amount of USD 55.2 million.

As at December 31, 2021 and 2020, the balance of this loan amounts to 3,692,829 and 5,292,783, respectively.

10.3.3. Loan from Citibank N.A., JP Morgan Chase Bank N.A. and Morgan Stanley Senior Funding INC.

On September 12, 2019, the Company entered into a loan agreement with Citibank N.A., JP Morgan Chase Bank N.A. and Morgan Stanley Senior Funding INC. for USD 180 million to fund the acquisition of the Thermal Station Brigadier López.

Pursuant to the agreement, this loan accrues an adjustable interest rate based on LIBOR plus a margin.

Pursuant to the loan agreement, among other obligations, CPSA has agreed to maintain (i) a debt ratio of no more than 2.25:1.00; (ii) an interest coverage ratio of no more than 3.50:1.00 and (iii) and a minimum equity of USD 500 million. As at December 31, 2021, the Company has complied with such obligations.

On June 14, 2019 the loan funds were fully disbursed.

As mentioned in Note 20, on September 15, 2020, BCRA issued Communication "A" 7106, which established certain access restrictions to the foreign exchange market for the repayment of the financial debt in which it allows payment of up to 40% of installments higher than USD 1 million becoming due between October 15, 2020 and March 31, 2021, establishing that a refinancing plan should be submitted for the outstanding amounts, which shall fulfill certain conditions established in the regulation, such as that repayment must have an average life higher than 2 years. This way, the loan installments becoming due between December 2020 and March 2021 were under the scope of the provisions of such regulation.

On December 22, 2020, the Company signed an amendment to the loan, modifying, among others, the amortization schedule so as to comply with the requirements established by Communication "A" 7106, partially postponing installments becoming due in December 2020 and March 2021, extending the final payment term to June 2023, including monthly amortizations as from January 2021 until January 2022, and keeping the amortizations in the initial schedule for June, September and December 2021, each of them equal to 20% of capital. In December 2020, 40% of the installment for such month was paid, complying with the regulations in force and the abovementioned amendment. Amongst others, the amendment involves a two basic points increase in the interest rates as from December 12, 2020.

Other changes derived from the amendment include: a limitation to make dividends payment during 2021, and a USD 25 million maximum allowed for 2022. Moreover, a collateral agreement was signed, which includes the pledge on turbines of Brigadier López Thermal Station, a mortgage on the land in which such power station is located and a LVFDV passive collection collateral assignment.

On June 15, 2021, the Company signed a new amendment, in accordance with Communication "A" 7230 issued by BCRA, as described in Note 20, which changed the amortization schedule, rescheduling 60% of installments, whose original maturity date operated in June, September and December 2021, and extending the loan's final term up to January 2024. The schedule in force, which includes this amendment and the one dated December 22, 2020, foresees monthly amortizations until January 2022, one amortization in June 2023 for the amount of USD 34.128 million and the last amortization in January 2024 for the amount of USD 55.1 million. Moreover, the financial commitments and obligations undertaken in the first amendment are kept.

This new amendment also implied a 125 basic-point increase in the applicable interest rate as from June 12, 2021 and the dividend payment restriction was maintained until 2021, as well as the USD 25 million limitation for 2022. During 2023, the highest dividend payment allowed is USD 20 million.

As of the date of these financial statements, all payments established in the schedule resulting from the amendments subscribed have been made.

As at December 31, 2021 and 2020, the balance of the loan amounts to 9,210,848 and 20,861,406, respectively.

10.3.4. Loan from the IFC to the subsidiary Vientos La Genoveva S.A.U.

On June 21, 2019, Vientos La Genoveva S.A.U., a CPSA subsidiary, entered into a loan agreement with IFC on its own behalf, as Eligible Hedge Provider and as an implementation entity of the Managed Co-Lending Portfolio Program (MCPP) administered by IFC, for an amount of USD 76.1 million.

Pursuant to the terms of the agreement subscribed with Vientos La Genoveva S.A.U., this loan accrues an interest rate equal to LIBOR plus 6.50% and it is amortizable quarterly in 55 installments as from November 15, 2020.

Other related agreements and documents, such as the Guarantee and Sponsor Support Agreement (the "Guarantee Agreement" by which CPSA completely, unconditionally and irrevocably guarantees, as the main debtor, all payment obligations undertaken by Vientos La Genoveva S.A.U until the project reaches the commercial operations date) hedging agreements, guarantee trusts, guarantee agreements on shares, guarantee agreements on wind turbines, direct agreements and promissory notes have been signed.

Pursuant to the Guarantee Agreement, among other customary covenants for this type of facilities, CPSA has committed, until the project completion date, to maintain (i) a leverage ratio of not more than 3.5:1.00; and (ii) an interest coverage ratio of not less than 2.00:1.00. In addition, CPSA, upon certain conditions, agreed to make certain equity contributions to Vientos La Genoveva S.A.U.

As of December 31, 2021, the Group has met the requirements described in (i) and (ii) above.

Under the subscribed trust guarantee agreement, as at December 31, 2021 and 2020, there are trade receivables with specific assignment for the amounts of 381,792 and 117,674, respectively.

On November 22, 2019 the loan funds were fully disbursed. As at December 31, 2021 and 2020, the balance of the loan amounts to 7,098,081 and 9,256,361, respectively.

10.3.5. Loan from Banco de Galicia y Buenos Aires S.A. to CPR Energy Solutions S.A.U.

On May 24, 2019, CPR Energy Solutions S.A.U. (subsidiary of CPR) entered into a loan agreement with Banco de Galicia y Buenos Aires S.A. for an amount of USD 12.5 million to fund the construction of the wind farm "La Castellana II".

According to the executed agreement, this loan accrues a fixed interest rate equal to 8.5% during the first year and it is amortizable quarterly in 25 installments as from May 24, 2020.

Other agreements and related documents, like the Collateral (in which CPSA totally, unconditionally and irrevocably guarantees, as main debtor, all the payment obligations assumed by CPR Energy Solutions S.A.U. until total fulfillment of the guaranteed obligations or until the project reaches the commercial operation date, what it happens first) -, guarantee agreements on shares, guarantee agreements on wind turbines, promissory notes and other agreements have been executed.

Pursuant to the Collateral, among other obligations, CPSA has agreed to maintain a debt ratio of no more than 3.75:1.00 until the date of completion of the project. In addition, CPSA, under certain conditions, agreed to make capital contributions, directly or indirectly, to subsidiary CPR Energy Solutions S.A.U. Moreover, CPSA has agreed to maintain, unless otherwise consented to in writing by the lender, the ownership (directly or indirectly) and control over CPR Energy Solutions S.A.U. As of September 3, 2021, CPR Energy Solutions S.A.U. has fulfilled all the requirements and conditions to prove the occurrence of the project's compliance date. As a result, the Collateral posted by the Company was released and CPSA is not subject any more to the obligations previously described.

On May 24, 2019 the loan funds were fully disbursed. As at December 31, 2021 and 2020, the balance of this loan amounts to 942,876 and 1,379,566, respectively.

10.3.6. Loan from Banco Galicia y Buenos Aires S.A. to subsidiary Vientos La Genoveva II S.A.U.

On July 23, 2019, subsidiary Vientos La Genoveva II S.A.U. entered into a loan agreement with Banco de Galicia y Buenos Aires S.A. for an amount of USD 37.5 million.

According to the executed agreement, this loan accrues LIBOR plus 5.95% and it is amortizable quarterly in 26 installments starting on the ninth calendar month counted from the disbursement date.

Other agreements and related documents, like the Collateral (in which CPSA totally, unconditionally and irrevocably guarantees, as main debtor, all the payment obligations assumed by Vientos La Genoveva II S.A.U. until total fulfillment of the guaranteed obligations or until the project reaches the commercial operation date, what it happens first) -, guarantee agreements on shares, guarantee agreements on wind turbines, direct agreements and promissory notes have been signed.

Pursuant to the Collateral, among other obligations, CPSA has agreed, until the project termination date, to maintain a debt ratio of no more than 3.75:1.00. Moreover, CPSA, under certain conditions, agreed to make capital contributions to subsidiary Vientos La Genoveva II S.A.U. Moreover, CPSA has agreed to maintain, unless otherwise consented to in writing by the lender, the ownership (directly or indirectly) and control over Vientos La Genoveva II S.A.U. As of September 3, 2021, Vientos La Genoveva II S.A.U. has fulfilled all the requirements and conditions to prove the occurrence of the project's compliance date. As a result, the Collateral posted by the Company was released and CPSA is not subject any more to the obligations previously described.

On July 23, 2019, the loan funds were fully disbursed. As of December 31, 2021 and 2020, the balance of this loan amounts to 2,732,657 and 4,092,314, respectively.

10.3.7. Financial trust corresponding to Thermal Station Brigadier López

Within the framework of the acquisition of Thermal Station Brigadier López, the Company assumed the capacity of trustor in the financial trust previously entered into by Integración Energética Argentina S.A., which was the previous owner of the thermal station. The financial debt balance at the transfer date of the thermal station was USD 154,662,725.

According to the provisions of the trust agreement, the financial debt accrues an interest rate equal to the LIBO rate plus 5% or equal to 6.25%, whichever is higher, and it is monthly amortizable. As of December 31, 2021, 8 installments are to be amortized and the financial debt balance amounts to 3,295,153. As of December 31, 2020, the balance of this loan amounted to 10,373,450.

Under the subscribed trust guarantee agreement, as at December 31, 2021 and 2020, there are trade receivables with specific assignment for the amounts of 884,757 and 595,777, respectively.

10.3.8. CP Manque S.AU. and CP Los Olivos S.A.U. Program of Corporate Bonds

On August 26, 2020, under Resolution No. RESFC-2020 - 20767 - APN.DIR#CNVM, the public offering of the Global Program for the Co-Issuance of Simple Corporate Bonds (not convertible into shares) by CP Manque S.A.U. and CP Los Olivos S.A.U. (both subsidiaries of CPR, and together the "Co-issuers") for the amount of up to USD 80,000,000 was authorized. By virtue of such program, the Co-Issuers may issue corporate bonds, of different class and/or series, that may qualify as social, green and sustainable marketable securities under the criteria established by CNV in that regard.

Within the framework of the mentioned program, on September 2, 2020, Corporate Bonds Class I were issued for an amount of USD 35,160,000 at a fix 0% interest rate expiring on September 2, 2023; and Corporate Bonds Class II were issued for 1,109,925 at a variable interest rate equivalent to BADLAR, plus an applicable margin of 0.97% expiring on September 2, 2021. After such maturity date, Corporate Bonds Class II were fully paid.

On June 24, 2020, the Board of Directors of CPSA decided to guarantee unconditionally the co-emission of corporate bonds of its subsidiaries CP Manque S.A.U. and CP Los Olivos S.A.U. (the "Guarantee"). The Guarantee is an obligation with a common guarantee, not subordinated and unconditional. And, it shall have, at all times, the same priority rank regarding the non-guaranteed and unsubordinated obligations, present and future, of the Company. The Guarantee was instrumented through the signature of the Company in its capacity as co-signer of the permanent global certificates deposited in Caja de Valores S.A., in which the Corporate Bonds Class I and Corporate Bonds Class II of CP Manque S.AU. and CP Los Olivos S.AU. are represented.

10.3.9. CPSA Notes Program

On July 31, 2020, the Special Shareholders' Meeting of the Company approved the creation of a new global issuance program of corporate bonds for a maximum amount of up to USD 500,000,000 (or its equivalent in other currency), which shall be issued at short, mid or long term, simple, not convertible into shares, under the terms of the Corporate Bonds Act (the "Program"). Moreover, the Board of Directors was granted the powers to determine and establish the conditions of the Program and of the corporate bonds to be issued under it provided they had not been expressly determined at the Shareholders' Meeting. On October 29, 2020, CNV approved the creation of such program, which shall expire on October 29, 2025, in accordance with the regulations in force.

The information on the Group's objectives and financial risk management policies is included in Note 17.

10.4. Changes in liabilities arising from financing activities

	01-01-2021	Payments	Non-cash transactions	Disbursements	Other	12-31-2020
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Non-current liabilities						
Loans and borrowings	46,557,746	-	(20,933,241)	-	10,557,738	36,182,243
Current liabilities						
Loans and borrowings	30,376,190	(20,287,515)	(5,034,969)	195,259	1,565,438	6,814,403

	01-01-2020	Payments	Non-cash transactions	Disbursements	Other	12-31-2019
	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000	ARS 000
Non-current liabilities						
Loans and borrowings	63,060,153	-	(31,371,546)	4,304,831	10,564,308	46,557,746
Current liabilities						
Loans and borrowings	16,492,633	(9,508,076)	(14,051,705)	1,836,439	35,606,899	30,376,190

The "Non-cash transactions" column includes the income (loss) for exposure to change in purchasing power of currency (Income (loss) on net monetary position), which amounted to 25,968,210 and 45,423,251 as of December 31, 2021 and 2020, respectively. The "Other" column includes the effect of reclassification of noncurrent portion to current due to the passage of time, the foreign exchange movement and the effect of accrued but not yet paid interest. The Group classifies interest paid as cash flows from financing activities.

10.5. Quantitative and qualitative information on fair values

Information on the fair value of financial assets and liabilities by category

The following tables is a comparison by category of the carrying amounts and the relevant fair values of financial assets and liabilities.

	Carrying amount		Fair value	
	2021	2020	2021	2020
	ARS 000	ARS 000	ARS 000	ARS 000
Financial assets				
Trade and other receivables	53,181,233	72,655,970	53,181,233	72,655,970
Other financial assets	19,839,795	21,247,011	19,839,795	21,247,011
Cash and cash equivalents	281,728	420,668	281,728	420,668
Total	**73,302,756**	**94,323,649**	**73,302,756**	**94,323,649**
Financial liabilities				
Loans and borrowings	42,996,646	76,933,936	42,996,646	76,933,936
Total	**42,996,646**	**76,933,936**	**42,996,646**	**76,933,936**

Valuation techniques

The fair value reported in connection with the abovementioned financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Management assessed that the fair values of current trade receivables and current loans and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Group measures long-terms receivables at fixed and variable rates based on discounted cash flows. The valuation requires that the Group adopt certain assumptions such as interest rates, specific risk factors of each transaction and the creditworthiness of the customer.

Fair value of quoted debt securities, mutual funds, stocks and corporate bonds is based on price quotations at the end of each reporting period.

The fair value of the foreign currency forward contracts is calculated based on appropriate valuation techniques that use market observable data.

Fair value hierarchy

The following tables provides, by level within the fair value measurement hierarchy, the Company's financial assets, that were measured at fair value on recurring basis as of December 31, 2021 and 2020:

	Fair value measurement using:			
12-31-2021	**Total**	**Level 1**	**Level 2**	**Level 3**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**
Assets measured at fair value				
Financial assets at fair value through profit or loss				
Mutual funds	851,698	851,698	-	-
Public debt securities	18,221,831	18,221,831	-	-
Stocks and corporate bonds	766,266	766,266	-	-
Total financial assets measured at fair value	**19,839,795**	**19,839,795**	**-**	**-**
Liabilities measured at fair value				
Derivative financial liabilities not designated as hedging instruments				
Interest rate swap	538,373	-	538,373	-
Stock options	311,961	311,961	-	-
Total financial liabilities measured at fair value	**850,334**	**311,961**	**538,373**	**-**

	Fair value measurement using:			
12-31-2020	**Total**	**Level 1**	**Level 2**	**Level 3**
	ARS 000	**ARS 000**	**ARS 000**	**ARS 000**
Assets measured at fair value				
Financial assets at fair value through profit or loss			-	-
Mutual funds	1,191,369	1,191,369	-	-
Public debt securities	18,334,487	18,334,487		
Stocks and corporate bonds	1,721,155	1,721,155	-	-
Total financial assets measured at fair value	**21,247,011**	**21,247,011**	**-**	**-**
Liabilities measured at fair value				
Derivative financial liabilities not designated as hedging instruments				
Interest rate swap	1,422,196	-	1,422,196	-
Stock options	436,184	436,184	-	-
Total financial liabilities measured at fair value	**1,858,380**	**436,184**	**1,422,196**	**-**

There were no transfers between hierarchies and there were not significant variations in assets values.

The information on the Group's objectives and financial risk management policies is included in Note 17, of these financial statements.

11. Non-financial assets and liabilities

11.1. Other non-financial assets

	2021 ARS 000	2020 ARS 000
Non-current:		
Tax credits	62,648	432,172
Income tax credits	277,067	291,743
Prepayments to vendors	4,511	6,809
	344,226	730,724
Current:		
Upfront payments of inventories purchases	73,361	178,664
Prepayment insurance	1,144,494	176,076
Tax credits	1,085,901	949,785
Other	49,536	54,492
	2,353,292	1,359,017

11.2. Other non-financial liabilities

	2021 ARS 000	2020 ARS 000
Non-current:		
VAT payable	5,220,955	7,663,981
Tax on bank account transactions payable	196,041	266,948
	5,416,996	7,930,929
Current:		
VAT payable	3,029,875	2,832,205
Turnover tax payable	30,237	81,275
Income tax withholdings payable	57,982	60,052
Concession fees and royalties	43,447	94,969
Tax on bank account transactions payable	161,580	326,007
Other	34,511	3,487
	3,357,632	3,397,995

11.3. Compensation and employee benefits liabilities

	2021 ARS 000	2020 ARS 000
Non-current:		
Employee long-term benefits	341,835	474,880
Current:		
Employee long-term benefits	129,593	-
Vacation and statutory bonus	630,962	623,845
Contributions payable	194,114	194,777
Bonus accrual	620,156	671,793
Other	57,357	47,558
	1,632,182	1,537,973

The following tables summarize the components of net benefit expense recognized in the consolidated statement of income as long-term employee benefit plans and the changes in the long-term employee benefit liabilities recognized in the consolidated statement of financial position.

	2021 ARS 000	2020 ARS 000
Benefit plan expenses		
Cost of interest	35,443	34,711
Cost of service for the current year	206,695	150,484
Expense recognized during the year	**242,138**	**185,195**
Defined benefit obligation at beginning of year	**474,880**	**471,152**
Cost of interest	180,089	133,155
Cost of service for the current year	30,880	30,712
Actuarial gains	(387)	(11,277)
Benefits paid	(53,767)	(23,787)
Decrease due to gain on net monetary position	(160,267)	(125,075)
Defined benefit obligation at end of year	**471,428**	**474,880**

The main key assumptions used to determine the obligations as of year-end are as follows:

Main key assumptions used	2021	2020
Discount rate	5.50%	5.50%
Increase in the real annual salary	2.00%	2.00%
Turn over of participants	0.73%	0.73%

A o
ne percentage point change in the discount rate applied would have the following effect:

	Increase ARS 000	Decrease ARS 000
Effect on the benefit obligation as of the 2021 year-end	(36,376)	42,671
Effect on the benefit obligation as of the 2020 year-end	(37,364)	43,932

A one percentage point change in the annual salary assumed would have the following effect:

	Increase ARS 000	Decrease ARS 000
Effect on the benefit obligation as of the 2021 year-end	39,692	(34,463)
Effect on the benefit obligation as of the 2020 year-end	40,928	(35,452)

As of December 31, 2021 and 2020, the Group had no assets in connection with employee benefit plans.

12. Intangible assets

Concession right of Piedra del Águila hydroelectric power plant

Includes the amounts paid as consideration for rights relating to the concession of Piedra del Águila hydroelectric power plant awarded by the Argentine government for a 30-year term, until December 29, 2023. The Group amortizes such intangible asset based on straight-line basis over the remaining life of the concession agreement.

For a concession arrangement to fall within the scope of IFRIC 12, usage of the infrastructure must be controlled by the concession grantor. This requirement is met when the following two conditions are met:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and

- the grantor controls the infrastructure, i.e., retains the right to take back the infrastructure at the end of the concession.

Upon Resolution 95 passed by Argentine government our concession right of Piedra del Águila hydroelectric power plant met both conditions above.

The main features of the concession contract are as follows:

Control and regulation of prices by concession grantor: Pricing schedule approved by grantor;

Remuneration paid by: CAMMESA;

Grant or guarantee from concession grantor: None;

Residual value: Infrastructure returned to grantor for no consideration at end of concession;

Concession end date: December 29, 2023;

IFRIC 12 accounting model: Intangible asset.

Fees and royalties: the Intergovernmental Basin Authority is entitled to a fee of 2.5% of the plant's revenues, and the provinces of Rio Negro and Neuquén are entitled to royalties of 12% of such revenues. For the years ended December 31, 2021 and 2020, the fees and royalties amounted 384,896 and 676,828, respectively and they were shown in operating expenses in the consolidated statement of income.

Contractual capital investment obligations and obligations relating to maintenance expenditure on infrastructure under concession are nominal.

Transmission lines of wind farms Achiras and La Castellana

The Group finished the construction of wind farms La Castellana and Achiras, whereby it was agreed to construct high and medium tension lines and the electrical substation to connect the wind farms to SADI, a part of which were given to the companies transporting the energy in accordance with the respective contracts; therefore, such companies are in charge of the maintenance of such transferred installations. Consequently, the Group recognized intangible assets for the works related to the construction of the described equipments.

Electrical substation of wind farms La Genoveva and La Genoveva II

The Group finished the construction of wind farm La Genoveva II, whereby the Group agreed to build the electrical substation that feeds the connection of the wind farm to the SADI, a part of which were given to the company transporting the energy; therefore, such company is in charge of the maintenance of such transferred installations. Consequently, the Group recognized an intangible asset for the works related to the construction of the described equipments.

Turbogas and turbosteam supply agreements for Thermal Station Brigadier López

During fiscal year 2019, as a result of the business combination corresponding to the acquisition of the Thermal Station Brigadier López, the Group recognized an intangible asset related to turbogas and turbosteam supply agreements entered into with CAMMESA regarding Thermal Station Brigadier López.

13. Cash and short-term deposits

For the purpose of the consolidated statement of financial position and the consolidated statement of cash flow, cash and short-term deposits comprise the following items:

	2021 ARS 000	2020 ARS 000
Cash at banks and on hand	281,728	420,668

Bank balances accrue interest at variable rates based on the bank deposits daily rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective fixed short-term deposit rates.

14. Equity reserves

On April 30, 2020, the Shareholders' Meeting of the Company approved to increase the legal reserve in the amount of 905,073 and to allocate the remaining unappropriated earnings as of December 31, 2019 to increase the voluntary reserve by 18,698,031.

On April 30, 2021, the Shareholders' Meeting of the Company approved to increase the legal reserve in the amount of 520,139 and to allocate the remaining unappropriated earnings as of December 31, 2020 to increase the voluntary reserve by 9,882,639.

15. Provisions and contingent liabilities

The evolution of provisions included in liabilities is disclosed in Exhibit E.

16. Information on related parties

The following table provides the transactions performed and the accounts payable to/receivable from related parties as of December 31, 2021 and 2020:

		Income	Expenses	Receivables	Payables
		ARS 000	ARS 000	ARS 000	ARS 000
Associates:					
Termoeléctrica José de San Martín S.A.	12-31-2021	577	-	50	-
	12-31-2020	853	-	72	-
Distribuidora de Gas Cuyana S.A.	12-31-2021	-	558,323	-	70,880
	12-31-2020	-	559,883	-	41,749
Energía Sudamericana S.A.	12-31-2021	-	-	-	548
	12-31-2020	-	-	-	827
Related companies:					
RMPE Asociados S.A.	12-31-2021	297	848,040	-	-
	12-31-2020	383	821,746	-	-
Coyserv S.A.	12-31-2021	-	-	-	-
	12-31-2020	-	4,466	-	-
Total	12-31-2021	**874**	**1,406,363**	**50**	**71,428**
	12-31-2020	**1,236**	**1,386,095**	**72**	**42,576**

Balances and transactions with shareholders

As at December 31, 2021 and 2020, there is a balance with shareholders of 382,678 and 274,288, respectively, corresponding to the personal property tax entered by the Company under the substitute decision maker scheme.

On June 24, 2020, the Board of Directors of the Company authorized the purchase of 30% of the capital stock of the subsidiary CP Renovables S.A. to its minority shareholder, representing 993,993,952 shares, at a value of US Dollars 0.034418 per share, which was completely paid through the transfer of financial assets. Based on the Audit Committee’s report, the Board of the Company determined that such transaction is an arm´s length transaction.

This transaction was accounted for as a transaction with non-controlling interest in accordance with IFRS 10. Consequently, the difference of 2,967,736 between the book value of the non-controlling interest at the transaction date and the fair value of the consideration paid was directly recognized in equity and attributed to holders of the parent.

This way, the Group’s interest in the subsidiary CP Renovables S.A. amounts to 100% of the capital stock as at December 31, 2021.

Terms and conditions of transactions with related parties

Balances at the related reporting period-ends are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables.

For the years ended December 31, 2021 and 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at the end of each reporting period by examining the financial position of the related party and the market in which the related party operates.

17. Financial risk management objectives and policies

– Interest rate risk

Interest rate variations affect the value of assets and liabilities accruing a fixed interest rate, as well as the flow of financial assets and liabilities with floating interest rates.

The Company´s risk administration policy is defined for the purposes of reducing the effect of the purchasing power loss. Net monetary positions during first part of year 2021 were liabilities. Therefore, the Company was not exposed to the purchasing power loss risk. Since last quarter of fiscal year 2021 net monetary positions have been assets; hence, during such period the Company sought to mitigate the risk by implementing adjustment mechanisms through interest and exchange differences. On the other hand, during most of 2020, net monetary positions were liabilities; therefore, the Company was not exposed to the purchasing power loss risk. During 2021, item "Gain / (loss) on net monetary position” registered a net loss due to inflation-exposure of monetary items; while in 2020, item "Gain (loss) on net monetary position" registered a net income due to inflation-exposure of monetary items.

Interest rate sensitivity

The following table shows the sensitivity of income before income tax for the year ended December 31, 2021, to a reasonably possible change in interest rates over the portion of loans bearing interest at a variable interest rate, with all other variables held constant:

Increase in percentage	**Effect on income before income tax (Loss)**
	ARS 000
5%	(1,974,646)

– Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to the foreign currency risk at an ARS/USD ratio, mainly due to its operating activities, the investment projects defined by the Company and the financial debt related to the bank loans mentioned in Note 10.3. The Company does not use derivative financial instruments to hedge such risk. However, as of December 31, 2021, the Company has receivables, other financial assets and cash and short-term deposits in foreign currency for USD 496.588 thousands, which exceed existing liabilities in foreign currency amounting to USD 442.487 thousands as of such date.

Foreign currency sensitivity

The following table shows the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of income before income tax as of December 31, 2021 (due to changes in the fair value of monetary assets and liabilities).

Change in USD rate	**Effect on income before income tax (Income)**
	ARS 000
10%	554,646

– Price risk

The Company’s revenues depend on the electric power price in the spot market and the production cost paid by CAMMESA. The Company has no power to set prices in the market where it operates, except for the income from agreements entered into in the Term Market, where the price risk is reduced since normally prices are negotiated above the spot market price.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including holdings of government securities.

– Trade and other receivables

The Finance Department is in charge of managing customer credit risk subject to policies, procedures and controls relating to the Group's credit risk management. Customer receivables are regularly monitored. Although the Group has received no guarantees, it is entitled to request interruption of electric power flow if customers fail to comply with their credit obligations. In regards to credit concentration, see Note 10.1. The need to book impairment is analyzed at the end of each reporting period on an individual basis for major clients. The allowance recorded as of December 31, 2021, is deemed sufficient to cover the potential impairment in the value of trade receivables.

– Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with corporate policy. Investments of surplus funds are made only with approved counterparties; in this case, the risk is limited because high-credit-rating banks are involved.

– Public and corporate securities

This risk is managed by the Company's finance management according to corporate policies, whereby these types of investments may only be made in first-class companies and in instruments issued by the federal or provincial governments.

Liquidity risk

The Group manages its liquidity to guarantee the funds required to support its business strategy. Short-term financing needs related to seasonal increases in working capital are covered through short-and medium-term bank credit lines.

The table below summarizes the maturity profile of the Company's financial liabilities.

	Less than 3 months ARS 000	3 to 12 months ARS 000	More than a year ARS 000	Total ARS 000
As of December 31, 2021				
Loans and borrowings	311,961	6,502,442	36,182,243	42,996,646
Trade and other payables	2,721,562	-	-	2,721,562
	3,033,523	6,502,442	36,182,243	45,718,208
As of December 31, 2020				
Loans and borrowings	6,807,951	23,568,239	46,557,746	76,933,936
Trade and other payables	3,842,213	-	-	3,842,213
	10,650,164	23,568,239	46,557,746	80,776,149

Granted and received guarantees

The Group has posted a bank bond to cover the obligations undertaken under the Concession Agreement of Complejo Hidroeléctrica Piedra del Águila for 13,801.

On March 19, 2009, the Group entered into a pledge agreement with the former Secretariat of Energy to secure its obligations in favor of FONINVEMEM trusts by virtue of the operation and maintenance agreement of the Timbúes and Manuel Belgrano power stations, by which it pledged as a collateral 100% of the shares in TSM and TMB.

Likewise, the Group entered into various guarantee agreements to provide performance assurance of its obligations arising from the agreements described in Notes 1.2.a), 10.3.1, 10.3.3, 10.3.4, 10.3.8, 10.3.9 and 18.6.

18. Contracts, acquisitions and agreements

18.1. Maintenance and service contracts

The Group entered into long-term service agreements executed with leading global companies in the construction and maintenance of thermal generation plants, such as (i) General Electric, which is in charge of the maintenance of the Nuevo Puerto Combined Cycle plant, and part of the Mendoza based units, and (ii) Siemens, which is in charge of the maintenance of the combined cycle unit based in Mendoza site, the Thermal Station Brigadier López and Luján de Cuyo and Terminal 6 San Lorenzo cogeneration units.

Under long-term service agreements, suppliers provide materials, spare parts, labor and on-site engineering guidance in connection with scheduled maintenance activities, in accordance with the applicable technical recommendations.

18.2. Agreement for supplying electricity and steam to YPF

As from January 1999 and for a 20-year term, our Luján de Cuyo plant supplies 150 tons per hour of steam to YPF's refinery in Luján de Cuyo under a steam supply agreement. Under this agreement YPF supplies the Luján de Cuyo plant with the fuel and water needed for operation of the plant.

On February 8, 2018, we signed an agreement to extend the aforementioned agreement with YPF for a period of up to 24 months or up to the start of commercial operation of the new Luján de Cuyo co-generation unit, which is described in Note 18.7, whatever occurs first. This way, this agreement was valid up to September 24, 2019 since the new cogeneration commenced supplying steam to YPF on September 25, 2019, the new steam agreement entering into force on October 5, 2019.

18.3. Acquisition of Siemens gas turbine

On December 18, 2014, the Company acquired from Siemens a gas turbine for electric power generation composed by a turbine and a generator with 286 MW output power, and the proper ancillary equipment and maintenance and assistance services. This equipment will be used in the cogeneration project called "Terminal 6 San Lorenzo", which is described in Note 18.7.

18.4. Acquisition of General Electric gas turbine

On March 13th, 2015, the Company acquired a gas turbine from General Electric and hired their specialized technical support services. The unit is a gas turbine with 373 MW output power.

18.5. Acquisition of two Siemens gas turbines

On May 27th, 2016, the Company acquired from Siemens two gas turbines for electric power generation composed by a turbine and a generator with 298 MW output power, and the proper ancillary equipment and maintenance and assistance services.

During September 2021, the Company sold such equipment to UNIPER KRAFTWERKE GMBH and UNIPER HUNGARY Kft. for the amount of USD 33,750,000.

18.6. Renewable Energy generation farms

In 2017 the Group entered into a power purchase agreement with CAMMESA for La Castellana and Achiras wind farms for a 20-year term as from the launch of the commercial operations. Likewise, during 2018 the Group entered into a power purchase agreement with CAMMESA for La Genoveva wind farm for a 20-year term as from the launch of the commercial operations.

Regarding wind farm La Castellana II, the Group entered into supply agreements with Rayen Cura S.A.I.C. for a 7-year term and approximately 35,000 MWh/year volume, with Metrive S.A. for a 15-year term and 12,000 MWh/year volume, with N. Ferraris for a 10-year term and 6,500 MWh/year volume and with Banco de Galicia y Buenos Aires S.A. for a 10-year term to supply energy demand for approximately 4,700 MWh/year.

Regarding wind farm La Genoveva II, the Group entered into supply agreements with Aguas y Saneamiento S.A. (AYSA) for a 10-year term from the beginning of operations date of the wind farm and approximately 87.6 GWh/year volume, with PBB Polisur S.R.L. (Dow Chemical) for a term of 6 years and an estimated volume of 80 GWh/year, with Farm Frites for a 5-year term and 9.5 GWh/year volume and with BBVA for a 5-year term and 6 GWh/year volume.

Regarding wind farm Manque, the Group entered into a power purchase agreement with Cervecería y Maltería Quilmes SAICAyG ("Quilmes") for the wind farm Manque for a 20-year term as from the launch of the commercial operations and for an estimated volume of 235 GWh per year.

Regarding the wind farm Los Olivos, the Group entered into power purchase agreements with S.A. San Miguel A.G.I.C.I. y F., Minera Alumbrera Limited and SCANIA Argentina S.A.U. for a 10-year term as from the launch of commercial operations, to supply them 8.7 GWh/year, 27.4 GWh/year and 20.2 GWh/year, respectively.

Acquisition and operation of wind turbines

The Group has entered into agreements with Nordex Windpower S.A. for the operation and maintenance of Achiras and La Castellana wind farms for a 10-year term.

Moreover, the Group has entered into agreements with Vestas Argentina S.A. for the operation and maintenance of La Genoveva I, La Genoveva II, La Castellana II, Manque and Los Olivos wind farms for a 5-year term.

18.7. Awarding of co-generation projects

On September 25, 2017, the Company was awarded through Resolution SEE 820/2017 with two co-generation projects called "Terminal 6 San Lorenzo" with a capacity of 330 MW and Luján de Cuyo (within our Luján de Cuyo plant) with a capacity of 93 MW.

On January 4, 2018, the Company entered into power purchase agreements with CAMMESA for each of the mentioned projects for a 15-year term as from the launch of commercial operations. The Group has posted a guarantee for the fulfillment of the "Terminal 6 San Lorenzo" cogeneration project.

On December 15, 2017, we executed a new steam supply contract with YPF for a 15-year term that began when the new co-generation unit at our Luján de Cuyo plant started operations.

Also, on December 27, 2017, we entered into a steam supply agreement with T6 Industrial S.A. for the new co-generation unit at our Terminal 6 San Lorenzo plant for a 15 year-term counted as from the commencement of the cogeneration unit's commercial operations.

On October 5, 2019, the commercial operation of the new cogeneration unit Luján de Cuyo started. On November 21, 2020, the open cycle commercial operation of cogeneration unit Terminal 6 San Lorenzo started, while on August 15, 2021, the power station launched operations at combined cycle. On October 31, 2021, commencement of the cogeneration unit's commercial operations was completed as the steam supply agreement commenced.

18.8. Purchase of natural gas for generation

As accepted under Regulation SGE No. 70/2018 described in Note 1.2.d), the Company reinstated its activities towards purchasing natural gas as from late November 2018, in order to supply its generation stations. As from December 2018, all natural gas used by the Company was purchased to producers and distributors directly, as well as the transported associated to those consumptions. The Company's main natural gas providers were YPF, Tecpetrol, Total, Metroenergía and Pluspetrol, among others.

As from December 30, 2019, as stated in Note 1.2.d), the Ministry of Productive Development decided to centralize the purchase of fuel to generate electrical energy through CAMMESA, repealing Resolution No. 70/2018 of the former Secretariat of Energy. The scope of this new measure is for the WEM generation units that commercialize their energy and power in the spot market.

18.9. Acquisition of Thermal Station Brigadier López

In the context of a local and foreign public tender called by Integración Energética Argentina S.A. ("IEASA"), which has been awarded to the Company, on June 14, 2019 the transfer agreement of the production unit that is part of Brigadier López Thermal Station and of the premises on which the Station is located, was signed, including: a) production unit for the Station, which includes personal property, recordable personal property, facilities, machines, tools, spare parts, and other assets used for the Station operation and use; b) IEASA's contractual position in executed contracts (including turbogas and turbosteam supplying contracts with CAMMESA and the financial trust agreement signed by IEASA as trustor, among others); c) permits and authorizations in effect related to the Station operation; and d) the labor relationship with the transferred employees.

The Station currently has a Siemens gas turbine of 280.5 MW. According to the tender specifications and conditions, it is expected to supplement the gas turbine with a boiler and a steam turbine to reach the closing of the combined cycle, which will generate 420 MW in total.

The cycle closing works' finishing is pending.

19. Tax integral inflation adjustment

Pursuant to Law no. 27,468, modified by Law no. 27,430 as described in Note 21, to determine the amount of taxable net profits for fiscal years commencing January 1, 2019, the inflation adjustment calculated on the basis of the provisions set forth in the income tax law will have to be added to or deducted from the fiscal year's tax result. This adjustment will only be applicable (a) if the variance percentage of the consumers price index ("IPC") during the 36 months prior to fiscal year closing is higher than 100%, and (b) for the first, second, and third fiscal year as from January 1, 2018, if the accumulated IPC variance is higher than 55%, 30% or 15% of such 100%, respectively. The positive or negative tax inflation adjustment, depending on the case, corresponding to the first, second and third period commenced as from January 1, 2018, which must be calculated in case of verifying the statements on the foregoing paragraphs (a) y (b), shall be charged in a sixth for that fiscal period and the remaining five sixths, equally, in the immediately following fiscal periods.

At December 31, 2019 and during the following fiscal years, such conditions have been already met. Consequently, the current and deferred income tax have been booked in the fiscal year ended December 31, 2019 including the effects derived from the application of the tax inflation adjustment under the terms established by the income tax law.

20. Measures in the Argentine economy

Foreign exchange market

As from December 2019, the BCRA issued a series of communications whereby it extended indefinitely the regulations on Foreign Market and Foreign Exchange Market issued by BCRA that included regulations on exports, imports and previous authorization from BCRA to access the foreign exchange market to transfer profits and dividends abroad, as well as other restrictions on the operation in the foreign exchange market.

Particularly, as from September 16, 2020, Communication "A" 7106 established, among other measures referred to human persons, the need for refinancing the international financial indebtedness for those loans from the non-financial private sector with a creditor not being a related counterparty of the debtor expiring between October 15, 2020 and March 31, 2021. The affected legal entities were to submit before the Central Bank a refinancing plan under certain criteria: that the net amount for which the foreign exchange market was to be accessed in the original terms did not exceed 40% of the capital amount due for that period and that the remaining capital had been, as a minimum, refinanced with a new external indebtedness with an average life of 2 years. This point shall not be applicable when indebtedness is taken from international entities and official credit agencies, among others. On February 25, 2021, through Communication "A" 7230, BCRA broadened the regulation scope to all those debt installments higher than USD 2 million becoming due between April 1 and December 31, 2021. The effects of these regulations for the Company are described in Note 10.3.3.

On July 10, 2021, new measures issued by BCRA and CNV were released. These measures established additional restrictions to the operations in the foreign exchange market, which include the following:

- The 90-day term established by Communication A "7030", whereby to access the foreign exchange market an affidavit on the non-performance of "liquidation cash" operations in the preceding and following 90 days must be submitted, will apply not only to operations expressed as securities sale with foreign currency liquidation or as securities transferences to entities depositing abroad, but also to the securities in exchange of other foreign assets as from July 12, 2021.

- The 90-day term will apply not only to the operations performed by the company accessing the foreign exchange market, but also in the case in which the company delivers Argentine Ps. or liquidated local assets to a direct controlling shareholder as from July 12, 201, except in those directly associated to usual operations of goods and/or services acquisition.

Income Tax

On June 16, 2021, the Argentine Executive Power passed Law No. 27630, which established changes in the corporate income tax rate for the fiscal periods commencing as from January 1, 2021. Such law establishes payment of the tax based on a structure of staggered rates regarding the level of accumulated taxable net income. The scale consists of three segments: 25% up to an accumulated taxable net income of 5 million Ps.; 30% for the excess of such amount up to 50 million Ps.; and 35% for the excess of such amount. The estimated amounts in this scale will be annually adjusted as from January 1, 2022, considering the annual variation of the consumer price index provided by the INDEC corresponding to October of the year prior to the adjustment compared with the same month of the previous year.

21. Restrictions on income distribution

Pursuant to the General Legal Entities Law and the Bylaws, 5% of the profits made during the fiscal year must be assigned to the statutory reserve until such reserve reaches 20% of the Company's Capital Stock.

Within the framework of the amendment to the loan agreement with Citibank N.A., JP Morgan Chase Bank N.A. and Morgan Stanley Senior Funding INC described in Note 10.3.3, there is a restriction for the payment of dividends until 80% of the loan's principal and interests are paid. Thus, during 2021 no dividends could be paid while during 2022 and 2023 dividends can be paid up to USD 25 million and USD 20 million, respectively.

22. COVID-19

On March 11, 2020, the World Health Organization characterized the COVID-19 as a pandemic. Hence, several measures have been undertaken by the Argentine government and other governments around the globe in order to control the outbreak of this contagious disease.

In this regard, on March 20, 2020 the Argentine Government issued Decree No. 297/2020 establishing a preventive and mandatory social isolation policy ("the Quarantine" or "ASPO" -for its acronym in Spanish-, indistinctly) as a public health measure to contain the effects of the COVID-19 outbreak. Such decree established that persons must refrain from going to their workplaces, and may not travel along routes, roads or public spaces. As from the adoption of the Quarantine, the government has extended it in many opportunities and it has ordered the preventive and mandatory social distancing ("DISPO" -for its acronym in Spanish-). Subsequently, the Argentine Executive Power ordered the "General Prevention Measures". The last one of these measures was issued through Decree No. 678/2021 published in the Official Gazette on October 1, 2021 and it was in force until December 31, 2021. As of the date of these financial statements, the Health Emergency established originally by Decree No. 260/2020, and extended until December 31, 2022 by Decree No. 867/2021, is in effect.

Moreover, as an additional measure to control the virus in Argentina, restrictions were imposed on the entering of people to the country and on international flights several times since the beginning of the pandemic.

On the other hand, since late 2020, the vaccination campaign to prevent COVID-19 has commenced in Argentina.

Pursuant to Decree 297/2020, minimum shifts ensuring the operation and maintenance of electric energy generators were exempted from the Quarantine. Furthermore, on April 7, 2020, pursuant to Administrative Decision 468/2020 issued by the Presidency of the Cabinet of Ministers, the construction of private sector energy infrastructure was included within the activities exempted from the ASPO.

Some of the main identified impacts that this crisis has and may have in the future for the Company are the following:

Operations - Power generation

- **Reduction in the electric energy dispatched.** Due to the Quarantine, most of the businesses in Argentina, especially in the industrial sector have experienced difficulties in their normal operations. At the beginnin|g of Quarantine the total electric energy demand had significantly declined, and even as of this date the demand has returned to values similar to the ones previous to the pandemic, this situation reduced the Group's generation of thermal power in such period and it could affect it in the future -but to a lower extent-, in particular our units with higher heat rate (less efficient).

- **Increased delays in payments and/or risk of uncollectability from the Group's private clients.** Despite the fact that CAMMESA is paying its obligations, the reduced economic activity due to the Quarantine also affected the cash flow of CAMMESA and the cash flow of our private clients. Even if as of this date the situation has considerably improved, there still exists the risk of delay in the payment of private clients and, therefore, the risk of uncollectability of private clients.

- **Personnel safeguard.** Multiple measures have been implemented to protect the health of all the personnel who work in the operation and maintenance of the generation units, as well as in the works that were carried out by the Group. Some of those measures include: a) the isolation of the teams that operate the Group's different units preventing contact between different teams, b) the avoidance of contact between personnel of different shifts, c) the use of extra protection, and additional sanitary measures, d) using virtual meetings, e) identify key personnel in order to have the necessary back up teams should a contingency arise, f) drafting and publication of health and safety plans and/or protocols both for the plants in operation and works in development. These measures have been effective to protect the Group's personnel, and at the date of these financial statements, a low contagion level has been registered within the Group's personnel.

- **Lack of necessary supplies/equipment, or delays in supplies.** The pandemic may also affect the provision of essential supplies. Although the provision of the necessary supplies is also considered an essential activity under the enacted emergency framework and usually a stock of spare parts is kept as backup, the Company cannot assure that the provision of the necessary supplies will not be affected. Furthermore, the measures taken by foreign countries in which some of the Group's supplies and spare parts are produced, may also affect the Group's stock of spare parts. Any delay in the provision of essential equipment or supplies may affect the Group's operations.

Projects under construction during the pandemic

COVID-19 outbreak has had an impact on the projects that were under construction. Therefore, there have been delays in the completion dates originally set.

Since the issuance of Administrative Decision 468/2020 abovementioned, the project construction activities were resumed. This required the implementation of health safety measures according to the requests established and recommended by health authorities. Regard being had to the foregoing, a procedure and a protocol were drafted, which have to be complied with by the personnel, contractors and subcontractors.

Regarding the Terminal 6-San Lorenzo thermal plant described in Note 18.7, once the aforementioned Administrative Decision 468/2020 was issued, construction was resumed on April 27, 2020. Additionally, as mentioned above, travel restrictions and national borders lockdown imposed by the government, among others, delayed the arrival of necessary personnel for the project, some of which were expected to arrive from countries affected by the outbreak. The Company notified CAMMESA and the Energy Secretariat on the situation and requested: (i) the suspension of agreement terms as from March 20, 2020 and until the situation is normalized, and (ii) the non-application of sanctions for the case in which the Company cannot comply with the committed dates on the Wholesale Demand Agreement entered into with CAMMESA mentioned in Note 18.7, so as to avoid possible sanctions stemming from a delay in the completion of the project due to unforeseen and inevitable reasons. In this sense, on June 10, 2020, the Secretariat of Energy ordered CAMMESA to temporarily suspend the calculation of the terms set forth for those projects that had not obtained the commercial authorization, among which the cogeneration station Terminal 6 - San Lorenzo is included, for a maximum postponement term of six months from March 12 to September 12, 2020. On July 15, 2020, the Company communicated the Secretariat of Energy, with copy to CAMMESA, that the temporary suspension of the terms was not sufficient to comply with the new terms under the Wholesale Demand Agreement since the numerous measures adopted due to COVID-19 generated a strong slowdown in all the activities related to the work of the cogeneration unit Terminal 6 - San Lorenzo. Dated September 10, 2020, the Undersecretariat of Electrical Energy granted a new suspension of the terms for the commercial authorization of the projects between September 12, 2020 and November 25, 2020, being subject to certain requirements to be fulfilled before CAMMESA. Then, CAMMESA granted a new extension for 45 days. This way, the calculation of periods had been suspended for a total of 294 days counted as from the originally committed date for the commercial authorization (September 1, 2020), this is to say until June 22, 2021. At the time, the Company requested CAMMESA and the Secretariat of Energy the extension of the commercial authorization of Terminal 6 - San Lorenzo project for additional 90 days. It is worth mentioning that on November 21, 2020, open cycle commercial operation had begun, while on August 15, 2021, the power station was authorized to operate commercially at combined cycle. On August 23, 2021, we received a note from CAMMESA whereby it informed that a penalty for USD 4,444,933 was established on the grounds of the delay on reaching the commercial authorization. The Company rejected such penalty. Finally, on January 27, 2022, the Secretariat of Energy issued Resolution No. 39/2022, which allowed for those generators with projects under the scope of Resolution No. 287/2017, that had not been authorized on the date established within the extensions of the previously granted term, to set a new date. Within this context, the Company stated August 15, 2021 as the new Commercial Authorization date of the project Terminal 6 San Lorenzo (effective completion date). Therefore, the application of the penalty previously mentioned is deemed invalid.

The effects of the COVID-19 crisis also pose challenges to the beginning of works for closing of the combined cycle at the Brigadier López plant, delaying the start of construction of such project, not only because of the restrictions to the construction mentioned above, but also due to lower energy demand and difficulties to obtain the necessary financing for projects in the current market situation.

In addition, the COVID-19 crisis may reduce the possibility of new projects that would enable the use of the gas turbine included under "Gas turbines" item within property, plant and equipment.

Access to Capital Markets

Due to the outbreak of COVID-19, access to the capital and financial markets in Argentina and/or in foreign markets was also substantially reduced. Although cash flow and liquidity of the Group is deemed sufficient to meet the working capital, debt service obligations and capital expenditure requirements, any further deterioration of the current economic situation may result in a deterioration of the Company´s finances, in a context of lack of access or substantial reduction of credit availability in the financial markets.

Natural gas distribution operating segment

The Covid-19 pandemic crisis may affect the natural gas distribution associate's income (ECOGAS Group). Although such economic activity was exempt from the Quarantine, the resulting economic downturn reduced the volumes distributed to the clients at the beginning of the Quarantine. Moreover, some measures adopted by the Argentine government to mitigate the effects of the Covid-19 outbreak in the economy could also affect ECOGAS Group financial performance. For example, the government has ruled a 180-day period, starting on March 1, 2020, where the suspension of the natural gas service was not permitted, upon certain circumstances and limited to certain users; that period was subsequently extended until March 31, 2021.

The Group will continue taking all the available measures to mitigate the effects that the Covid-19 pandemic crisis has on the operations, the projects undergoing and the Group´s financial position.

23. Subsequent events

No facts or operations occurred between the closing date of the fiscal year and the date of issuance of these financial statements that may significantly affect such financial statements.

English translation of the consolidated financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV"). In case of discrepancy, the consolidated financial statements filed with the CNV prevail over this translation

EXHIBIT A
1 of 2

CENTRAL PUERTO S.A.

PROPERTY, PLANT AND EQUIPMENT

AS OF DECEMBER 31, 2021

	Cost				
	At the beginning ARS 000	Additions ARS 000	Transfers ARS 000	Disposals ARS 000	At the end ARS 000
Lands and buildings	14,804,126	5,018	81,573	-	14,890,717
Electric power facilities	105,550,072	-	25,121,977	(357,042)	130,315,007
Wind turbines	35,019,249	-	11,197	-	35,030,446
Gas turbines	3,853,518	1,448	-	-	3,854,966
Construction in progress	31,252,453	5,071,193	(24,822,247)	-	11,501,399
Other	6,013,415	120,019	8,447	(116,520)	6,025,361
Total	**196,492,833**	**5,197,678**	**400,947** (2)	**(473,562)**	**201,617,896**

	Depreciation and impairment				
	At the beginning ARS 000	Charges ARS 000	Disposals and impairment ARS 000	At the end ARS 000	Net book value ARS 000
Lands and buildings	2,146,989	486,544	-	2,633,533	12,257,184
Electric power facilities	58,732,729	5,529,409	(189,817)	64,072,321	66,242,686
Wind turbines	2,290,595	1,762,427	-	4,053,022	30,977,424
Gas turbines	-	-	-	-	3,854,966
Impairment of gas turbines	2,245,702	-	-	2,245,702	(2,245,702)
Impairment of electric power facilities, lands and buildings, construction in progress and others (1)	7,048,437	(381,429)	6,696,045	13,363,053	(13,363,053)
Construction in progress	-	-	-	-	11,501,399
Other	4,502,678	240,691	(116,430)	4,626,939	1,398,422
Total	**76,967,130**	**7,637,642**	**6,389,798**	**90,994,570**	**110,623,326**

(1) See Note 2.3.8.
(2) Includes (2,662) transferred to intangible assets related to electrical substation that was transferred to electric energy transport companies and 403,609 transferred from item "Inventories".

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EXHIBIT A
2 of 2

CENTRAL PUERTO S.A.

PROPERTY, PLANT AND EQUIPMENT

AS OF DECEMBER 31, 2020

	Cost				
	At the beginning ARS 000	Additions ARS 000	Transfers ARS 000	Disposals ARS 000	At the end ARS 000
Lands and buildings	12,973,228	7,796	1,823,102	-	14,804,126
Electric power facilities	90,372,945	157,259	15,019,868	-	105,550,072
Wind turbines	20,253,980	-	14,765,269	-	35,019,249
Gas turbines	9,993,321	-	(6,139,803)	-	3,853,518
Construction in progress (1)	46,805,569	16,941,084	(32,494,200)	-	31,252,453
Other	5,031,295	180,187	804,270	(2,337)	6,013,415
Total	**185,430,338**	**17,286,326**	**(6,221,494)** (2)	**(2,337)**	**196,492,833**

	Depreciation and impairment					
	At the beginning ARS 000	Charges ARS 000	Disposals and impairment ARS 000	Transfers ARS 000	At the end ARS 000	Net book value ARS 000
Lands and buildings	1,809,337	337,652	-	-	2,146,989	12,657,137
Electric power facilities	55,010,492	3,722,237	-	-	58,732,729	46,817,343
Wind turbines	920,302	1,370,293	-	-	2,290,595	32,728,654
Gas turbines	-	-	-	-	-	3,853,518
Impairment of gas turbines	2,559,706	-	2,264,405	(2,578,409)	2,245,702	(2,245,702)
Impairment of electric power facilities, lands and buildings, construction in progress and others	4,278,234	(123,220)	2,893,423	-	7,048,437	(7,048,437)
Construction in progress	-	-	-	-	-	31,252,453
Other	4,344,536	158,142	-	-	4,502,678	1,510,737
Total	**68,922,607**	**5,465,104**	**5,157,828**	**(2,578,409)** (3)	**76,967,130**	**119,525,703**

(1) The Group has capitalized borrowing costs for a total amount of 457,804 during the year ended December 31, 2020.
(2) Includes 81,691 transferred to intangible assets related to transmission lines and electrical substation that were transferred to electric energy transport companies and 6,139,803 transferred to item "property, plant and equipment available for sale".
(3) Transferred to item "property, plant and equipment available for sale".

EXHIBIT B

CENTRAL PUERTO S.A.

INTANGIBLE ASSETS

AS OF DECEMBER 31, 2021 AND 2020

	2021		
	Cost		
	At the beginning ARS 000	Transfers ARS 000	At the end ARS 000
Concession right	24,988,058	-	24,988,058
Transmission lines and electrical substations for wind farms	2,036,432	2,662 (3)	2,039,094
Turbogas and turbosteam supply agreements for thermal station Brigadier López ("BL contracts")	12,523,507	-	12,523,507
Total 2021	**39,547,997**	**2,662** (3)	**39,550,659**
Total 2020	**39,466,306**	**81,691** (3)	**39,547,997**

	2021						2020
	Amortization and impairment						
	At the beginning ARS 000	%	Charges ARS 000	Impairment ARS 000	At the end ARS 000	Net book value ARS 000	Net book value ARS 000
Concession right	21,862,529	3.3	1,041,843	-	22,904,372	2,083,686	3,125,529
Transmission lines and electrical substations for wind farms	260,546	5.0	102,051	-	362,597	1,676,497	1,775,886
Turbogas and turbosteam supply agreements for thermal station Brigadier López ("BL contracts")	4,743,112	30.8 (2)	3,153,315	-	7,896,427	4,627,080	7,780,395
BL contracts impairment (1)	2,502,159		(1,223,456)	1,068,972	2,347,675	(2,347,675)	(2,502,159)
Total 2021	**29,368,346**		**3,073,753**	**1,068,972**	**33,511,071**	**6,039,588**	
Total 2020	**24,940,469**		**3,523,429**	**904,448**	**29,368,346**		**10,179,651**

(1) See Note 2.3.8.
(2) Related to turbogas supply agreement.
(3) Transferred from property, plant and equipment.

EXHIBIT C

CENTRAL PUERTO S.A.

EQUITY INTERESTS IN ASSOCIATES

AS OF DECEMBER 31, 2021 AND 2020

	2021							2020
Name and characteristics of securities and issuers	**Class**	**Face value**	**Quantity**	**Listed Price**	**Value obtained by the equity method**	**Share in the profit of associates**	**Book value**	**Book value**
					ARS 000	**ARS 000**	**ARS 000**	**ARS 000**
INVESTMENT IN ASSOCIATES								
ECOGAS Group	1 vote	10	(a)	None	6,106,838	(518,879)	6,106,838	6,765,891
Transportadora de Gas del Mercosur S.A.	1 vote	-	8,702,400	None	193,533	20,451	193,533	173,083
Termoeléctrica José de San Martín S.A. (b)	-	-	-	-	-	(37,745)	-	60,091
Termoeléctrica Manuel Belgrano S.A. (b)	-	-	-	-	-	(28,329)	-	40,860
						(564,502)	6,300,371	7,039,925

a) 5,999,022 IGCE shares and 27,598,637 DGCE shares.
b) As of December 31, 2021 the balances of these assets are disclosed within noncurrent assets under other financial assets.

	Last available financial information				
Name and characteristics of securities and issuers	**Date**	**Capital stock**	**Income (loss)**	**Equity**	**Direct and indirect equity interest %**
		ARS 000	**ARS 000**	**ARS 000**	
ECOGAS Group:					
DGCE	12/31/2021	160,457	(1,128,528)	14,668,446	17.20%
IGCE	12/31/2021	141,787	(1,379,945)	16,151,462	42.31%
Transportadora de Gas del Mercosur S.A.	09/30/2021	43,512	(168,309)	978,107	20.00%

EXHIBIT D

CENTRAL PUERTO S.A.

INVESTMENTS

AS OF DECEMBER 31, 2021 AND 2020

		2021	2020
Name and characteristics of securities	**Currency**	**Book value**	**Book value**
		ARS 000	**ARS 000**
CURRENT ASSETS			
Financial assets at fair value through profit or loss			
Public debt securities	ARS	9,094,561	15,086,400
	USD	9,127,270	3,248,087
Mutual funds	ARS	655,912	504,064
	USD	195,786	687,305
Stocks and corporate bonds	ARS	364,420	1,171,620
	EUR	-	343,990
	USD	401,846	205,545
		19,839,795	21,247,011
NON-CURRENT ASSETS			
Financial assets at amortized cost			
Unquoted shares:			
– TSM		22,346	-
– TMB		12,531	-
		34,877	-
		34,877	-

ARS: Argentine Peso.
USD: US Dollar.
EUR: Euros.

EXHIBIT E

CENTRAL PUERTO S.A.

ALLOWANCES AND PROVISIONS

AS OF DECEMBER 31, 2021 AND 2020

	2021					2020
Item	**At beginning ARS 000**	**Increases ARS 000**	**Decreases ARS 000**	**Recoveries ARS 000**	**At end ARS 000**	**At end ARS 000**
ASSETS						
Non-current						
Inventories	251,437	41,355	-	-	292,792	251,437
Trade and other receivables						
Allowance for doubtful accounts - Trade receivables	20,931	7,127	(6,845) (1)	(6,417)	14,796	20,931
Total 2021	**272,368**	**48,482**	**(6,845)**	**(6,417)**	**307,588**	
Total 2020	**279,865**	**82,265**	**(76,014) (1)**	**(13,748)**		**272,368**
LIABILITIES						
Provisions						
Current						
Provision for lawsuits and claims	52,609	70,968	(19,344) (1)	(14,547)	89,686	52,609
Total 2021	**52,609**	**70,968**	**(19,344)**	**(14,547)**	**89,686**	
Total 2020	**56,420**	**15,505**	**(16,450) (1)**	**(2,866)**		**52,609**
Non-current						
Provision for wind farms dismantling	68,532	2,776	(23,129) (1)	-	48,179	68,532
Total 2021	**68,532**	**2,776**	**(23,129)**	**-**	**48,179**	
Total 2020	**18,886**	**54,422**	**(4,776) (1)**	**-**		**68,532**

(1) Income (loss) for exposure to change in purchasing power of currency for the year.

EXHIBIT F

CENTRAL PUERTO S.A.

COST OF SALES

AS OF DECEMBER 31, 2021 AND 2020

	2021 ARS 000	2020 ARS 000
Inventories at beginning of each year	2,207,300	1,647,569
Purchases and operating expenses for each year:		
Purchases	6,174,758	5,510,012
Operating expenses (Exhibit H)	23,413,031	20,431,164
Transfers to property, plant and equipment, net	(403,609)	-
	29,184,180	25,941,176
Inventories at the end of each year	(1,828,892)	(2,207,300)
Total	**29,562,588**	**25,381,445**

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EXHIBIT G

CENTRAL PUERTO S.A.

FINANCIAL ASSETS AND LIABILITIES IN FOREIGN CURRENCY

AS OF DECEMBER 31, 2021 AND 2020

Account	2021 Currency and amount (in thousands)		2021 Effective exchange rate (1)	2021 Book value	2020 Currency and amount (in thousands)		2020 Book value
				ARS 000			ARS 000
NON-CURRENT ASSETS							
Trade and other receivables	USD	292,408	102.75 (2)	30,044,932	USD	347,214	44,102,202
				30,044,932			44,102,202
CURRENT ASSETS							
Cash and cash equivalents	USD	2,745	102.52	281,417	USD	3,016	382,174
	EUR	2	115.89	232	EUR	2	311
Other financial assets	USD	94,859	102.52	9,724,902	USD	32,679	4,140,937
	-	-	-	-	EUR	2,211	343,990
Trade and other receivables	USD	74,032	102.75 (2)	7,606,789	USD	67,034	8,514,486
	USD	32,542	102.52	3,336,206	USD	16,313	2,067,109
				20,949,546			15,449,007
				50,994,478			59,551,209
NON-CURRENT LIABILITIES							
Loans and borrowings	USD	368,241	102.72	37,825,716	USD	376,638	47,839,574
				37,825,716			47,839,574
CURRENT LIABILITIES							
Loans and borrowings	USD	65,894	102.72	6,768,632	USD	215,618	27,387,235
Trade and other payables	USD	8,277	102.72	850,213	USD	19,192	2,437,718
	EUR	68	116.37	7,913	EUR	121	18,908
				7,626,758			29,843,861
				45,452,474			77,683,435

USD: US dollar.
EUR: Euro.

(1) At the exchange rate prevailing as of December 31, 2021 as per the Argentine National Bank.
(2) At the exchange rate according to Communication "A" 3500 (wholesale) prevailing as of December 31, 2021 as per the Argentine Central Bank.

EXHIBIT H

CENTRAL PUERTO S.A.

INFORMATION REQUIRED BY LAW 19,550, ART. 64, PARAGRAPH I, SUBSECTION b)

AS OF DECEMBER 31, 2021 AND 2020

	2021		
Accounts	**Operating expenses**	**Administrative and selling expenses**	**Total**
	ARS 000	**ARS 000**	**ARS 000**
Compensation to employees	4,333,694	1,606,139	5,939,833
Other long-term employee benefits	205,817	43,936	249,753
Depreciation of property, plant and equipment	7,637,642	-	7,637,642
Amortization of intangible assets	3,073,753	-	3,073,753
Purchase of energy and power	192,977	-	192,977
Fees and compensation for services	1,401,161	1,512,603	2,913,764
Maintenance expenses	3,635,639	92,326	3,727,965
Consumption of materials and spare parts	1,152,038	-	1,152,038
Insurance	1,283,956	35,639	1,319,595
Levies and royalties	384,896	-	384,896
Taxes and assessments	89,104	341,073	430,177
Tax on bank account transactions	9,180	426,531	435,711
Others	13,174	93,376	106,550
Total	**23,413,031**	**4,151,623**	**27,564,654**

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CENTRAL PUERTO S.A.

INFORMATION REQUIRED BY LAW 19,550, ART. 64, PARAGRAPH I, SUBSECTION b)

AS OF DECEMBER 31, 2021 AND 2020

	2020		
Accounts	**Operating expenses**	**Administrative and selling expenses**	**Total**
	ARS 000	**ARS 000**	**ARS 000**
Compensation to employees	4,363,107	1,645,246	6,008,353
Other long-term employee benefits	157,574	33,947	191,521
Depreciation of property, plant and equipment	5,465,104	-	5,465,104
Amortization of intangible assets	3,523,429	-	3,523,429
Purchase of energy and power	216,503	-	216,503
Fees and compensation for services	1,417,559	1,201,032	2,618,591
Maintenance expenses	2,660,334	284,884	2,945,218
Consumption of materials and spare parts	773,063	-	773,063
Insurance	1,081,107	47,675	1,128,782
Levies and royalties	676,828	-	676,828
Taxes and assessments	77,810	533,853	611,663
Tax on bank account transactions	9,881	678,081	687,962
Others	8,865	62,178	71,043
Total	**20,431,164**	**4,486,896**	**24,918,060**

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CENTRAL PUERTO S.A.

SEPARATE STATEMENT OF INCOME
for the year ended December 31, 2021

	2021	2020
	ARS 000	**ARS 000**
Revenues	44,608,940	45,539,696
Cost of sales	(25,403,269)	(21,871,023)
Gross income	**19,205,671**	**23,668,673**
Administrative and selling expenses	(3,628,316)	(3,887,441)
Other operating income	10,417,222	20,761,110
Other operating expenses	(739,170)	(576,950)
Impairment of property, plant and equipment and intangible assets	(7,765,017)	(6,062,276)
Operating income	**17,490,390**	**33,903,116**
Loss on net monetary position	(8,949,422)	(7,498,677)
Finance income	1,581,154	6,828,068
Finance expenses	(8,961,858)	(18,379,157)
Share of the profit of associates and subsidiaries	1,432,339	1,127,231
Income before income tax	**2,592,603**	**15,980,581**
Income tax for the year	(3,334,679)	(5,577,802)
Net (loss) income for the year	**(742,076)**	**10,402,779**
– **Basic and diluted (loss) earnings per share (ARS)**	(0.49)	6.91

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CENTRAL PUERTO S.A.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
for the year ended December 31, 2021

	2021 ARS 000	2020 ARS 000
Net (loss) income for the year	**(742,076)**	**10,402,779**
Other comprehensive income for the year		
Other comprehensive income (loss) not to be reclassified to income in subsequent periods		
Remeasurement of losses from long-term employee benefits	387	11,277
Income tax related to remeasurement of losses from long-term employee benefits	(135)	(2,969)
Other comprehensive income (loss) not to be reclassified to income in subsequent periods	**252**	**8,308**
Other comprehensive income for the year	**252**	**8,308**
Total comprehensive (loss) income for the year	**(741,824)**	**10,411,087**

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CENTRAL PUERTO S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION
as at December 31, 2021

	Notes	2021	2020
		ARS 000	ARS 000
Assets			
Non-current assets			
Property, plant and equipment		69,481,074	76,093,392
Intangible assets		4,363,089	8,403,772
Investment in associates		6,300,371	7,039,925
Investment in subsidiaries	Exhibit C	28,054,890	14,620,190
Trade and other receivables		30,427,894	44,376,921
Other non-financial assets		281,529	298,476
Other financial assets		34,877	682,511
Inventories		381,710	993,379
		139,325,434	**152,508,566**
Current assets			
Inventories		1,418,005	1,186,661
Other non-financial assets		1,789,458	348,625
Trade and other receivables		16,295,771	20,479,562
Other financial assets		6,783,164	17,946,705
Cash and cash equivalents		12,499	29,566
		26,298,897	**39,991,119**
Property, plant and equipment available for sale		-	3,561,394
Total assets		**165,624,331**	**196,061,079**
Equity and liabilities			
Capital stock		1,514,022	1,514,022
Adjustment to capital stock		39,442,309	39,442,309
Legal reserve		6,313,345	5,793,206
Voluntary reserve		83,058,876	73,176,237
Other equity accounts		(2,967,736)	(2,967,736)
Retained earnings		(733,517)	10,411,085
Total equity		**126,627,299**	**127,369,123**
Non-current liabilities			
Other non-financial liabilities		5,416,996	7,930,929
Loans and borrowings		12,434,147	13,238,769
Compensation and employee benefits liabilities		341,835	474,880
Deferred income tax liabilities		8,193,442	10,615,185
		26,386,420	**32,259,763**
Current liabilities			
Trade and other payables		2,520,122	3,486,558
Other non-financial liabilities		3,091,051	3,081,567
Loans and borrowings		3,764,710	24,815,997
Compensation and employee benefits liabilities		1,444,856	1,357,755
Income tax payable		1,712,777	3,637,707
Provisions		77,096	52,609
		12,610,612	**36,432,193**
Total liabilities		**38,997,032**	**68,691,956**
Total equity and liabilities		**165,624,331**	**196,061,079**

English translation of the consolidated financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV"). In case of discrepancy, the consolidated financial statements filed with the CNV prevail over this translation

CENTRAL PUERTO S.A.

SEPARATE STATEMENT OF CASH FLOWS
for the year ended December 31, 2021

	2021 ARS 000	2020 ARS 000
Operating activities		
Income for the period before income tax	2,592,603	15,980,581
Adjustments to reconcile income for the year before income tax to net cash flows:		
Depreciation of property, plant and equipment	5,277,765	3,575,831
Amortization of intangible assets	2,971,702	3,422,331
Impairment of property, plant and equipment and intangible assets	7,765,017	6,062,276
Loss from sale of property, plant and equipment	(105,222)	-
Interest earned from customers	(3,607,033)	(4,682,243)
Trade and tax interests lost	622,777	563,199
Finance income	(1,581,154)	(6,828,068)
Finance expenses	8,961,858	18,379,157
Share of the profit of associates and subsidiaries	(1,432,339)	(1,127,231)
Material and spare parts impairment	41,355	64,807
Movements in provisions and long-term employee benefit plan expense	285,969	197,833
Foreign exchange difference for trade receivables	(6,703,541)	(16,077,159)
Loss on net monetary position	8,894,760	(12,015,712)
Working capital adjustments:		
Decrease in trade and other receivables	2,132,371	26,363,823
(Increase) Decrease in other financial, non-financial assets and inventories	(2,040,462)	195,158
Decrease in trade and other payables, other non-financial liabilities and liabilities from employee benefits	(6,803,716)	(12,538,812)
	17,272,710	21,535,771
Trade and tax interests paid	(622,777)	(563,199)
Interest received	3,522,898	4,505,812
Income tax paid	(4,354,879)	(5,012,978)
Net cash flows provided by operating activities	**15,817,952**	**20,465,406**
Investing activities		
Purchase of property, plant and equipment	(5,220,888)	(9,317,235)
Sale of property, plant and equipment	3,645,027	-
Loans granted to subsidiaries, net	942,833	4,157,313
Interest received from loans granted	76,402	129,870
Dividends received	145,027	419,357
Sale (Acquisition) of available-for-sale financial assets, net	290,320	(8,430,776)
Capital contributions to subsidiaries	(3,008,298)	(3,080,557)
Net cash flows used in investing activities	**(3,129,577)**	**(16,122,028)**
Financing activities		
Bank and investment accounts overdrafts paid, net	(1,596,340)	(1,061,458)
Loans paid	(9,011,320)	(2,395,580)
Interest and other financial costs paid	(2,081,959)	(2,997,514)
Net cash flows used in financing activities	**(12,689,619)**	**(6,454,552)**
Decrease in cash and cash equivalents	**(1,244)**	**(2,111,174)**
Exchange difference and other financial results	24,726	182,629
Monetary results effect on cash and cash equivalents	(40,549)	(158,299)
Cash and cash equivalents as of January 1	29,566	2,116,410
Cash and cash equivalents as of December 31	**12,499**	**29,566**

1. Basis of presentation of the separate financial statements

1.1. Summary of the applied accounting policies

The Company presents its separate financial statements according to CNV Regulations, which approved General Regulation No. 622. This regulation establishes that entities issuing shares and/or corporate bonds, with certain exceptions, must prepare their financial statements in accordance with Technical Resolution No. 26 (as amended) of FACPCE, which states the adoption of IFRS as issued by IASB, while other entities will have the option to use IFRS or IFRS for SME in lieu of NCPA (Argentine Professional Accounting Standards).

1.2. Basis for presentation

These separate financial statements for the year ended December 31, 2021 were prepared by applying IFRS.

When preparing these separate financial statements, the Company applied the presentation bases, accounting policies, and relevant accounting judgments, estimate and assumptions described in the attached consolidated financial statements for the year ended December 31, 2021.

EXHIBIT C

CENTRAL PUERTO S.A.

INVESTMENT IN SUBSIDIARIES

AS OF DECEMBER 31. 2020 AND 2019

Name and characteristics of securities and issuers	2021 Class	Face value	Number	Cost value	Listed price	Value obtained by the equity method	Share of profit of subsidiaries	Book value	2020 Book value
INVESTMENT IN SUBSIDIARIES									
Central Vuelta de Obligado S.A.	1 vote	1	280,950	281	Unlisted	218,186	120,835	218,186	248,421
CP Renovables S.A.	1 vote	1	9,588,655,132	9,588,655	Unlisted	13,277,554	2,982,194	13,277,554	9,248,629
Proener S.A.U.	1 vote	1	8,066,838,741	8,066,839	Unlisted	6,827,413	(3,744,854)	6,827,413	30,068
Vientos La Genoveva S.A.U.	1 vote	1	1,615,451,861	1,615,452	Unlisted	4,728,965	1,787,951	4,728,965	2,941,015
Vientos La Genoveva II S.A.U.	1 vote	1	498,293,542	498,294	Unlisted	3,002,772	850,715	3,002,772	2,152,057
							1,996,841	28,054,890	14,620,190

Name and characteristics of securities and issuers	Latest available financial information: Date	Capital stock	(Loss) Income	Equity	Direct and indirect equity interest %
INVESTMENT IN SUBSIDIARIES					
Central Vuelta de Obligado S.A.	12/31/2021	500	214,021	388,300	56.19%
CP Renovables S.A.	12/31/2021	10,101,498	3,079,143	14,095,880	100.00%
Proener S.A.U.	12/31/2021	8,066,839	(3,744,854)	6,838,613	100.00%
Vientos La Genoveva S.A.U.	12/31/2021	1,615,452	1,816,085	4,210,324	100.00%
Vientos La Genoveva II S.A.U.	12/31/2021	498,294	774,168	2,557,181	100.00%