

Item 1. Identity of Directors, Senior Management and Advisors

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Item 3.A Reserved

Item 3.B Capitalization and indebtedness

Not applicable.

Item 3.C Reasons for the offer and use of proceeds

Not applicable.

Item 3.D Risk Factors

Summary of Risk Factors

We are subject to several risks related to our business that are described under “Risk Factors” and elsewhere in this annual report. These risks could materially and adversely impact our business, results of operations, financial condition, and future prospects. Among these important risks are the following:

Risks Relating to Argentina

- Substantially all our revenues are generated in Argentina and thus are highly dependent on economic and political conditions in Argentina. Political uncertainty regarding measures to be adopted by the Argentine government could affect macroeconomic, political, regulatory, and social conditions in Argentina.
- The Argentine Peso qualifies as a currency of a hyperinflationary economy and we are required to restate our historical financial statements to apply inflationary adjustments, which could adversely affect our results of operations and financial condition and those of our Argentine subsidiaries.
- Significant fluctuations in the value of the peso could adversely affect the Argentine economy and, in turn, adversely affect our results of operations.
- Exchange controls and restrictions on capital inflows and outflows could limit the availability of international credit and could threaten the financial system, adversely affecting the Argentine economy and, as a result, our business.
- Argentina's ability to obtain financing from international markets is limited, which could affect its capacity to implement reforms and sustain economic growth and may negatively impact our financial condition or cash flows.
- The Argentine economy could be adversely affected by economic developments in other markets and by more general “contagion” effects.
- We may be exposed to adverse effects arising from geopolitical conflicts worldwide.
- The Argentine banking system may be subject to instability which may affect our operations.
- Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina’s economy and financial condition, which in turn could adversely affect our business, financial condition, and results of operations.

Risks Relating to the Electric Power Sector in Argentina

- The Argentine Government has intervened in the electric power sector in the past and is likely to continue intervening.
- Changes in regulatory frameworks under which we sell our electricity may affect our financial condition and results of operations.
- We have, in the recent past, been unable to collect payments, or to collect them in a timely manner, from CAMMESA and other customers in the electric power sector.
- Argentina has certain energy transmission and distribution limitations that adversely affect the capacity of electric power generators to deliver all of the energy they can produce, which results in reduced sales.
- Restrictions on the supply of energy could negatively affect Argentina’s economy.

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- We operate in a heavily regulated sector that imposes significant costs on our business, and we could be subject to fines and liabilities that could have a material adverse effect on our results of operations.
- Risks arise for our business from technological change in the energy market.
- Competition in the Electric Power Sector in Argentina may adversely affect our results of operations.

Risks Relating to Our Business

- Our results depend largely on the compensation established by the Secretariat of Energy and received from CAMMESA.
- Factors beyond our control may affect or delay the completion of the awarded projects or alter our plans for the expansion of our existing plants.
- Our business may require substantial capital expenditures for ongoing maintenance requirements and the expansion of our installed generation capacity.
- Covenants in our indebtedness could adversely restrict our financial and operating flexibility.
- We may be unable to refinance our outstanding indebtedness, or the refinancing terms may be materially less favorable than their current terms, which would have a material adverse effect on our business, financial condition, and results of operations.
- The government's decision regarding the future of the hydroelectric concessions could impact the HPDA operations, which may adversely affect our results of operations.
- Our interests in TJSM, TMB were diluted and CVOSA will be significantly diluted.
- Future changes in the rainfall amounts in the Limay River basin could adversely affect the revenues from the Piedra del Águila concession and, therefore, our financial results.
- Our ability to operate wind and solar farms profitably is highly dependent on suitable wind or sun and associated weather conditions, climate change and energy transition could affect our business.
- Climate change and energy transition could affect our business.
- Our power plants and forest assets are subject to the risk of mechanical, electrical failures and various catastrophic events, and any resulting unavailability may affect our ability to fulfill our contractual and other commitments and thus adversely affect our business and financial performance.
- Our insurance policies may not fully cover damage, and we may not be able to obtain insurance against certain risks.
- We may be exposed to lawsuits and or administrative proceedings that could adversely affect our financial condition and results of operations.
- Energy demand is seasonal, largely due to climate conditions.
- We may undertake acquisitions and investments to expand or complement our operations that could result in operating difficulties or otherwise adversely affect our financial conditions and results of operations.
- If we were to acquire another energy company in the future, such acquisition could be subject to the Argentine Antitrust Authority's approval.
- We depend on senior management and other key personnel for our current and future performance.
- We could be affected by material actions taken by the trade unions.
- Our equipment, facilities and operations are subject to environmental, health and safety regulations.
- We are subject to anticorruption, anti-bribery, anti-money laundering and other laws and regulations.
- A cyberattack could adversely affect our business, balance sheet, results of operations and cash flow.
- Our ability to generate electricity at our thermal generation plants partially depends on the availability of natural gas and, to a lesser extent, liquid fuel.
- An outbreak of a disease, including COVID-19, may have material adverse consequences on our operations including new projects.

Risks Relating to our Shares and ADSs

- It may be difficult for you to obtain or enforce judgments against us.
- Restrictions on transfers of foreign exchange and the repatriation of capital from Argentina may impair your ability to receive dividends and distributions on, and the proceeds of any sale of, shares underlying the ADSs.
- We will be traded on more than one market, and this may result in price variations; in addition, investors may not be able to easily move shares for trading between such markets.
- Under Argentine Corporate Law, shareholder rights may be fewer or less well defined than in other jurisdictions.

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- Holders of our common shares and the ADSs located in the United States may not be able to exercise preemptive or accretion rights.
- Voting rights, and other rights, with respect to the ADSs are limited by the terms of the deposit agreement.
- The relative volatility and illiquidity of the Argentine securities markets may substantially limit our ADS holders’ ability to sell common shares underlying the ADSs at the price and time they desire.
- If there are substantial sales of our common shares or the ADSs, the price of the common shares or of the ADSs could decline.
- Our shareholders may be subject to liability for certain votes of their securities.
- As a foreign private issuer, we are exempt from several rules under the U.S. securities laws and are permitted to file less information with the Commission than a U.S. company. This may limit the information available to holders of our ADSs.
- As a foreign private issuer, we are not subject to certain NYSE corporate governance rules applicable to U.S. listed companies.
- The market price for our common shares or ADSs could be highly volatile.
- If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common shares.
- The protections afforded to minority shareholders in Argentina are different from and more limited than those in the United States and may be more difficult to enforce.
- Holders of our common shares may determine not to pay any dividends.
- We may be a passive foreign investment company for U.S. federal income tax purposes.
- The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business.

Detailed Risk Factors

You should carefully consider the risks described below, as well as the other information in this annual report. Our business, results of operations, financial condition or prospects could be materially and adversely affected if any of these risks occurs, and as a result, the market price of our common shares and ADSs could decline. The risks described below are those known to us and that we currently believe may materially affect us.

Risks Relating to Argentina

Substantially all of our revenues are generated in Argentina and thus are highly dependent on economic and political conditions in Argentina. Political uncertainty regarding measures to be adopted by the Argentine government could affect macroeconomic, political, regulatory, and social conditions in Argentina

Central Puerto is an Argentine corporation (*sociedad anónima*). All of our assets and operations are located in Argentina. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic, regulatory, social and political conditions prevailing in Argentina, including but not limited to, the following: (i) international demand and prices for Argentina’s commodity exports; (ii) competitiveness and efficiency of domestic industries and services; (iii) stability and competitiveness of the Argentine peso against foreign currencies; (iv) foreign and domestic investment and financing; (v) level of foreign exchange reserves in the Central Bank of the Argentine Republic (“BCRA”) which may cause abrupt changes in currency values and exchange and capital control regulations (including, to import equipment, payment of cross border indebtedness and other necessities relevant for operations); (vi) high interest and inflation rates to corresponding wage and price controls; (vii) adverse external economic shocks; (viii) changes in economic or fiscal policies implemented by the Argentine government; (ix) labor disputes and work stoppages; (x) the level of expenditure by the Argentine government and ability to sustain fiscal balance and (xi) the level of unemployment, political instability and social tensions, such as land-takings and claims in areas where we operate.

The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high levels of inflation and currency devaluation. Sustainable economic growth in Argentina is dependent on a variety of factors, including the international demand for Argentine exports, the stability and competitiveness of the peso against foreign currencies, confidence among consumers and foreign and domestic investors, a stable rate of inflation, national employment levels and the circumstances of Argentina’s regional trade partners.

Argentina has experienced repeatedly, especially in recent years, periods of high inflation. High inflation rates affect Argentina’s foreign competitiveness, social and economic inequality, negatively impacts employment, consumption and the level of economic activity and undermines the confidence in Argentina’s banking system, which could further limit the availability of and access by local companies to domestic and international credit. If the measures adopted by the Argentine government fail to correct Argentina’s structural inflationary imbalances, inflation may continue or increase and have an adverse effect on Argentina’s economy and on our business, financial condition and results of operations. Inflation can also lead to an increase in Argentina’s local currency-denominated debt and have an adverse effect on Argentina’s ability to service its debt, mainly in the medium and long term when most inflation-indexed debt matures.

Argentina’s fiscal imbalances, its dependence on foreign revenues to cover its fiscal deficit, and material rigidities that have historically limited the ability of the economy to absorb and adapt to external factors, have added to the severity of the current crisis.

In the past, some administrations increased direct intervention in the Argentine economy, including the implementation of expropriation measures, price controls, exchange controls and changes in laws and regulations affecting foreign trade and investment. These measures had a material adverse effect on private sector entities, including us. It is possible that similar measures could be adopted by the current or future Argentine Government or that economic, social and political developments in Argentina, over which we have no control, could have a material adverse effect on the Argentine economy and, in turn, adversely affect our financial condition and results of operations. Uncertainty with respect to government policies may lead to additional volatility of Argentine stock market prices including companies that operate in the energy sector, given the degree of state regulation and intervention in this industry.

As in the recent past, Argentina’s economy may be adversely affected if political and social pressures inhibit the implementation by the Argentine Government of policies designed to control inflation, generate growth and enhance consumer and investor confidence, or if policies implemented by the Argentine Government that are designed to achieve these goals are not successful. These events could materially adversely affect our financial condition and results of operations.

The Argentine economy is also particularly sensitive to local political developments. Presidential elections take place in Argentina every four years and legislative elections every two years, resulting in the partial renewal of both chambers of Congress. On November 19, 2023, presidential elections took place, and Javier Milei was elected President of Argentina. We cannot predict the impact that the new administration’s measures will have on our business, financial condition, results of operations and cash flows.

The Argentine government faces unique macroeconomic challenges, such as reducing the inflation rate, achieving commercial and fiscal surpluses, accumulating reserves, supporting the peso, refinancing debt owed to private creditors, and improving the competitiveness of local industry.

The recently elected administration has enacted Decree No. 70/2023 contemplating several measures to reduce the size of the public administration and public expenses and to de-regularize the economy. In addition, on December 27, 2023, the Argentine Executive Power sent to the National Congress a draft bill entitled “Bases and Starting Points for the Freedom of the Argentine People.” The draft bill declares a public emergency in economic, financial, fiscal, social security, defense, tariff, energy, health and social matters until December 31, 2025, extendable for two additional years, and delegates a series of legislative powers to the Argentine Executive Branch for the duration of the emergency. The bill also includes a series of legal, institutional, tax and criminal reforms affecting various sectors of the economy. As of the date of this annual report, the House of Representatives approved the bill in general by 144 votes to 109. However, when the House of Representatives was considering the bill in particular, it was rejected and sent back to committee, so the bill promoted by the National Government will have to be analyzed again. On April 9, 2024, the government presented before Congress a new draft bill after negotiating with governors and allied blocs.

It is difficult to predict the social, political and economic impact of the measures announced and implemented by the government to date and future measures and the outcome of the ambitious deregulation scheme purported to be enforced by means of Decree No. 70/2023 and the abovementioned draft bill. Such measures could affect our financial condition and the results of operations.

The Argentine Peso qualifies as a currency of a hyperinflationary economy and we are required to restate our historical financial statements to apply inflationary adjustments, which could adversely affect our results of operations and financial condition and those of our Argentine subsidiaries

Pursuant to the International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies (“IAS 29”), the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. IAS 29 does not prescribe when hyperinflation arises and the International Accounting Standards Board (“IASB”) does not identify specific hyperinflationary jurisdictions. However, IAS 29 provides a series of non-exclusive guidelines that consist of (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, verifying if the three-year cumulative inflation rate approaches or exceeds 100.00%. In June 2018, the International Practices Task Force of the Centre for Quality (“IPTF”), which monitors countries experiencing high inflation, categorized Argentina as a country with projected three-year cumulative inflation rate greater than 100.00%. In addition, certain qualitative macroeconomic factors provided under the International Accounting Standard 29, Financial Reporting in Hyperinflationary Economies (“IAS 29”) were also identified. Therefore, Argentine companies using IFRS, such as us, are required to apply IAS 29 to their financial statements for periods ending on and after July 1, 2018. As a result, our Audited Consolidated Financial Statements included in this annual report, including the figures for the previous periods (this fact not affecting the decisions taken on the financial information for such periods), and, unless otherwise stated, the financial information included elsewhere in this annual report, were restated to consider the changes in the general purchasing power of our functional currency (Argentine peso) pursuant to IAS 29 and General Resolution No. 777/2018 of the CNV.

Significant fluctuations in the value of the peso could adversely affect the Argentine economy and, in turn, adversely affect our results of operations

The depreciation of the peso has had and may continue to have a negative impact on the ability of certain Argentine businesses to service their foreign currency-denominated debt, lead to inflation, significantly reduce real wages and jeopardize the stability of businesses, such as ours, whose success depends on domestic market demand and adversely affect the Argentine Government’s ability to honor its foreign debt obligations. In 2023, the peso depreciated approximately 78.09%, and 5.78% from December 31, 2023, through March 31, 2024. On March 31, 2024, the exchange rate was Ps. 858.00 to US\$1.00, as quoted by the *Banco de la Nación Argentina* for wire transfers (*divisas*).

The main effects of the devaluation of the Argentine peso on our net results, expressed in pesos, are related to (i) exchange rate differences as a result of our exposure to the dollar, (due to the fact that our functional currency is the Argentine peso); (ii) higher revenues generated by the sale of energy priced in U.S. dollars, and (iii) higher costs generated by expense items priced in U.S. dollars such as financial obligations and certain maintenance contracts among other costs. In addition, the majority of our debt is denominated in currencies other than the peso; consequently, a devaluation of the peso against such currencies will increase the amount of pesos we need to cover our debt service obligations.

If the peso depreciates further, all the negative effects on the Argentine economy related to such depreciation could recur, with adverse consequences to our business, financial condition and results of operations. In addition, a further depreciation of the Argentine Peso against the U.S. dollar may also have an adverse impact on our capital expenditure program and increase the Argentine Peso amount of our trade liabilities and financial debt denominated in U.S. dollars. As of December 31, 2023, 100.00% of our financial liabilities were denominated in U.S. dollars.

We remain highly exposed to risks associated with the fluctuation of the Argentine Peso, therefore, a devaluation of the Argentine Peso could have a material adverse effect on our financial condition and results of operations.

Exchange controls and restrictions on capital inflows and outflows could limit the availability of international credit and could threaten the financial system, adversely affecting the Argentine economy and, as a result, our business

The Argentine government and the BCRA have implemented certain measures that control and restrict the ability of companies and individuals to access to the foreign exchange market to purchase foreign currency and to transfer it abroad. Those measures include, among others: (i) restricting access to the Argentine foreign exchange market for the purchase or transfer of foreign currency abroad for any purpose, including the payment of dividends to non-residents stakeholders; (ii) restrictions on the acquisition of any foreign currency to be held as cash in Argentina; (iii) requiring exporters to repatriate and settle in pesos, in the local exchange market, all or a portion of the proceeds of their exports of goods and services; (iv) limitations on the transfer of securities into and from Argentina; and (v) the implementation of taxes on certain transactions involving the acquisition of foreign currency.

The exchange controls introduced gave rise to an unofficial U.S. dollar trading market. As of the date of this annual report, the peso/U.S. dollar exchange rate in such market substantially differs from the official peso/U.S. dollar exchange rate. The Argentine government could maintain a single official exchange rate or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding foreign currency denominated liabilities.

There can be no assurance that the BCRA or other government agencies will not increase or relax such controls or restrictions, make modifications to these regulations, impose further mandatory refinancing plans related to our indebtedness payable in foreign currency, establish more severe restrictions on currency exchange, or maintain the current foreign exchange regime or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding liabilities denominated in currencies other than the peso, all of which could affect our ability to comply with our financial obligations when due, raise capital, refinance our debt at maturity, obtain financing, execute our capital expenditure plans, and/or undermine our ability to pay dividends to foreign shareholders. Consequently, these exchange controls and restrictions could materially adversely affect the Argentine economy and/or our business, financial condition, and results of operations. See “Exchange Controls”.

Argentina’s ability to obtain financing from international markets is limited, which could affect its capacity to implement reforms and sustain economic growth, and may negatively impact our financial condition or cash flows

During recent years the Argentine Republic has experienced financial distress, leading to an increase in the incurrence of public debt.

Since 2020 and on several occasions to date, the Argentine government engaged in negotiations with Argentina’s creditors to restore the sustainability of its public external debt. During the past years, the Argentine government held negotiations with the International Monetary Fund (“IMF”) in order to negotiate several disbursements.

On January 28, 2022, the Argentine government and the IMF announced that they had reached an understanding on key policies as part of their ongoing discussions involving an IMF-supported program. Later, on March 3, 2022, the IMF and the Argentine government announced that the agreement is based on what is known as the IMF’s Extended Fund Facility, which includes 10 reviews to be carried out quarterly for two and a half years and disbursements for an amount equivalent to US\$44.0 billion.

The latest quarterly review was approved by the IMF executive board on February 1, 2024 and granted a disbursement of US\$4.7 billion to cover payments until May 2024. The repayment period for each disbursement is ten years, with a grace period of four and a half years, which implies that Argentina shall repay the debt between 2026 and 2034.

In the event that the Argentine Government does not comply with the economic and fiscal commitments and targets agreed with the IMF, or that the agreement is not approved by the IMF Executive Board, Argentina could default on its debt with the IMF and, consequently, its financial and economic situation could be adversely affected.

Moreover, on March 22, 2022, the Argentine government reached an agreement with the Paris Club for a new extension of the understanding reached in June 2021 (the “Paris Club Agreement”).

On October 28, 2022, the former Minister of Economy, Sergio Massa, announced a new agreement with the Paris Club. The agreement is an addendum to the one signed in 2014 by the then Minister of Economy, Axel Kicillof, and recognizes a principal amount of US\$1,971 million, extending a repayment period of thirteen semi-annual installments, starting in December 2022 to be finally cancelled on September 2028. The interest rate was improved from 9.00% to 3.90% in the first three installments, with a gradual increase to 4.50%. The payment profile implies an average semi-annual payment of US\$170.0 million (principal and interest included). Over the next two years Argentina will repay 40.00% of the principal due.

On June 26, 2023, the former Minister of Economy, Sergio Massa signed bilateral agreements with three members of the Paris Club to refinance the existing debt with the institution. Thus, after signing the new agreement reached in 2022, the former Minister of Economy was able to seal bilateral agreements with 15 of the 16 creditors of the institution.

We cannot assure that the EFF Agreement and the Paris Club Agreement will not affect Argentina’s ability to implement reforms and public policies and boost economic growth. Consequently, there can be no assurance that the implementation of the revenue and expenditure policies of the EFF Agreement regarding the reduction of untargeted energy subsidies would not have material adverse effect on our financial condition and results of operations. Also, we cannot predict the impact of the outcome of such reforms on Argentina’s (and indirectly our) ability to access the international capital markets. Moreover, the long-term impact of these measures and any future measures taken by the current administration on the Argentine economy remains uncertain.

In addition, the Argentine Republic’s future tax revenue and fiscal results may be insufficient to meet its debt service obligations and the Argentine Republic may have to rely in part on additional financing from domestic and international capital markets, the IMF and other potential creditors, in order to meet future debt service obligations. In the future, the Argentine Republic may not be able or willing to access international or domestic capital markets, which could have a material adverse effect on the Argentine Republic’s ability to make payments on its outstanding public debt, and in turn, could materially adversely affect our financial condition and results of operations.

In spite of the restructuring of the Argentine public debt carried out in 2020, the international markets continued showing signs of doubts as to whether Argentina’s debt is sustainable and, therefore, country risk indicators remain high. Without renewed access to the financial market the Argentine government may not have the financial resources to implement reforms and boost growth, which could have a significant adverse effect on the country’s economy and, consequently, on our activities. Likewise, Argentina’s inability to obtain credit in international markets could have a direct impact on our ability to access those markets to finance our operations and our growth, including the financing of capital investments, which would negatively affect our financial condition, results of operations and cash flows. In addition, we cannot predict the outcome of any future restructuring of Argentine sovereign debt. Any new event of default by the Argentine government could negatively affect their valuation and repayment terms, as well as have a material adverse effect on the Argentine economy and, consequently, our business and results of operations.

The Argentine economy could be adversely affected by economic developments in other markets and by more general “contagion” effects

Financial and securities markets in Argentina and the Argentine economy are influenced by the effects of global or regional financial crisis and market conditions in other markets worldwide. Weak, flat or negative economic growth of any of Argentina’s major trading partners, such as Brazil (Argentina’s main trading partner), China or the United States, could have a material adverse effect on Argentina’s trade balance and adversely affect Argentina’s economic growth. The economic performance of other trading partners such as Chile, Spain and Canada may also affect Argentina’s trade balance.

Global economic instability such as uncertainty about global trade policies, the deterioration of economic conditions in Brazil and of the economies of other major trading partners of Argentina, such as China or the United States, the withdrawal of the United Kingdom from the European Union, geopolitical tensions between the United States and a number of foreign countries, the ongoing conflict between Russia and Ukraine, decisions by the Organization of Petroleum Exporting Countries (OPEC), the increasing tensions in the Middle East between Israel and Hamas, as well as the threats to trade through the Red Sea and the Suez Canal and other non-OPEC oil-producing nations with respect to oil production that affect oil prices, idiosyncratic, political and social discords, terrorist attacks, sovereign debt downgrades, a pandemic disease, could impact the Argentine economy and jeopardize Argentina’s ability to stabilize its economy, among others.

These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could depress economic activity and restrict our access to suppliers and have a material adverse effect on our business, financial condition, and results of operations.

The Argentine economy may be affected by “contagion” effects. International investors’ reactions to events occurring in one developing country sometimes appear to follow a “contagion” effect, in which an entire region or investment class is disfavored by international investors.

Consequently, there can be no assurance that the Argentine economy and securities markets will not be adversely impacted by events affecting developed economies, emerging markets, or any of Argentina’s major trading partners, which could in turn adversely affect our business, financial condition, and results of operations, and the market value of our ADSS. Furthermore, a significant devaluation of the currencies of our trading partners or trade competitors may adversely affect the competitiveness of Argentina and consequently, adversely affect Argentina’s economy and our financial condition and results of operations.

We may be exposed to adverse effects arising from geopolitical conflicts occurring worldwide

Russia’s military incursion in Ukraine, which started in February 2022, has led to and could continue to give a rise to an escalation of armed action, regional instability and result in heightened economic sanctions by the United States, the European Union, and other countries against Russia. Although the severity and duration of the ongoing conflict is highly unpredictable, its effects could be substantial, and any continuation of the conflict could adversely affect global and regional economic conditions. After two years since the beginning of the armed conflict, military actions keep growing and fears of an escalation to the use of nuclear weapons are rising as a result of the decision from the Russian government to halt its participation under the Strategic Arms Reduction Treaty III.

As of the date of this annual report, the ongoing conflict has led high volatility in commodity prices and international crude oil and gas prices, which has resulted in higher fuel prices and – consequently – in a sharper rise in inflation around the world. Moreover, economic sanctions imposed against Russia may lead to shortage of raw materials and commodities, which could in turn contribute to the increase in inflation worldwide and to interruption to the supply chain in general, and particularly in the energy sector. Such difficulties may consequently derive in constraints to supply the local market. Consequently, this could adversely affect our business, financial condition, or results of operations.

Additionally, during October 2023, an armed conflict between Israel and Hamas in the Gaza Strip began. The Palestinian political and military movement Hamas, which has controlled the Gaza Strip for more than 15 years, infiltrated across the militarized border with Israel. The Hamas attacks prompted an immediate response from Israel, which declared a state of war and launched operation “Iron Sword”. The Israeli army mobilized troops and artillery to reinforce the borders, encircle the Gaza Strip and search for Hamas terrorists left behind in Israeli territory.

As a consequence of the ongoing conflict between Israel and Hamas, which has already involved several jurisdictions (given that Israel has received attacks from Hezbollah cells spread across the region), on April 13, 2024, Iran launched an unprecedented attack on Israel in a new escalation of the violent situation in the Middle East. Iran’s offensive was in retaliation for an Israeli attack on its consulate in Damascus, Syria, in which an Iranian military commander was killed. This attack implies the start of a belic conflict between two nations, and it cannot be assured that there will be no other countries involved. As of the date of this annual report, the conflict continues and it is not possible to anticipate what the consequences will be should it escalate to a regional wide conflict.

Due to the uncertainties inherent to the scale and duration of these events and its direct and indirect effects, it is not reasonably possible to estimate the impact this conflict will have on the world’s economy and its financial markets, on Argentina’s economy and, consequently, our business, financial condition and results of operations. Any such disruptions caused by Russian military action or resulting sanctions, as well as the conflict between Israel and Hamas may magnify the impact of other risks described in this annual report.

The Argentine banking system may be subject to instability which may affect our operations

In recent years, the Argentine financial system grew significantly with a marked increase in loans and private deposits, showing a recovery of credit activity. Although the financial system’s deposits continue to grow in nominal terms, they are mostly short-term deposits and the sources of medium and long-term funding for financial institutions are currently limited.

Financial institutions are particularly subject to significant regulation from multiple regulatory authorities, all of whom may, among other things, establish limits on commissions and impose sanctions on the financial institutions. The lack of a stable regulatory framework, or changes to such regulatory framework by the government, could impose significant limitations on the activities of the financial institutions and could induce uncertainty with respect to the financial system stability.

The persistence of the current economic crisis or the instability of one or more of the larger banks, public or private, could have a material adverse effect on the prospects for economic growth and political stability in Argentina, resulting in a loss of consumer confidence, lower disposable income and fewer financing alternatives for consumers. These conditions could also have a material adverse effect on the Argentine banking system, and therefore, on our business, financial condition and results of operations.

Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina’s economy and financial condition, which in turn could adversely affect our business, financial condition and results of operations

A lack of a solid institutional framework and corruption have been identified as, and continue to be, a significant problem for Argentina. Recognizing that the failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina’s international reputation and ability to attract foreign investment, the 2015-2019 administration had adopted several measures aimed at strengthening Argentina’s institutions and reducing corruption. These measures included the reduction of criminal sentences in exchange for cooperation with the government in corruption investigations, increased access to public information, the seizing of assets from corrupt officials, and establishing a corporate criminal liability regime for corruption offenses aimed at promoting anticorruption compliance, among others. According to the Corruption Perceptions Index published on January 30, 2024 by the organization Transparency International, Argentina dropped four positions in relation to 2022 and finished 98th out of 180 countries with the most corruption. The recently elected administration’s ability to implement them or promote further transparency and integrity measures is uncertain in a highly polarized political context. Argentina’s political environment has historically influenced, and continues to influence, the performance of the country’s economy. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration and heightened volatility in the securities with underlying Argentine risk. The recent economic instability in Argentina has contributed to a decline in market confidence in the Argentine economy as well as to a deteriorating political environment.

In addition, various ongoing investigations into allegations of money laundering and corruption being conducted by the Office of the Argentine Federal Prosecutor, have negatively impacted the Argentine economy and political environment. Certain government officials of previous administrations as well as high ranked officers of companies holding government contracts or concessions have faced or are currently facing allegations of corruption and money laundering as a result of these investigations. These individuals are alleged to have accepted or paid, as applicable, bribes by means of kickbacks on contracts granted by the government to several infrastructure, energy and construction companies. We have no control over and cannot predict for how long the corruption investigations will continue nor whether such investigations or allegations (or any other future investigations or allegations) will lead to further political and economic instability. In addition, we cannot predict the outcome of any such allegations nor their effect on the different sectors of the Argentine economy. See also “–We are subject to anticorruption, anti-bribery, anti-money laundering and other laws and regulations”.

Risks Relating to the Electric Power Sector in Argentina

The Argentine Government has intervened in the electric power sector in the past, and is likely to continue intervening

Historically, the Argentine government has played an active role in the electric power industry through the ownership and management of state-owned companies engaged in the generation, transmission and distribution of electric power. Moreover, the Argentine government made a number of material changes to the regulatory framework applicable to the electric power sector since the Argentine economic crisis of 2001, including adopting Law No. 25,561 (the “Public Emergency Law”), which have had significant adverse effects on electric power generation, distribution and transmission companies and included the freezing of distribution margins, the revocation of adjustment and inflation indexation mechanisms for tariffs, a limitation on the ability of electric power distribution companies to pass on to the consumer increases in costs due to regulatory charges and the introduction of a new price-setting mechanism (i.e., remuneration of power generators) in the WEM, all of which had a significant impact on electric power generators and caused substantial price differences within the market.

In recent years, the Argentine Government has continued to declare emergencies related to the power sector, by means of Decree No. 134/2015, the Solidarity Law No. 27,541 and Decree No. 55/2023. For further details, please refer to “Item 4.B. Business Overview-The Argentine Electric Power Sector-Emergency of the Electric Power Sector”.

It is possible that the government of Argentina may adopt certain measures that could materially and adversely affect our business and results of operations. There is also the potential for emergency legislation and measures akin to the Public Emergency Law to be enacted in the future. Such actions could significantly alter the regulatory framework governing the electric power industry. Any changes to the regulation could indirectly have a detrimental impact on the electric power generation industry, and consequently, on our business, financial condition, and results of operations.

For instance, a significant increase in energy costs for consumers, either due to tariff hikes or reductions in consumer subsidies, may lead to a decrease in demand for the energy we generate. Such a material adverse effect on electric power demand could, in turn, result in lower revenues and poorer results of operations for electric power generation companies, including our own, than currently anticipated.

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

We cannot assure what further changes the Argentine Government may make to the regulatory frameworks under which we sell power availability or electricity, nor that these changes will not negatively impact our results of operations. Moreover, we cannot assure under what kind of regulatory framework we will be able to sell our generation capacity and electricity in the future. Any further changes in the current applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations, may adversely affect our results of operations. In addition, some of the measures proposed by the Argentine government may also generate political and social opposition, which may in turn prevent the Argentine government from adopting such measures as proposed.

The factors mentioned above for both our operation of power generation and the projects under construction/development, may also lead to an impairment of property, plant and equipment and intangible assets, related to a reduction in the assessed value-in-use of certain assets that may exceed their previously recorded book value.

We have, in the recent past, been unable to collect payments, or to collect them in a timely manner, from CAMMESA and other customers in the electric power sector

A substantial amount of our total revenues comes from our sales to CAMMESA. In addition, we receive significant cash flows from CAMMESA in connection with the FONINVEMEM and similar programs. Payments to us by CAMMESA, depend upon payments that CAMMESA in turn receives from other WEM agents such as electric power distributors as well as subsidies from the Argentine government to certain users, which in turn requires additional funding to CAMMESA from the government to pay to generators.

In recent years, due to regulatory conditions and long periods of frozen tariffs in Argentina’s electric power sector that affected the profitability and economic viability of power utilities, certain WEM agents defaulted on their payments to CAMMESA, which adversely affected CAMMESA’s ability to meet its payment obligations with electric power generators, including us. As a consequence of delays in payments that CAMMESA received from other WEM agents, we also saw delays in, receiving payments from CAMMESA more than 90 days of month-end, rather than the required 42 days after the date of billing. Such payment delays resulted in higher working capital requirements that we would typically finance with our own financing sources.

Additionally, a system was implemented in the past whereby a significant portion of unpaid credits were converted into LVFVDs; a practice that could be repeated in the future, or another alternative scheme could be implemented for payments due.

As of the date of this annual report, CAMMESA is facing difficulties to make payments to generators both in respect of energy dispatched and generation capacity availability on a timely basis or in full, which in turn may substantially and adversely affect our financial position and the results of our operations.

Argentina has certain energy transmission and distribution limitations that adversely affect the capacity of electric power generators to deliver all of the energy they can to produce, which results in reduced sales

The energy that generators can deliver to the transmission system for the further delivery to the distribution system at all times depends on the capacity of the transmission and distribution systems that connects them to it. In the past, the transmission and distribution system operated at near full capacity and both transmission and distributors were not able to guarantee an increased supply of electric power to their customers. In the past years, the increase in demand for electric power resulted in blackouts in Buenos Aires and other cities around Argentina, which resulted in excess capacity for generators. As a result, the amount of hydroelectric energy and thermal energy generated was larger than what the transmission and distribution systems are capable of transmitting or distributing. Any transmission or distribution limitation for generators could reduce the energy sold, which could adversely affect our financial condition.

Restrictions on the supply of energy could negatively affect Argentina’s economy

Demand for natural gas and electricity has increased substantially, driven by a recovery in economic conditions and price constraints, resulting in industry shortages and/or costs increase. In particular, Argentina has been importing gas in order to compensate the shortage in local production. In order to pay for those imports the Argentine government has frequently used the Argentine Central Bank reserves due to absence of incoming currencies from investment. Argentina’s foreign exchange reserves are particularly limited and, therefore, Argentina’s ability to deal with significant increases in international oil and gas prices remains limited. If the Argentine government is unable to pay for the gas import in order to produce electricity, business and industries may be affected.

Moreover, the Argentine government has taken a number of measures aimed at alleviating the short-term impact of supply restrictions on residential and industrial users such as importing natural gas from Bolivia, importing liquefied natural gas transported to Argentina in vessels. If these measures prove to be insufficient, or if the investment that is required to increase natural gas production and energy generation over the medium-and long-term fails to materialize on a timely basis, economic activity in Argentina could be curtailed which may have a significant adverse effect on our business.

Continued disruptions in the supply of energy could cause a significant adverse impact on the electric power generation industry, and therefore, our business, financial condition and results of operations.

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

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

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

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

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

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

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

Competition in the Electric Power Sector in Argentina may adversely affect our results of operations

The power generation markets in which we operate are characterized by numerous strong and capable participants, many of which may have extensive and diversified developmental or operating experience (including both domestic and international) and financial resources similar to or significantly greater than ours. See “Item 4.B. Business Overview-Competition”. An increase in competition could cause reductions in prices and increase acquisition prices for fuel, raw materials and existing assets and therefore, adversely affect our results of operations and financial condition.

From time to time, we also compete with other generation companies for the megawatt of capacity that are allocated through public auction processes.

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

Risks Relating to Our Business

Our results depend largely on the compensation established by the Secretariat of Energy and received from CAMMESA

Since the enactment of Resolution SE No. 95/13, our compensation has depended largely on the compensation determined by energy output and availability. This remuneration scheme was then subject to several modifications, implemented by means of Resolution SE No. 529/14, Resolution SE No. 482/2015, Resolution SEE No. 22/2016, Resolution 19/17 (which established a remuneration scheme in US dollars) and Resolution 1/19 (which maintained the scheme in US dollars).

On February 27, 2020, the Secretariat of Energy of the former National Ministry of Production Development issued Resolution 31/20 which amended Resolution 1/19 and determined the remuneration scheme applicable from February 1, 2020 for Authorized Generators in the WEM, establishing Spot Sales prices in Argentine pesos. Initially, Resolution 31/20 set forth a mechanism for updating the prices denominated in Argentine Pesos. However, on April 8, 2020, the Secretariat of Energy instructed CAMMESA to postpone until further notice the application of the mechanism for updating the prices of energy and capacity provided for in Annex VI of Resolution 31/20, and the mechanism was finally repealed by means of Resolution 440/21. This has caused a material adverse effect on our business and results of operations.

Except for sales under contracts, revenues from energy production are calculated and paid by CAMMESA pursuant to a fixed and variable price system arising –currently– from the Resolution 1/19 (as amended by Resolution 31/20 and further regulations, more recently, Resolution 9/24).

Since March 2020, numerous resolutions have been issued updating prices discretionally. We cannot assure you that further reductions of these remunerations will not occur in the future. See “Item 4.B. Business Overview-The Argentine Electric Power Sector-Remuneration Scheme”.

Except for sales under contracts, revenues from energy production are calculated and paid by CAMMESA pursuant to a fixed and variable price system arising –currently– from the Resolution No. 1/2019 (as amended by Resolution No. 31/2020 and further regulations, including Resolution No. 9/2024).

Further, as of February 2023, Resolution 59/23 is also applicable as a complementary regulation for combined cycle facilities. See “Item 5.A. Operating Results-Factors Affecting Our Results of Operations-Our Revenues-The Spot Sales” and “Item 3.D. Risk Factors-Risks Relating to the Electric Power Sector in Argentina-We have, in the recent past, been unable to collect payments, or to collect them in a timely manner, from CAMMESA and other customers in the electric power sector”.

Our revenues are significantly influenced by the decisions of regulatory authorities. The absence of stable mechanisms for price updates, along with the Argentine Government’s failure to provide regulated remuneration increases or to implement such increases promptly, could materially and negatively affect our revenues. Consequently, this could lead to adverse effects on our operational results.

Factors beyond our control may affect or delay the completion of the awarded projects or alter our plans for the expansion of our existing plants

With regards to projects currently under development or new potential projects, several factors may affect, delay or cancel the completion of such projects currently under development or new projects: (i) sustained or prolonged disease outbreaks and pandemics, that may result in restrictions to mobility and the development of any such projects, as scheduled, (ii) the economic recession in Argentina, (iii) the decrease in demand of electric energy, (iv) the lack of available financing, and (v) the reduction in the prices of electric energy for power units under Spot Sales, among others.

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Delays in construction or commencement of operations of expanded capacity in our existing power plants or our new power plants could lead to an increase in our financial needs and cause our financial returns on new investments to be lower than expected, which could materially adversely affect our financial condition and results of operations. Furthermore, delays in the commencement of operation of our gas turbines has negatively affected its estimated recoverability See “Item 5.A. Operating Results-Critical Accounting Policies-Impairment of Property, Plant and Equipment”.

Factors that may impact our ability to commence operations at our existing power plants, expand their power capacity or build new power plants include: (i) the failure of contractors to complete or commission the facilities or auxiliary facilities by the agreed-upon date or within budget; (ii) the unexpected delays of third parties such as gas or electric power distributors in providing or agreeing to project milestones in the construction or development of necessary infrastructure linked to our generation business; (iii) the delays or failure by our turbine suppliers in providing fully operational turbines in a timely manner; (iv) difficulty or delays in obtaining the necessary financing in terms satisfactory to us or at all; (v) delays in obtaining regulatory approvals, including environmental permits; (vi) court rulings against governmental approvals already granted, such as environmental permits; (vii) shortages or increases in the price of equipment reflected through change orders, materials or labor; (viii) opposition by local and/or international political, environmental and ethnic groups; (ix) strikes; (x) adverse changes in the political and regulatory environment in Argentina; (xi) unforeseen engineering, environmental and geological problems and (xii) adverse weather conditions, natural disasters, accidents or other unforeseen events. Any cost overruns could be material. In addition, any of these other factors may cause delays in the completion of expanded capacity at our existing power plants or the construction of our new power plant, which could have a material adverse effect on our business, financial condition and results of operations. These delays may also result in short-term sanctions by CAMMESA and, in extreme cases, sanctions for the duration of the contract.

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

Incremental capital expenditures may be required to fund ongoing maintenance necessary to maintain our power generation and operating performance and improve the capabilities of our electric power generation facilities. Furthermore, capital expenditures will be required to finance the cost of our current and future expansion of our generation capacity. If we are unable to finance any such capital expenditures in terms satisfactory to us or at all, our business and the results of our operations and financial condition could be adversely affected. Our financing ability may be limited by market restrictions on financing availability for Argentine companies. See “—Risks Relating to Argentina— Argentina’s ability to obtain financing from international markets is limited, which could affect its capacity to implement reforms and sustain economic growth and may negatively impact our financial condition or cash flows” and “Item 4.B. Business Overview”.

Covenants in our indebtedness could adversely restrict our financial and operating flexibility

Some of our current indebtedness (including the debt of our subsidiaries, some of which is guaranteed by us) includes, and our future indebtedness may include, affirmative and restrictive covenants that limit our ability to create liens, incur additional indebtedness, making capital expenditures, dispose of our assets, pay dividends, or consolidate, merge or sell part of our businesses, and require us to maintain certain financial ratios. See “Item 5.B. Liquidity and Capital Resources-Indebtedness”. These restrictions may limit our ability to operate our business and may prohibit or limit our ability to enhance our operations or take advantage of potential business opportunities as they arise. The breach of any of these covenants or the failure to meet any of such conditions could result in a default under the relevant indebtedness. Our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If any such default occurs, the holders of such indebtedness may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding amounts, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable. Further, any such default occurs, it could, in turn, result in a default and acceleration of our other outstanding debt obligations, which would have a further material adverse effect on our business, ability to meet our payment obligations, financial condition, and results of operations. If any of our debt were to be accelerated, our assets may not be sufficient to repay in full that debt or any other debt that may become due as a result of that acceleration.

We may be unable to refinance our outstanding indebtedness, or the refinancing terms may be materially less favorable than their current terms, which would have a material adverse effect on our business, financial condition and results of operations

Factors beyond our control may impair our ability to meet our debt obligations or increase the cost of financing, which in turn, could have a material adverse effect on our cash flow, results of operations and overall financial position.

There is no assurance that we will be able to extend the maturity or otherwise refinance our outstanding indebtedness, or that we may be required to agree to refinancing terms that may be materially less favorable than the terms of our current loans. Any amendment to or refinancing of our indebtedness could result in higher interest rates and may require us to comply with more burdensome restrictive covenants, which may have a material adverse effect on our business, ability to meet our payment obligations, financial condition, and results of operations.

If we are unable to refinance our debt in favorable terms, we may be forced to reduce or delay capital expenditures, seek additional equity capital, restructure our debt, curtail or eliminate our cash dividend to stockholders, or sell assets. Non-payment of our obligations or any other default under any of our debt instruments could, in turn, result in a default and acceleration of our other outstanding debt obligations, which would have a further material adverse effect on our business, ability to meet our payment obligations, financial condition, and results of operations. If any of our debt were to be accelerated, our assets may not be sufficient to repay in full that debt or any other debt that may become due as a result of that acceleration.

The government’s decision regarding the future of the hydroelectric concessions could impact the HPDA operations, which may adversely affect our results of operations.

The HPDA Concession Agreement executed between us and the Argentine Government, pursuant to which we were permitted to operate our Piedra del Águila plant, expired on December 28, 2023, and did not provide for an automatic renewal.

Resolution No. 574/2023, published on July 11, 2023, extended for 60 days (extendable for another 60 days) the termination date of the HPDA Concession Agreement -among other national hydroelectric power plants whose concession term expired during 2023. Another renewal of such period was established by Resolution 02/24, issued by the Secretariat of Energy, which was set to expire on April 27, 2024. In addition, on March 15, 2024, Resolution 33/24, issued by the Secretariat of Energy, extended once again the transition period for 60 days setting the expiration date on June 28, 2024. This plant has a total installed capacity of 1,440 MW, and it represented approximately 23.96% of our total electric energy generation, and 9.81% of our total revenues in 2023.

We currently intend to continue renewing the HPDA Concession Agreement. The government is supposed to determine a new regulatory framework for the whole electricity market and this would foster a decision regarding the future of all hydroelectric concessions, where a new tender offer is one possible alternative. If this is case, we would carefully evaluate the terms and conditions to determine if we participate or not. Any government’s decision regarding the future of hydroelectric concessions may adversely affect our results of operations.

Our interests in TJSM, TMB were diluted and CVOSA will be significantly diluted

As of December 31, 2020, we had a 30.875% interest in TJSM which was reduced to 9.627% during 2021 and a 30.946% interest in TMB which was also reduced during 2021 to 10.831%. Both companies are engaged in managing the purchase of equipment, building, operating, and maintaining power plants constructed under the FONINVEMEM program. As of the date of this annual report, we also own 56.19% of CVOSA, the company that operates the thermal power plant in Timbúes.

After ten years of operations, TJSM and TMB were entitled to receive property rights to such power plants from the respective trusts currently holding such power plants. At such time, the term of the trusts expired and the Argentine Government, that financed part of the construction, should be incorporated as a shareholder of TJSM and TMB. Consequently, our interests in TJSM and TMB were diluted in 2021. In the case of TMB and TJSM, the ten-year period expired on January 7, 2020 and on February 2, 2020, respectively. From such dates, during the following 90-days, TJSM and TMB and their shareholders had to perform all the necessary acts to allow the Argentine Government to receive the corresponding shares in the equity stake of TJSM and TMB that their contributions entitle the Argentine Government to receive.

On January 3, 2020, before the aforementioned 90 days period commenced, the Argentine Government sent us a notice (doing the same with TSM, TMB and other generation companies that are shareholders of TJSM and TMB) stating that, in accordance with FONINVEMEM Agreement, TJSM and TMB should perform all necessary acts to incorporate the Argentine Government as shareholder of both companies, claiming, in each case, the following equity interest rights: 65.006% in TMB and 68.826% in TJSM.

On January 9, 2020, we, together with the other generation companies, shareholders of TJSM and TMB, replied such notice stating that the Argentine Government’s equity interest claims did not correspond with the contributions made for the construction of the power plants under the terms of the FONINVEMEM Agreement that give rights to claim such equity interest. On March 4, 2020, the Argentine Government reiterated its previous claim to the Company.

Additionally, on January 7, 2020 and on January 9, 2020, Central Puerto, together with the other shareholders of TJSM and TMB (as guarantors within the framework and the limits stated by the FONINVEMEM Agreement, the Note SE No. 1368/05 and the trust agreements), BICE, TJSM, TMB and the Energy Secretariat amended the Operation and Maintenance Agreement of the Manuel Belgrano Thermal Facility (the “TMB OMA”) and the Operation and Maintenance Agreement of the San Martín Thermal Facility (the “TJSM OMA”), respectively. The amendments to the TMB OMA and TJSM OMA extended the agreements until each of the trust’s liquidation effective date.

In March 2020, Central Puerto filed an administrative appeal against the Argentine Government challenging their acts referred to above (the “Claim”). Pursuant to this Claim, the position of the shareholders of TJSM and TMB is that the Argentine Government equity interest in each of the companies should be lower but its incorporation as a shareholder in such companies is unchallenged. Therefore, even if we are successful with our Claim, our interests on TJSM and TMB is significantly diluted.

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On May 4, 2020, and May 8, 2020, the extraordinary shareholders' meetings of TMB and TJSM, respectively, approved the incorporation of the Argentine Government as shareholder of TJSM and TMB. In each of the extraordinary shareholders' meetings, the equity interest that was approved was the equity interest that the Argentine Government claims that it is entitled to, which is: 65.006% in TMB and 68.826% in TJSM.

In each of the shareholders' meetings, Central Puerto (and other shareholders), made the corresponding reservation of rights to continue with the Claim, and expressly stated that the incorporation of the Argentine Government as a shareholder in TMB and TJSM was approved for the sole purpose of achieving the transfer of the trust assets -which includes, among others, the power plants- from the respective trusts to TJSM and TMB.

On March 11, 2021, the Argentine Government subscribed its shares and the equity of the shareholders of TJSM and TMB were diluted. In the case of our equity interest, from 30.875% to 9.627% in TJSM and from 30.946% to 10.831% in TMB. As of the date of this annual report, the transfer of power stations to TSM and TMB was not completed.

Since February 17, 2023, and due to the acquisition of Central Costanera S.A, we hold equity interests of 10.90% in TJSM, 12.72% in TMB and 57.49% in CVOSA.

In the case of CVOSA, when the CVO Trust term expires after ten years of operation of the respective power plant the Argentine Government will be incorporated as shareholder, with a stake of at least 70.00% pursuant to FONINVEMEM arrangements for CVOSA.

The dilution of our interest in CVOSA will reduce our income from this power plant, adversely affecting our results of operations. See "Item 4.B. Business Overview-FONINVEMEM and Similar Programs".

Future changes in the rainfall amounts in the Limay River basin could adversely affect the revenues from the Piedra del Águila concession and, therefore, our financial results

As a hydroelectric facility, Piedra del Águila depends on the availability of water resources in the Limay River basin for electric power generating purposes, which in turn depends on the rainfall amounts in the area and water from thaw. Lack of water resulted in lower electric power generation and, therefore, lower revenue.

In the event of critically low water levels, the Intergovernmental Basin Authority, which is in charge of managing the basin of the Limay, Neuquén and Negro rivers, is entitled to manage the water flows according to its flow control standards, which could result in lower water resources for us, which in turn, would result in decreased generation activities. Further, under the HPDA Concession Agreement, we are not entitled to receive any compensation for revenue losses as a result of such actions.

The Limay River basin's flow may not be sufficient to maintain a regular generation level at Piedra del Águila and the enforcement authority may implement unfavorable measures for Piedra del Águila, and therefore, for us, which could adversely affect our financial condition and our results of operations. For further information about Piedra del Águila's seasonality, see "Item 4.B. Business Overview-Seasonality".

Our ability to operate wind and solar farms profitably is highly dependent on suitable wind or sun and associated weather conditions, climate change and energy transition could affect our business.

The amount of energy generated by, and the profitability of, wind and solar farms are highly dependent on climate conditions, particularly wind conditions and irradiance, which can vary materially across locations, seasons and years. Variations in wind conditions at wind farm sites *and irradiance at solar plant sites* occur as a result of daily, monthly and seasonal fluctuations in wind currents *and irradiance* and, over the longer term, as a result of more general climate changes and shifts. Because turbines will only operate when wind speeds fall within certain specific ranges that vary by turbine type and manufacturer, if wind speeds fall outside or towards the lower end of these ranges, energy output at our wind farms would decline.

Similarly, projections of solar resources depend on assumptions about weather patterns, shading and irradiance, which are inherently uncertain and may not be consistent with actual conditions at the site. During the development phase and prior to the construction of any wind or solar farm, a wind or solar resource study to evaluate the potential wind or solar resource of the site is typically conducted over a period of several years. These wind or solar studies have been conducted by our own team and independent technical consultants with respect to the estimated load factor resulting from our wind studies and the model of turbines used. We base our core assumptions and investment decisions on the findings of these studies. We cannot assure you that observed climate conditions at a project site will conform to the assumptions that were made during the project development phase on the basis of these studies, and, therefore, we cannot assure that our wind or solar farm projects will be able to meet their anticipated production levels. It is possible that future wind or solar resource patterns and electricity production at our wind or solar farms will not reflect the historical wind or solar resource patterns at the respective sites or the projections, and wind or solar resource patterns at each site will change over time. If, in the future, the wind resource in the areas where our wind farms are located or the solar resource in the areas where our solar plants are located is lower than expected, electricity production at such wind farms and/or solar plants would be lower than expected and consequently could materially adversely affect our results of operations.

If in the future the wind resource in the areas where our wind farms are located is lower than expected, electricity production at such wind farms would be lower than expected and consequently could materially adversely affect our results of operations.

Climate change and energy transition could affect our business

We are and will be, directly and indirectly, subject to the effects of climate change and may, directly or indirectly, be affected by local and national laws, as well as international treaties and conventions, and implementing regulations related to climate change. Any passage of climate control treaties, legislation, or other regulatory initiatives by the Argentine government that restrict emissions of greenhouse gases (“GHGs”) could require us to make significant financial expenditures that we cannot predict with certainty at this time. This could include, for example, the adoption of regulatory frameworks to reduce GHG emissions, such as carbon dioxide, methane and nitrogen oxides. Changes in the regulatory framework could also indirectly impact our business through changes in technology or consumer behavior.

In 2019, the Argentine Congress enacted Law No. 27,520 on Minimal Standards on Global Climate Change Adaptation and Mitigation, focusing on implementing policies, strategies, actions, programs and projects to prevent, mitigate or minimize the damages or impacts associated with climate change. During 2021, the Secretariat of Energy issued Resolution No. 1,036/2021 approving the Guidelines for an Energy Transition Plan to 2030 in order to comply with its new national decarbonization commitments. If additional requirements were adopted in Argentina, these requirements could increase our production costs (including compliance related costs such as for monitoring or reducing emissions) and adversely impact our competitiveness and may also shift demand toward low-carbon sources, such as renewable energies.

The risks associated with climate change could impact our operations due to severe weather events, change the consumer profile, talent attraction, and energy transitions in the world economy towards a lower carbon matrix. These factors may have a negative impact on the demand for our products and may affect the implementation and operation of our businesses, adversely impacting our operating and financial results and limiting our growth opportunities.

In addition, the pace and extent of the energy transition could pose a risk to our own transition towards decarbonization does not move in sync with society. If we are slower than society, our reputation may suffer and customers may prefer a different supplier which would adversely impact demand for our products. If we move faster than society, we risk investing in technologies, markets or low-carbon products that are unsuccessful because there is limited demand for them. Our failure to time the transition of our production to address climate-change related concerns could have a material adverse effect on our earnings, cash flows and financial condition.

Our power plants and forest assets are subject to the risk of mechanical, electrical failures and various catastrophic events, and any resulting unavailability may affect our ability to fulfill our contractual and other commitments and thus adversely affect our business and financial performance

Our power generation units are at risk of mechanical or electrical failure and may experience periods of unavailability affecting our ability to generate electric power. Past failures on our generators, turbines and transformers have adversely affected our results of operations. Any unplanned unavailability of our generation facilities may adversely affect our financial condition or results of operations.

During 2023, the main failures resulting in unavailability of our power generation units were the following:

- Mendoza Complex: The LDCUTG27 unit was unavailable due to scheduled maintenance from July 11 through July 29 due to the replacement of gearbox components.
- Costanera Complex: The BSASCC unit was unavailable from March 20 to October 3 due to a burner failure.
- Central Puerto Complex: The PNUETV09 unit was unavailable from January 17 to April 2 due to a fire in a disconnect switch.

Our forest assets are subject to the risk of various catastrophic events, including but not limited to the occurrence of significant fires or wide-spread insect or pest infestations on one or more of our assets, severe regional or local weather events or trends, drought, flooding, major earthquakes, and significant geopolitical conditions or developments.

Our generation facilities, or the third-party fuel transportation or electric power transmission infrastructure that we rely on, may be damaged by flooding, fires, earthquakes and other catastrophic disasters arising from natural or accidental or intentional human causes. We could experience severe business disruptions, significant decreases in revenues based on lower demand arising from catastrophic events, or significant additional costs to us not otherwise covered by business interruption insurance clauses. There may be an important time lag between a major accident, catastrophic event or terrorist attack and our definitive recovery from our insurance policies, which typically carry non-recoverable deductible amounts, and in any event are subject to caps per event. In addition, any of these events could cause adverse effects on the energy demand of some of our customers and of consumers generally in the affected market. Some of these considerations, could have a material adverse effect on our business, financial condition, and our result of operations.

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

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

We maintain insurance policies intended to mitigate our losses due to customary risks. These policies cover certain of our assets against loss for physical damage, loss of revenue and also third-party liability. However, we may not have sufficient insurance to cover any particular risk or loss. If an accident or other event occurs that is not covered by our current insurance policies, such as cybersecurity risk, we may experience material losses or have to disburse significant amounts from our own funds, all of which could have a material adverse effect on our operations and financial position. In addition, an insufficiency in our insurance policies could have an adverse effect on us. In such case, our financial condition and our results of operations could be adversely affected. See “Item 16.K. - Cybersecurity”.

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

In the ordinary course of our business, we enter into agreements with CAMMESA and other parties. Litigation and/or regulatory proceedings are inherently unpredictable, and excessive verdicts do occur. Adverse outcomes in lawsuits and investigations could result in significant monetary damages, including indemnification payments, or injunctive relief that could adversely affect our ability to conduct our business and may have a material adverse effect on our financial condition and results of operations.

Energy demand is seasonal, largely due to climate conditions

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

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

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

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

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

As of the date of this annual report, the merger control review and antitrust practices investigation in Argentina is carried out by a double-tiered structure. The technical analysis is performed by the Argentine Antitrust Commission (the “CNDC,” for its Spanish acronym), which issues a non-mandatory report to the Secretariat of Domestic Trade (the “SDT,” and together with the CNDC, the “Antitrust Authority”). The SDT then issues the final resolution for all matters related to the Antitrust Act.

The Antitrust Authority is currently serving as the interim enforcement agency until the National Competition Authority (NCA), the National Competition Tribunal (Competition Tribunal), Secretariat of Anti-competitive practices, and Secretariat of Economic Concentrations are appointed, as mandated by the Antitrust Act.

The main change introduced by the Antitrust Act is the shift from a post-merger control review to a pre-merger control regime. However, this system will only take effect one year after the NCA is duly constituted and in full operation. In the meantime, a mandatory notification must be submitted prior to or within one week of the closing (effective takeover) of any economic concentration. The post-closing notification requirement still applies in Argentina.

If the Argentine Antitrust Authority were to reject any business combination or if such authority were to take any action to impose conditions or performance commitments on us as part of the approval process for any business combination, it could adversely affect our financial condition and results of operations and prevent us from achieving the benefits anticipated from such acquisition.

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

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

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

Labor relations in Argentina are governed by specific legislation, such as Labor Law No. 20,744 and Collective Bargaining Law No. 14,250, which, among other things, dictate how salary and other labor negotiations are to be conducted. Every industrial or commercial activity is regulated by a specific collective bargaining agreement (“CBA”) that groups companies together according to industry sectors and by trade unions. While the process of negotiation is standardized, each chamber of industrial or commercial activity separately negotiates the increases of salaries and labor benefits with the relevant trade union of such commercial or industrial activity.

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

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

Our equipment, facilities and operations are subject to environmental, health and safety regulations

Our generation business is subject to federal and provincial laws, as well as to the supervision of governmental agencies and regulatory authorities in charge of enforcing environmental laws and policies. We operate in compliance with applicable laws and in accordance with directives issued by the relevant authorities and CAMMESA; however, it is possible that we could be subject to controls, which could result in penalties to be imposed on us, such as the termination of the HPDA Concession Agreement. In addition, future environmental regulations could require us to make investments to comply with the requirements set by the authorities, instead of making other scheduled investments and, as a result, could have a material adverse effect on our financial condition and our results of operations.

We are subject to anticorruption, anti-bribery, anti-money laundering and other laws and regulations

We are subject to anti-corruption, anti-bribery, anti-money laundering and other laws and regulations. We may be subject to investigations and proceedings by authorities for alleged infringements of these laws. Although we perform compliance processes and maintain internal control systems, these proceedings may result in fines or other liabilities and could have a material adverse effect on our reputation, business, financial conditions and result of operations. If any such subsidiaries, employees or other persons engage in fraudulent, corrupt, or other unfair business practices or otherwise violate applicable laws, regulations, or internal controls, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines, and sanctions and in turn adversely affect our reputation, business, financial condition and result of operations.

A cyberattack could adversely affect our business, balance sheet, results of operations and cash flow

We depend on the efficient and uninterrupted operation of our inter-plant communication systems, for which we have all our links redundant, providing greater security and minimizing the risks of outage. Additionally, we have redundant links with CAMMESA. Temporary or long-lasting failures of our inter-plant communication systems, including their links redundant, could have a material adverse effect on our operations. In general, information security risks have increased in recent years as a result of the proliferation of new and more sophisticated technologies and also due to cyberattack activities. As part of our development and initiatives, more equipment and systems have been connected to the Internet. We also rely on digital technology including information systems to process financial and operational information. Due to the critical nature of our infrastructure and our business and the increased accessibility allowed through the Internet connection, we could face an increased risk of cyberattacks such as computer break-ins, phishing, ransomware, identity theft and other disruptions that could negatively affect the security of information stored in and transmitted through our computer systems and network infrastructure. Despite significant efforts to create security barriers to cybersecurity threats, it is nearly impossible for us to completely mitigate these risks, in particular, as the frequency and sophistication of cyberattacks increases. For example, cybersecurity researchers anticipate an increase in cyberattack activity in connection with the misuse of artificial intelligence. The security measures we have integrated into our internal networks and systems, and into our platform and products may not function as expected or may not be sufficient to protect our internal networks, platform and products against certain attacks.

In the event of a cyberattack targeting our infrastructure or that of third parties and vendors providing services to us, we could experience an interruption of our commercial operations, material damage and loss of customer information; a substantial loss of income or accounts balance, suffering response costs and other economic losses; and it could subject us to more regulation and litigation and damage to our reputation. Although we intend to continue to implement security technology devices and establish operational procedures to prevent disruption resulting from, and counteract the negative effects of cybersecurity incidents, it is possible that not all our current and future systems are or will be entirely free from vulnerability and these security measures will not be successful. Accordingly, cybersecurity is a material risk, and a cyber-attack could adversely affect our business, results of operations and financial condition.

Our ability to generate electricity at our thermal generation plants partially depends on the availability of natural gas and, to a lesser extent, liquid fuel

The supply and price of natural gas and liquid fuel used in our thermal generation plants has been in the past, and may in the future be, affected by, among other things, price fluctuations, geopolitical factors (including the current Russia Ukraine conflict and related sanctions on Russia by certain members of the European Union), as well as the availability of natural gas and liquid fuel in Argentina, given the current shortage of natural gas supply, especially during the winter, and declining reserves in Argentina. In particular, many oil and gas fields in Argentina are mature or require intensive capital investments to extract natural gas, and due to the current economic scenario have not been subject to significant investment into development and exploration activities and, therefore, reserves are likely to be depleted.

CAMMESA is in charge of managing and supplying all fuels required to run our thermal plants except for the Lujan de Cuyo cogeneration plant and to a certain extent, gas provision for the San Lorenzo cogeneration plant related to steam production. We cannot assure you that we will be able to purchase natural gas or liquid fuel on terms comparable to the conditions we currently have with or that are fully reimbursable by CAMMESA. In addition, we cannot assure the supply in the above-mentioned conditions, if in the future we were required to purchase our own natural gas or liquid fuel from third parties for all our operations. Geopolitical factors, including the current Russia Ukraine conflict and related sanctions on Russia by certain members of the European Union, the United Kingdom, the United States, and certain other countries, has led to and is expected to continue to lead to an increase in the price and availability of natural gas and liquid fuel.

Even if we were able to source the requisite natural gas or liquid fuel and CAMMESA accepted to reimburse us for such amounts, it may be uncertain when such reimbursements would occur. In addition, natural gas delivery depends on the infrastructure (including barge facilities, roadways and natural gas pipelines) available to serve each generation facility. As a result, our thermal plants are subject to the risks of disruptions or curtailments in the fuel delivery chain and infrastructure. Any such disruption or curtailment may result in the unavailability, or higher prices, of natural gas or liquid fuel. Moreover, if in the future we are required to purchase our own natural gas or liquid fuel from third parties at prices that are not fully reimbursable by CAMMESA, such situation may have a material adverse effect on our financial condition and results of operations. Resolution No. 79/2018 enabled generators to purchase fuel in the open market. However, since the enactment of Resolution No. 12/2019, the effectiveness of Section 8 of Resolution No. 95/2013 and Section 4 of Resolution No. 529/2014 was reinstated, centralizing fuel purchases through CAMMESA.

An outbreak of a disease may have material adverse consequences on our operations including new projects

In late December 2019 a notice of pneumonia originating from Wuhan, Hubei province (COVID-19, caused by a novel coronavirus) was reported to the World Health Organization, with cases soon confirmed in multiple provinces in China, as well as in other countries. On March 11, 2020, the World Health Organization characterized the COVID-19 as a pandemic. Several measures have been undertaken by the Argentine government and other governments around the globe to contain the pandemic. The outbreak of a pandemic, disease or similar public health threat, such as the COVID-19 pandemic, could materially and adversely affect our business, financial condition and results of operations. Some of the negative effects could include: a further decline in the market prices of our shares and ADSs, adverse impacts on the financial markets; a reduction in the demand for exports and imports and, therefore, in our revenues, generating a reduction in our levels of activity and investment related to our fields of production; a significant drop in the international price of commodities, due to the combined effect of a sharp drop in demand, as well as the inability of producers to reduce supply in an orderly manner, negatively affecting the Argentine economic environment; and substantial changes in business and social behavior and their potential impact on the sale of commodities.

The quarantine and related restrictive measures had and may have a deep impact in the Argentine economy, including drastic reduction in the demand and supply of goods and services, increase in the unemployment rate and poverty levels, businesses bankruptcies, disruption in the payment chain, among many others. Such negative impact in the Argentine economy may, in turn, have an impact on energy demand and negatively affect our results of operations.

Risks Relating to our Shares and ADSs

It may be difficult for you to obtain or enforce judgments against us

We are incorporated in Argentina. All of our directors and executive officers reside outside the United States, and substantially all of our and their assets are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons or to enforce judgments against them or us in U.S. courts. We have been advised by our special counsel, Bruchou & Funes de Rioja, that there is doubt as to the enforceability in original actions in Argentine courts of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Argentine courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws. The enforcement of such judgments will be subject to compliance with certain requirements under Argentine law, such as Articles 517 through 519 of the Argentine Code of Civil and Commercial Procedure, including the condition that such judgments do not violate the principles of public policy of Argentine Law, as determined by an Argentine court. In addition, an Argentine court will not order an attachment on property located in Argentina and determined by such court to be essential for the provision of a public service.

Restrictions on transfers of foreign exchange and the repatriation of capital from Argentina may impair your ability to receive dividends and distributions on, and the proceeds of any sale of, shares underlying the ADSs

In 2001 and 2002 Argentina imposed exchange controls and transfer restrictions, substantially limiting the ability of companies to retain foreign currency or make payments abroad, including payments of dividends. In addition, new regulations were issued in the last quarter of 2011, which significantly curtailed access to the FX Market by individuals and private sector entities. In December 2015 the 2015-2019 administration lifted many of the foreign exchange restrictions imposed in 2011, including the lifting of certain restrictions for the repatriation of portfolio investment by non-resident investors.

After almost four years of unrestricted capital flows, the Argentine Government reimposed restrictions on the conversion of Argentine currency into foreign currencies and on the remittance to foreign investors of proceeds from their investments in Argentina. Beginning in September 2019, the Argentine Government implemented monetary and foreign exchange control measures that included restrictions on the transfer of funds abroad, including dividends, without prior approval by the Central Bank or fulfillment of certain requirements. Even though the current administration is expected to gradually ease foreign exchange controls, most of the restrictions imposed since 2019 remain in place. In such a case, the Depositary for the ADSs may hold the Argentine pesos it cannot convert for the account of the ADS holders. In addition, any future adoption by the Argentine Government of additional restrictions to the movement of capital out of Argentina may affect the ability of our foreign shareholders and holders of ADSs to obtain the full value of their shares and ADSs and may adversely affect the market value of the ADSs.

We will be traded on more than one market, and this may result in price variations; in addition, investors may not be able to easily move shares for trading between such markets

Our common shares are listed on the BYMA and, since February 2, 2018, our ADSs are listed on the NYSE. Any markets that may develop for our common shares or for the ADSs may not have liquidity and the price at which the common shares or the ADSs may be sold is uncertain.

Trading in the ADSs or our common shares on these markets takes place in different currencies (U.S. dollars on the NYSE and pesos on the BYMA), and at different times (resulting from different time zones, different trading days and different public holidays in the United States and Argentina). The trading prices of the securities on these two markets may differ due to these and other factors. Any decrease in the price of our common shares on the BYMA could cause a decrease in the trading price of the ADSs on the NYSE. Investors could seek to sell or buy our shares to take advantage of any price differences between the markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both our share prices on one exchange, and the ADSs available for trading on the other exchange. In addition, holders of ADSs will not be immediately able to surrender their ADSs and withdraw the underlying common shares for trading on the other market without effecting necessary procedures with the ADS Depositary. This could result in time delays and additional cost for holders of ADSs.

Under Argentine Corporate Law, shareholder rights may be fewer or less well defined than in other jurisdictions

Our corporate affairs are governed by our bylaws and by the Argentine Corporate Law, which differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States (such as Delaware or New York), or in other jurisdictions outside Argentina. Thus, the rights of holders of our ADSs or holders of our common shares under the Argentine Corporate Law to protect their interests relative to actions by our Board of Directors (our "Board of Directors") may be fewer and less well defined than under the laws of those other jurisdictions. Although insider trading and price manipulation are illegal under Argentine law, the Argentine securities markets may not be as highly regulated or supervised as the U.S. securities markets or markets in some of the other jurisdictions. In addition, rules and policies against self-dealing and regarding the preservation of shareholder interests may be less well defined and enforced in Argentina than in the United States, or other jurisdictions outside Argentina, putting holders of our common shares and the ADSs at a potential disadvantage.

Holders of our common shares and the ADSs located in the United States may not be able to exercise preemptive or accretion rights

Under the Argentine Corporate Law, if we issue new shares as part of a capital increase, our shareholders may have the right to subscribe to a proportional number of shares to maintain their existing ownership percentage. Rights to subscribe for shares in these circumstances are known as preemptive rights. In addition, shareholders are entitled to the right to subscribe for the unsubscribed shares remaining at the end of a preemptive rights offering on a pro rata basis, known as accretion rights. Upon the occurrence of any future increase in our capital stock, United States holders of common shares or ADSs will not be able to exercise the preemptive and related accretion rights for such common shares or ADSs unless a registration statement under the Securities Act is effective with respect to such common shares or ADSs or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to those common shares or ADSs. We may not file such a registration statement, or an exemption from registration may not be available. Unless those common shares or ADSs are registered or an exemption from registration applies, a U.S. holder of our common shares or ADSs may receive only the net proceeds from those preemptive rights and accretion rights if those rights can be sold by the ADS Depositary; if they cannot be sold, they will be allowed to lapse. Furthermore, the equity interest of holders of common shares or ADSs located in the United States may be diluted proportionately upon future capital increases.

Voting rights, and other rights, with respect to the ADSs are limited by the terms of the deposit agreement

Holders may exercise voting rights with respect to the common shares underlying ADSs only in accordance with the provisions of the deposit agreement. There are no provisions under Argentine law or under our bylaws that limit ADS holders' ability to exercise their voting rights through the ADS Depositary with respect to the underlying common shares, except if the ADS Depositary is a foreign entity and it is not registered with the IGJ. The ADS Depositary is registered with the IGJ. However, there are practical limitations upon the ability of ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with such holders. For example, Argentine Capital Markets Law requires us to notify our shareholders by publications in certain official and private newspapers of at least 20 and no more than 45 days in advance of any shareholders' meeting. ADS holders will not receive any notice of a shareholders' meeting directly from us. In accordance with the deposit agreement, we will provide the notice to the ADS Depositary, which will in turn, if we so request, as soon as practicable thereafter provide to each ADS holder:

- the notice of such meeting;
- voting instruction forms; and
- a statement as to the manner in which instructions may be given by holders.

To exercise their voting rights, ADS holders must then provide instructions to the ADS Depositary how to vote the shares underlying ADSs. Because of the additional procedural step involving the ADS Depositary, the process for exercising voting rights will take longer for ADS holders than for holders of our common shares. Except as described in this annual report, holders of the ADS will not be able to exercise voting rights attaching to the ADSs.

Also, Section 7.6 of the deposit agreement provides that each of the parties to the deposit agreement (including, without limitation, each holder and beneficial owner) waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding against us and/ or the ADS Depositary. This provision may have the effect of limiting and discouraging lawsuits against us and/ or the ADS Depositary. Moreover, you may not be able to exercise your right to vote and you may have no legal remedy if the shares underlying your ADSs are not voted as you requested.

The relative volatility and illiquidity of the Argentine securities markets may substantially limit our ADS holders’ ability to sell common shares underlying the ADSs at the price and time they desire

Investing in securities that trade in developing countries, such as Argentina, often involves greater risk than investing in securities of issuers in the United States (see “Risks Relating to Argentina – Substantially all of our revenues are generated in Argentina and thus are highly dependent on economic and political conditions in Argentina”). The Argentine securities market is substantially smaller, less liquid, more concentrated and can be more volatile than major securities markets in the United States and is not as highly regulated or supervised as some of these other markets. There is also significantly greater concentration in the Argentine securities market than in major securities markets in the United States. During the third quarter of 2022 the ten largest companies in terms of their weight in the S&P Merval index represented approximately 80.00 % of its composition. Accordingly, although holders of our ADSs are entitled to withdraw the common shares underlying the ADSs from the ADS Depositary at any time, their ability to sell such shares at a price and time at which they wish to do so may be substantially limited. Furthermore, new capital controls imposed by the Central Bank could have the effect of further impairing the liquidity of the BYMA by making it unattractive for non-Argentines to buy shares in the secondary market in Argentina. See “Item 10.D.– Exchange Controls”.

If there are substantial sales of our common shares or the ADSs, the price of the common shares or of the ADSs could decline

Sales of substantial number of our common shares or the ADSs could cause a decline in the market price of our common shares. In addition, if our significant shareholders, directors and members of senior management listed in “Item 6. Directors, Senior Management and Employees–Senior Officers,” who, as of April 29, 2024, own in aggregate 0.10% of our outstanding common shares, sell our common shares or the ADSs or the market perceives that they intend to sell them, the market price of our common shares or the ADSs could drop significantly.

Our shareholders may be subject to liability for certain votes of their securities

Our shareholders are not liable for our obligations. Instead, shareholders are generally liable only for the payment of the shares they subscribe. However, shareholders who have a conflict of interest with us and who do not abstain from voting may be held liable for damages to us, but only if the transaction would not have been approved without such shareholders’ votes. Furthermore, shareholders who willfully or negligently vote in favor of a resolution that is subsequently declared void by a court as contrary to Argentine Corporate Law or our bylaws may be held jointly and severally liable for damages to us or to other third parties, including other shareholders.

As a foreign private issuer, we are exempt from several rules under the U.S. securities laws and are permitted to file less information with the Commission than a U.S. company. This may limit the information available to holders of our ADSs

We are a “foreign private issuer,” as defined in the SEC’s rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to companies organized within the United States. For example, we are exempt from certain rules under the Exchange Act that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act. In addition, our officers and directors are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we expect to submit quarterly interim consolidated financial data to the Commission under cover of the Commission’s Form 6-K, we are not required to file periodic reports and financial statements with the Commission as frequently or as promptly as U.S. public companies. Accordingly, there may be less information concerning our company publicly available than there is for U.S. public companies.

As a foreign private issuer, we are not subject to certain NYSE corporate governance rules applicable to U.S. listed companies

We rely on a provision in the NYSE Listed Company Manual that allows us to follow Argentine law with regard to certain aspects of corporate governance. This allows us to follow certain corporate governance practices that differ in significant respects from the corporate governance requirements applicable to U.S. companies listed on the NYSE.

For example, we are exempt from NYSE regulations that require a listed U.S. company, among other things, to:

- have a majority of our board of directors be independent;
- establish a nominating and compensation composed entirely of independent directors;
- adopt and disclose a code of business conduct and ethics for directors, officers and employees; and
- have an executive session of solely independent directors each year.

The market price for our common shares or ADSs could be highly volatile

The market price for our common shares or the ADSs after the global offering is likely to fluctuate significantly from time to time in response to factors including:

- fluctuations in our periodic operating results;
- changes in financial estimates, recommendations or projections by securities analysts;
- changes in conditions or trends in our industry;
- changes in the economic performance or market valuation of our competitors;

- announcements by our competitors of significant acquisitions, divestitures, strategic partnerships, joint ventures or capital commitments;
- events affecting equities markets in the countries in which we operate;
- legal or regulatory measures affecting our financial conditions;
- departures of management and key personnel; or
- potential litigation or the adverse resolution of pending litigation against us or our subsidiaries.

Volatility in the price of our common shares or the ADSs may be caused by factors outside of our control and may be unrelated or disproportionate to our operating results. In particular, announcements of potentially adverse developments, such as proposed regulatory changes, new government investigations or the commencement or threat of litigation against us, as well as announced changes in our business plans or those of competitors, could adversely affect the trading price of our common shares or the ADSs, regardless of the likely outcome of those developments or proceedings. Moreover, statements made about us, whether publicly or in private, may be misconstrued, particularly if read out of context.

Broad market and industry factors could adversely affect the market price of our common shares or ADSs at any time, regardless of our actual operating performance.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common shares

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to achieve and maintain effective internal controls over financial reporting, implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations, which in turn could have a material adverse effect on our business and our common shares or the ADSs. In addition, any testing by us or any subsequent testing by our independent registered public accounting firm conducted in connection with Section 404 of the Sarbanes-Oxley Act of 2002, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC. There also could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our consolidated financial statements. Confidence in the reliability of our consolidated financial statements also could suffer if we or our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting. This could in turn limit our access to capital markets and possibly, harm our results of operations, and lead to a decline in the trading price of our common shares or the ADSs.

We are required to disclose changes made in our internal controls and procedures and our management is required to assess the effectiveness of these controls annually. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation.

The protections afforded to minority shareholders in Argentina are different from and more limited than those in the United States and may be more difficult to enforce

Under Argentine law, the protections afforded to minority shareholders are different from, and much more limited than, those in the United States. For example, the legal framework with respect to shareholder disputes, such as derivative lawsuits and class actions, is less developed under Argentine law than under U.S. law as a result of Argentina’s short history with these types of claims and few successful cases. In addition, there are different procedural requirements for bringing these types of shareholder lawsuits. As a result, it may be more difficult for our minority shareholders to enforce their rights against us or our directors or controlling shareholder than it would be for shareholders of a U.S. company.

Holders of our common shares may determine not to pay any dividends

In accordance with the Argentine Corporate Law, after allocating at least 5.00% of our annual net earnings to constitute a mandatory legal reserve, we may pay dividends to shareholders out of net and realized profits, if any, as set forth in our consolidated financial statements prepared in accordance with IFRS. The approval, amount and payment of dividends are subject to the approval by our shareholders at our annual ordinary shareholders’ meeting. The approval of dividends requires the affirmative vote of a majority of the shareholders entitled to vote at the meeting. As a result, we cannot assure you that we will be able to generate enough net and realized profits so as to pay dividends or that our shareholders will decide that dividends will be paid.