

Company Registration No. 8095058 (England and Wales)

ANDINA ENERGIES PLC (formerly known as Andina Plc)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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ANDINA ENERGIES PLC (formerly known as Andina Plc)

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ANDINA ENERGIES PLC (formerly known as Andina Plc)

COMPANY INFORMATION

Directors	Mr Javier Alvarez (Deputy Chairman) Mr Neil Bleasdale (Chairman) Mr Julian Collins Mr Marcelo Comba Mrs Valeria Inés de Oliveira César Mrs Maria Fernanda Martinez Mr Ricardo Nicolás Mallo Huergo Mrs Maria Lucila Seco Mrs Evangelina Cecilia Suarez Mr German Frederico Ranfil Moreno Mr Emilio Berruti Mr Daniel Marx	(Resigned 17 October 2025) (Appointed 1 June 2025) (Appointed 1 June 2025) (Appointed 17 October 2025) (Appointed 17 October 2025)
Secretary	Pedro Iván Mazer	
Company number	8095058	
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Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London United Kingdom WC2N 6RH	
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ANDINA ENERGIES PLC (formerly known as Andina Plc)

GLOSSARY

The following definitions, which are not technical ones, will help readers understand some of the terms used in the text of the Directors' Report and in the notes to the Consolidated Financial Statements.

ADEERA	Asociación de Distribuidores de Energía Eléctrica de la República Argentina (Argentine association of electricity Distributors)
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico (the company in charge of the regulation and operation of the wholesale electricity market)
ENRE	Ente Nacional Regulador de la Electricidad (National Regulatory Authority for the Distribution of Electricity)
EPRE	Ente Provincial Regulador Electrico (Mendoza's electricity market regulatory authority)
GWh	Gigawatt hour
ICSID	International Center for Settlement of Investment Disputes
IRAM	Instituto Argentino de Normalización y Certificación (National Institute of Standardization and Certification)
MEM	Mercado Eléctrico Mayorista (Wholesale Electricity Market)
RTI	Revisión Tarifaria Integral (Comprehensive Tariff Structure Review)
SEN	Secretaría de Energía de la Nación (National Secretary of Energy)
VAD	Valor Agregado de Distribución (Distribution Added Value - Tariff) Portion of the electricity tariff that compensates the distributor for operating and maintaining the network, excluding the cost of energy and its transmission
UVA	Unidad de Valor Adquisitivo actualizable por "CER" (Purchasing Value Unit updatable by "CER")
CER	Coeficiente de estabilización de referencia (Reference stabilisation coefficient, daily adjusted index, which is elaborated by the Argentine Central Bank (BCRA))
SAYOT	Secretaría de Ambiente y Ordenamiento Territorial (Provincial Secretariat for Environment and Territorial Planning)

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their Strategic Report for the Group for the year ended 31 December 2024.

1. Introduction

Andina Energies Plc (the "Company") (formerly known as Andina Plc), together with its subsidiaries (the "Group"), is a Latin American energy group focused on electricity distribution and renewable power generation, with operations primarily located in Argentina. On 16 July 2025, the Company changed its name to Andina Energies Plc reflecting its strategic commitment to sustainable energy development and infrastructure modernisation.

The Group operates through electricity distribution and renewable power generation. Its activities include the delivery of electricity to end users under regulated frameworks, as well as the development and operation of clean energy assets involving hydroelectric and solar technologies.

The Group remains committed to its long-term investment in clean energy infrastructure and to driving the digital transformation of electricity distribution networks. In a future increasingly reliant on the expansion of the electricity sector, the Group focuses on enhancing energy utilisation and evolving the grid into a smart network. Through these initiatives, the Group aims to ensure reliable, affordable and accessible energy for all, while supporting both national and global decarbonisation efforts.

2. Mission and Values

Our mission is to deliver sustainable, reliable and cost-effective energy by harnessing renewable resources and enabling the digital transformation of electricity networks. We are dedicated to supporting our customers as they navigate the evolving role of energy, including the transition towards smarter, more efficient and sustainable homes.

We are guided by the values of integrity, accountability and service. We strive to act responsibly in meeting the public's energy needs, promoting innovation, and building a more sustainable energy future.

3. Principal Activities

The Group's principal activities are the distribution and generation of electricity within Argentina.

In Electricity distribution, the Group holds:

- a 51.0% controlling interest in Empresa Distribuidora de Electricidad de Mendoza S.A. ("EDEMSA"), the main electricity distribution company in the Mendoza Province. EDEMSA serves approximately 481,000 customers across a concession area of 109,908 km². The company operates under a regulated concession granted by the Government of the Mendoza Province and supervised by Ente Provincial Regulador Eléctrico ("EPRE"). EDEMSA is responsible for operating, maintaining and expanding the electricity distribution network within its service area.
- an indirect 11.9% equity interest in Empresa Distribuidora y Comercializadora Norte S.A. ("EDENOR"), the largest electricity distribution company in Argentina by number of customers, serving the northern area of the Buenos Aires Metropolitan Region. As at 31 December 2024, EDENOR serves more than 3.3 million customers across a concession area of 4,637 km². The company operates under a regulated concession granted by the Argentine national government and supervised by Ente Nacional Regulador de la Electricidad ("ENRE"). EDENOR is responsible for operating, maintaining and expanding the electricity distribution network within its service area.

In Renewable power generation, the Group also holds:

- a 23.6% interest in Hidroeléctrica Ameghino S.A. ("HASA"), which operates a 60 MW hydroelectric power plant located in the Chubut Province in southern Argentina. The facility is integrated into the Argentine Wholesale Electricity Market ("MEM") and dispatches its output into the spot market. The sales price of its electricity is determined by the Secretaría de Energía de la Nación ("SEN") through regulatory resolutions and the amount due settled monthly by the Compañía Administradora del Mercado Mayorista Eléctrico S.A. ("CAMMESA").
- a 100% interest in Andina Consultores y Servicios S.A.U., which is developing a 4 MW photovoltaic project in Uspallata, Department of Las Heras, in Mendoza Province, Argentina. The plant, which is currently under development, is being constructed on a 10-hectare plot granted by the provincial government and is expected to reach commercial operation in 2026 under a 15-year renewable energy supply agreement with CAMMESA.
- Holds a 95% interest since January of 2025 in Trancura Energía S.A which owns the development rights to the Capiz I (20 MW) and Capiz II (30 MW) photovoltaic solar projects. Both projects are currently under development and are located in Capiz, Department of San Carlos, in Mendoza Province, Argentina, and are expected to reach commercial operation in 2027.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Business review

4.1. Overview

In 2024, Argentina showed signs of macroeconomic improvement after a period of severe instability. Annual inflation slowed to 117.8%, down from 211.4% in 2023. The devaluation of the official exchange rate also decelerated notably, reaching 28% in 2024 compared to a 356% devaluation in 2023. This relative stability contributed to improved economic predictability, supporting investment planning and enhancing confidence in the country's overall macroeconomic outlook.

In electricity distribution, 2024 marked a turning point in the regulatory landscape. Authorities put into effect tariff adjustments and introduced transitional regimes aimed at restoring the financial sustainability of distribution companies. Both the ENRE and the EPRE carried out public hearings to define updated tariff frameworks, after several years of regulatory delays. These changes resulted in improved cash flows for distribution companies, including those in which the Group holds an interest. For details on the tariff update applicable to EDEMSA, please see section 5.1.3. "Tariff update".

From a generation perspective, the Argentine government also implemented a series of tariff updates during 2024, applicable to the energy sold on the spot market. These increases, introduced progressively throughout the year, contributed to strengthening the financial position of power generators.

4.2. Group Financial Performance and Key Performance Indicators (KPIs)

The Group uses a set of financial and operational indicators to assess the performance and progress of its activities. These KPIs help evaluate the financial health of the business, operational efficiency, and the Group's ability to meet its strategic goals. In 2024, the main KPIs were as follows

- a. **Revenue:** In 2024, Group revenue increased by 174.6%, mainly as a result of the tariff adjustments approved for the sixth tariff period, which were gradually implemented starting in November 2023 and February 2024.
- b. **Gross margin:** This represents the margin generated by the Group's core operations and excludes all non-operating items, such as finance costs, tax charges and one-off items. The gross margin increased from 15.7% in 2023 to 33.8% in 2024, mainly driven by tariff updates offset by a moderate increase in cost of sales primarily related to higher professional fees, third-party services and salaries.
- c. **Total assets:** increased from US\$364.7 million at the end of 2023 to US\$821.1 million at the end of 2024, mainly as a result of:
 - (i) the increase in the carrying amount of investments in associates, mainly reflecting the increase in the carrying amount of the equity interest in South American Energy LLP ("SAE");
 - (ii) higher financial assets at fair value, mainly reflecting investments in Argentine and foreign public and private securities, denominated in both Argentine pesos and US dollars. These assets appreciated over the year due to the combined effect of rising exchange rates and favourable market valuations;
 - (iii) a significant increase in trade receivables, largely attributable to the gradual adjustment of electricity tariffs during 2024, which had been partially delayed at the end of 2023. Despite this increase, the level of overdue receivables remained under control; and
 - (iv) the growth in property, plant and equipment, because of continued investment in infrastructure and new connections.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

d. **Borrowings:** increased from US\$35.6 million at the end of 2023 to US\$93.0 million at the end of 2024.

- Current borrowings: increased from US\$13.6 million to US\$24.9 million, mainly due to the issuance of short-term corporate notes of US\$24.0 million under the Group's financing programme. This increase was partially offset by the settlement of the bank overdraft (US\$4.4 million), the reduction in bank borrowings (US\$4.2 million) and other borrowings (US\$4.2 million), reflecting the normal repayment of short-term financial obligations.
- Non-current borrowings: increased from US\$22.0 million to US\$68.1 million, primarily reflecting the issuance of long-term corporate notes for US\$55.6 million, the fair value remeasurement of convertible loans, and the accrued interest on existing financial debt. The increase was partially offset by the extinguishment of US\$ 21.3 million financial liability with Crosgo Trading Ltd under a settlement agreement signed on 18 April 2024. Under this agreement, the liability was to be settled through issuance of ordinary shares amounting to US\$ 7.6 million and with the recognition of US\$ 13.7 million in equity reserves. On 14 May 2024, Crosgo Trading Ltd formally notified the Group that it had assigned its rights to receive these shares to Magnus Capital S.A. and Criss Cross International Development Inc., in proportions of 54.11% and 45.89% respectively. Accordingly, the Group issued the shares directly to these entities as instructed by Crosgo.

e. **Capital Expenditure (CapEx)** In 2024, the Group maintained strategic investments in infrastructure, particularly in electricity distribution —through the execution of its investment plan— and in renewable energy generation —through the development of solar park projects. Additions to property, plant and equipment amounted to US\$35.7 million, mainly related to network expansion and ongoing solar developments.

4.3. Environmental matters

Andina Energies is considered a "low energy user" in accordance with the Companies Act 2006 and related amendments regarding the disclosure of energy and carbon information. The Company does not have operations within the United Kingdom. The Group's operations are located entirely in Argentina, and therefore it is not required to report its energy and carbon information.

4.4. Human Capital

The Directors recognise the importance of staff motivation and retention. In 2024, total headcount was 742 employees (2023: 720), with low staff turnover and a stable workforce across all operational areas.

The Group maintained constructive labour relations and worked to ensure operational continuity despite the lingering effects of high inflation and economic volatility. While inflation showed signs of deceleration during the year, wage readjustments were negotiated with unions to keep wages aligned with the evolving cost of living.

The Group also prioritised internal development by providing technical training across operational units. These programmes included on-the-job training and sessions focused on the operation and maintenance of renewable energy technologies, in line with the Group's strategic commitment to sustainable energy development. In addition, employee feedback was gathered through an employee engagement survey conducted during the year, showing positive overall results.

4.5. Future Developments

Management remains focused on achieving sound and sustainable electricity tariffs, which are essential for long-term business viability, for funding the infrastructure required to enhance service quality, and for providing cost-effective energy to end users.

The Group also continues to prioritise investments in renewable energy infrastructure, consistent with its long-term strategy to expand clean energy generation capacity and support the energy transition in Argentina.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5. Electricity Distribution Financial Performance

5.1. EDEMSA

5.1.1. *Financial review*

In 2024, EDEMSA's revenue increased by 174.6%, primarily due to tariff updates under the sixth tariff period, which were applied progressively throughout 2024 via a series of regulatory resolutions and income recovery agreements. Sales volumes remained broadly unchanged, with total energy sold reaching 3,371.89 GWh in 2024, a marginal increase of just 0.01% compared to 3,371.63 GWh in 2023. Cost of sales rose by 115.4%, mainly as a result of higher energy purchase costs, which increased by 27.3% due to rising procurement prices from the Wholesale Electricity Market ("MEM") following the reduction of national subsidies and the adjustment of the official exchange rate. However, the increase in costs was proportionally lower than the growth in revenue, resulting in a significant improvement in profitability, with gross profit increasing from US\$27.3 million in 2023 to US\$161.9 million in 2024.

Selling and administrative expenses increased mainly due to higher professional fees, third-party services and salaries. The net loss from impairment of financial assets reflects an increase in the allowance for doubtful accounts following the tariff update; however, no material collection issues were reported during the year.

Despite the increase in operating expenses, operating profit improved substantially from a loss of US\$8.1 million in 2023 to a gain of US\$93.9 million in 2024, driven by the strong recovery in revenues and improved gross margins.

Net profit for the year was impacted by lower finance income, given the absence of the non-recurring gain recognised in 2023 from the debt restructuring agreement with CAMMESA. In addition, the gain from the hyperinflation adjustment decreased significantly due to the slowdown of inflation during 2024. Finance costs also rose, mainly reflecting higher interest expenses on financial borrowings, particularly those related to the corporate notes issued in 2024.

As a result of these movements, EDEMSA recorded a net profit of US\$56.7 million in 2024, compared to US\$64.4 million in 2023.

5.1.2. *Operating review*

Sales volumes remained broadly unchanged, with total energy sold reaching 3,371.89 GWh in 2024, a marginal increase of just 0.01% compared to 3,371.63 GWh in 2023.

Energy losses increased slightly, rising from 16.3% in 2023 to 16.8% in 2024. Energy losses are equivalent to the difference between energy purchased and energy sold as a technical consequence of electricity transmission and distribution and as a non-technical consequence of the unauthorised consumption of electricity.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5.1.3. Tariff update

EDEMSA's concession agreement was granted in 1998 for a term of 30 years and was extended on 31 January 2023 for an additional period of 20 years. EPRE monitors EDEMSA's compliance with the concession agreement and other local regulatory frameworks and settles electricity tariffs.

Every five years, EPRE evaluates the tariffs through Comprehensive Tariff Structure Reviews ("RTIs") and calls for public hearings before the provincial government sets the electricity rates to be applied by the concession holders.

Distribution tariffs are comprised of two components:

- (1) the costs of acquiring energy and power in the MEM, including costs associated with generation and transmission.
- (2) VAD (Distribution Value Added) - which reflects the cost inherent to electricity distribution made up of network operation costs, maintenance costs, and commercial and customer service costs.

Under the 5th RTI encompassing the period from 1 August 2018 to 31 July 2024, various tariff updates were implemented as a result of public hearings and decrees, with the intention of enhancing economic stability amidst Argentina's inflationary economy. Up to this period the distribution tariffs were adjusted semi-annually.

In April 2023 (Decree 749/23), the last VAD adjustment under the 5th RTI was announced.

The 6th RTI, which spans from 1 August 2023 to 31 July 2028, was formally initiated through EPRE Resolution No. 63/22, followed by a public hearing held on 28 July 2023. Subsequently, Decree No. 2348/23 was issued on 10 November 2023, instructing EPRE to implement the updated tariff structure in a gradual and progressive manner. Although the 6th RTI officially began in August 2023, the new tariff schedules were made effective from 1 November 2023 and 1 February 2024. The decree also modified the intra-period adjustment procedure, establishing a quarterly and automatic VAD update mechanism based on inflation, thereby eliminating the requirement for a public hearing.

Throughout 2024 and early 2025, this mechanism led to a series of resolutions and decrees that progressively adjusted the VAD. These included increases for May, August, and November 2024, as well as a specific recognition of income differences arising from the staged implementation of prior resolutions.

5.1.4. CAMMESA debt

CAMMESA is the company responsible for the technical operation of the wholesale electricity market. EDEMSA purchases electricity from CAMMESA to supply its customers in Mendoza. Over the past several years, the lack of regular tariff adjustments, combined with persistent inflationary pressures and a steady increase in operating costs, significantly reduced EDEMSA's financial capacity to meet its obligations in a timely manner. As a result, the Company incurred debt with CAMMESA related to energy purchases. Various agreements and negotiations have been undertaken to address these financial obligations, with impacts extending into future financial years. These are outlined below.

5.1.4.1. Settlement of CAMMESA's debt prior to January 2016

In 2018, EDEMSA and CAMMESA agreed a payment plan for historic energy purchases incurred prior to 2016, with a fixed interest rate of 10.0% over the financing term from April 2018 to September 2025.

At 31 December 2024, EDEMSA owed CAMMESA US\$0.5 million (2023: US\$1.5 million) under this payment plan.

The payment plan establishes that the failure to pay the plan instalments and/or the invoices whose due dates are during the term of the plan will cause the immediate and automatic expiration of the financing plan. The agreement was completed and finalised in September 2025.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5.1.4. CAMMESA debt (Cont.)

5.1.4.2. Agreement signed in 2023 to regularise CAMMESA obligations

Between 2018 and 2021, as a result of the tariff disputes and lack of updates to the tariffs, the Company made partial payments to CAMMESA and thus accumulated amounts owing to CAMMESA. With the intention of settling its debt with CAMMESA, and following negotiations, EDEMSA entered into three agreements, as explained below:

5.1.4.2.1. Agreement on the Special Regime for the Regularisation of Obligations

On 29 December 2022, an Agreement on the Special Regime for the Regularisation of Obligations was signed by EDEMSA, EPRE, the SEN and the Government of the Province of Mendoza for the resolution of MEM's obligations. The main issues that were agreed were:

- 1.1 Agreement on the recognition of the debt in favour of CAMMESA;
- 1.2 Recognition of the credit in favour of EDEMSA with the SEN;
- 1.3 Determination of the payment plan for the settlement of obligations (including repayment terms, applicable interest and grace period);
- 1.4 EDEMSA renouncing any right, action or administrative, judicial, extrajudicial or arbitration claim in the Argentine Republic and/or abroad against the National State, and/or CAMMESA and/or the Province of Mendoza, in relation to the rate freeze for the year 2020 established by Decree No. 311/20 and its extensions and/or by Laws No. 27,341, 27,431 and 27,541;
- 1.5 Closure of lawsuits filed against the National State and/or CAMMESA related to the debt with the Wholesale Electricity Market.

5.1.4.2.2. Settlement Agreement with the Government of the Mendoza Province

On 3 January 2023, EDEMSA signed a Settlement Agreement with the Government of the Mendoza Province, subsequently formalised through Decree 70/23. This agreement aimed to resolve historical disputes over uneamed income accrued between 2008 and 2023 and established reciprocal commitments between the Province and the distributor.

Under the agreement, the Province granted a 20-year extension of the concession contract from August 2028, reduced the concession fee from 10% to 6%, and committed to supporting the implementation of a long-term investment plan and tariff adjustments. The agreement also stated that future Class B and C share dividends would be applied to network expansion and energy efficiency.

In exchange, EDEMSA waived all administrative and judicial claims, both local and international, related to past tariff delays, committed to a 10-year investment programme of AR\$17,000 million, and obtained shareholder ratification of the agreement through a general meeting held in early 2023.

5.1.4.2.3. Offer Letter for Debt Regularisation with CAMMESA

On 4 September 2023, EDEMSA submitted a formal offer to CAMMESA to regularise its outstanding obligations for energy purchases. The offer was accepted on 14 September 2023 under the framework of the agreements signed earlier in the year. The main terms were:

- Recognised debt: EDEMSA acknowledged a total outstanding amount of US\$14.0 million, composed of debt accrued until September 2020 and between October 2020 and April 2023.
- Offset with credits: The Secretary of Energy recognised credits totalling US\$4.8 million in EDEMSA's favour, applied against the debt. These included amounts linked to tariff maintenance, investment plans, and demand subsidies. Certain credits (US\$1.9 million) were recognised as income in the consolidated income statement; others were allocated to 'Property, Plant and Equipment' in accordance with IAS 20.
- Payment of net debt: The resulting net debt of US\$9.2 million to be repaid over 96 monthly installments, with a 6-month grace period, increasing installments, and an interest rate equal to 50% of the MEM reference rate. The first installment was paid in February 2024.

On 31 December 2023, EDEMSA recognised a gain of US\$25.7 million in connection with the fair value measurement of this debt restructuring. As of 31 December 2024, the outstanding balance was US\$17.2 million, measured at amortised cost.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5.2. EDENOR

The following information is based on EDENOR's publicly available financial statements and investor reports, as Andina Energies Plc holds a minority interest of 11.9% in the company and does not exercise control or significant influence.

5.2.1. Financial review

The operating profit of EDENOR for the year ended 31 December 2024 was US\$40.8 million, compared to a loss of US\$148.4 million in the previous year. This significant improvement was primarily driven by the cumulative effect of tariff increases implemented in 2024, which improved revenue levels, alongside a partial recovery of the gross margin to 19.3% (2023: 4.0%). The tariff adjustments allowed EDENOR to better absorb inflation-related cost increases and maintain the quality of service under an adverse macroeconomic environment.

In 2024, EDENOR reported a post-tax profit of US\$264.1 million, compared to a post-tax profit of US\$108.9 million in 2023, which has been restated in accordance with note 17. The return to profitability was largely explained by the impact of the Obligation Regularisation Agreement signed with CAMMESA on 29 December 2023, which resulted in the derecognition of a portion of EDENOR's financial debt, and due to the decrease in the rate of inflation, which resulted in EDENOR's monetary liabilities inflating at a slower pace compared to 2023, generating a net gain in real terms.

5.2.2. Operating review

The amount of energy sold in 2024 totalled 22,726 GWh, representing a 3.5% decrease compared to the previous year (23,538 GWh).

Energy losses for 2024 were 15.2%, showing a slight increase from the 14.9% recorded in the prior year, mainly due to higher energy theft in Greater Buenos Aires despite ongoing recovery and regularisation efforts.

6. Electricity Generation Financial Performance

6.1. ANDINA CONSULTORES Y SERVICIOS S.A.U. (ACS SAU)

The company was incorporated on 9 August 2023 and therefore operated for only five months during its first financial year; as a result, 2023 figures are not directly comparable to those of 2024.

6.1.1. Financial review

For the year ended 31 December 2024, ACS SAU recorded an operating loss of US\$0.03 million, compared to an operating loss of US\$0.08 million in 2023. The reduction mainly reflects that project-related costs were capitalised in 2024 as development activities advanced, whereas in 2023 they were recorded as administrative expenses.

ACS SAU reported a net profit of US\$0.06 million for the year, compared to a net loss of US\$0.08 million in 2023. The variation in net result was mainly driven by a financial gain of US\$0.09 million, primarily due to the positive impact of hyperinflation.

As of 31 December 2024, ACS SAU had capitalised US\$0.05 million under work in progress, relating entirely to the initial development phase of the Uspallata Solar Park.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6.1.2. Operating review

Throughout 2024, ACS SAU continued advancing with the development of the Uspallata Solar Park, a 4 MW photovoltaic project located in the Province of Mendoza. During the year, preparatory and permitting activities progressed, and initial investments were capitalised under construction in progress.

ACS SAU does not yet generate operating revenue, as the project remains under development and has not reached commercial operation. Activities during the year were focused on technical studies, site preparation, and engineering planning, in line with the medium-term goal of commencing operations in 2026.

The project is supported by a 15-year Power Purchase Agreement initially signed on 10 October 2023 between Andina Electricidad S.A. and CAMMESA. On 28 November 2023, following CAMMESA's formal consent dated 8 November 2023, all rights and obligations under the agreement were transferred to ACS SAU. This transfer was subsequently formalised through an addendum signed on 12 February 2025 between CAMMESA, Andina Electricidad S.A. and ACS SAU, confirming that, from that date on, ACS SAU is recognised as the "Seller" for all contractual purposes.

Under the terms of the agreement, all contracted energy will be sold exclusively to CAMMESA. Monthly payments will be settled in US dollars, adjusted by a seasonal pricing scheme: a 1.2 multiplier applies during January, February, June, July, August, and December, while a 0.8 multiplier is used for the remaining months. An additional incentive factor of 1.15 applied during the years 2023, 2024 and 2025. The agreement also includes contractual mechanisms to address delays in the commercial start date, currency fluctuations, and payment defaults.

As of 31 December 2024, the plant remained under construction and had not yet commenced commercial operations. The timing of construction activities will depend on the completion of the project's financing arrangements, which are currently being structured. The finalisation of such financing will determine the pace of investment and the subsequent start-up schedule.

6.2. HASA

As Andina Energies Plc holds a 23.6% interest in HASA without exercising control or significant influence, the following information has been obtained from the financial statements approved at HASA's shareholders' meeting on 4 April 2025, which are made available to Andina Energies Plc in its capacity as shareholder.

6.2.1. Financial review

Sales increased to US\$3.3 million in 2024, up from US\$1.9 million in 2023, driven by updates to the remuneration scheme for power generators issued by the Secretariat of Energy (SEN). These resolutions updated the prices for generated and operated energy and set the remuneration for available capacity at 168 MWh.

As a result, the gross margin turned positive, improving from a gross loss of US\$0.3 million in 2023, before inflation adjustment to a gross profit of US\$0.1 million in 2024. This improvement was mainly attributable to the increase in tariff levels, which helped restore operating profitability despite continued inflationary pressures on costs.

Profit after tax amounted to US\$0.5 million, compared to a profit of US\$0.3 million in 2023. This result includes the effect of a significant gain from the hyperinflation impact, which had a favourable effect on financial results in the context of inflationary pressures.

6.2.2. Operating review

The total energy produced during the year was 168,337 MWh, which represents a 5% increase compared to the previous year (160,469 MWh).

6.2.3. Water level

The reservoir water level is an indication of the amount of power that can be generated. The water level at the end of 2024 was 155.36 meters compared to 163.28 meters at the end of 2023 which represents a downward variation of 7.92 meters. This decrease is linked to lower inflows during the year, which in turn limited the total energy generation.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

PRINCIPAL RISKS, FINANCIAL RISKS AND UNCERTAINTIES

Set out below are the key operating risks and uncertainties affecting the Group.

Tariff risk

The revenues of the Group's principal trading subsidiary EDEMSA and other entities within the Group, EDENOR and HASA, are subject to a regulated electricity tariff regime set by the national and provincial Governments, which is revised on a specified periodic basis. A delay in the adjustment of rates could put the Group into financial difficulties.

Mitigation

The Group seeks to mitigate these risks by closely monitoring the fluctuations in key operating costs and by implementing hedging strategies to minimise the impact on financial performance. The Group engages in regular presentations and negotiations with the regulators to advocate for necessary inflation and tariff adjustments.

Currency and hyperinflation risk

The Company has liabilities denominated in US Dollars; however, the Group's operations are denominated in Argentine Pesos. The Argentine economy has experienced significant volatility in recent decades, characterised by periods of low or negative growth, high levels of inflation and significant depreciation of the Argentine Peso, which is the functional currency of the Group's operations, and, from 1 July 2018, qualified as a currency of a hyperinflationary economy.

Since September 2019, the Argentine Government has adopted a series of measures reinstating foreign exchange controls that limit the Group's ability to access foreign currency and external financing. Through 2024, although inflation decelerated compared to 2023, the Argentine Peso continued to depreciate, and inflationary pressures persisted. These factors pose significant risks to the Group's liquidity and ability to access credit, capital markets and make payments for goods and services that are necessary for the provision of its services.

Mitigation

The Group seeks to mitigate this risk primarily through a natural hedge, as it holds financial assets denominated in US Dollar (including cash and equivalents, receivables and marketable securities), which offset the exposure arising from US Dollar-denominated liabilities and strengthen the Group's ability to operate under adverse macroeconomic conditions.

Political and regulatory interventions risk

The Group's operations are based in Argentina and are subject to Argentine laws and regulations. The Argentine Government has historically exercised significant influence over the economy publicising numerous, far-reaching regulations and reforms affecting the economy and in particular, electricity companies. Amendments to laws and regulations governing the Group's operating activities or more stringent implementation or interpretation of these laws and regulations could have a material adverse impact on the Group.

Mitigation

The Group utilises reputable legal representatives in Argentina to continuously monitor the legal and regulatory regime. Periodic meetings are held with Argentine tax advisers to review fiscal changes and regulatory requirements. The updates are typically undertaken on a monthly basis. In addition, the Group is a member of ADEERA (Asociación de Distribuidores de Energía Eléctrica de la República Argentina) which consistently works with the Argentine authorities to assist in the understanding of regulatory constraints and in the modification of legislation designed to clarify inconsistencies and interpretations of the law.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Plant operation risk

The failure of an essential component or a severe weather event affecting any of the Group's operating assets will impact the Group's ability to distribute and generate electricity through plant outages or restrictions on operations. The Group's assets have been in service for a substantial amount of time and aging is a significant factor in many areas. A significant plant component failure or a critical non-replaceable plant item failure may affect the operating lifetime of the asset.

Mitigation

The plan to mitigate the risks associated with the failure of an essential component in any of the Group's operating assets involves a risk-based maintenance program designed to identify and prioritise activities based on the level of risk posed by each component. This way, the Group can ensure that critical components are inspected and maintained more frequently, reducing the likelihood of unexpected failures. Moreover, the Group manages the supply chain for strategic stock holding levels, delivers lead times and monitors market conditions. Additionally, the program is monitored by regulatory bodies, including ENRE and EPRE, to ensure compliance with industry standards and regulations. With regard to significant weather events, the Group undertakes major incident and crisis management assessments to ensure preparedness. Consequently, the Group can minimise the risk of plant outages or restrictions on operations.

Cyber Security Risk

Unauthorised access or compromised operational technology networks could result in a loss of the automated network control and electricity outages for customers, as well as in a loss of large volumes of sensitive data.

Mitigation

We commit significant resources to maintain the security and integrity of our systems, data and technology infrastructure, by continuously investing in the network. Stringent policies and procedures are in place to provide controls over network security, asset monitoring and management, data integrity, back-ups and incident response.

Safety Risk

There is a risk of significant injury or loss of life to employees, contractors or the public as a result of the operational business activity.

Mitigation

Safety controls focus on well-established risk management procedures including safety policies, procedures, standards, risk assessments and action plans, as well as competency, Health and Safety training, and a clear objective on safe behaviours and a secure workplace.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

SECTION 172 (1) STATEMENT

The Directors are required to explain how they consider the interests of key stakeholders, and the broad matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company and the Group under S172(1). This includes considering the interest of other stakeholders which will have an impact on the long-term success of the Company and the Group.

This S172(1) statement explains who the Company's and the Group's stakeholders' groups are, their material issues and how the Directors of Andina relate to them and their expectations, including the principal decisions made by the Company and the Group during the financial year. The S172(1) statement focuses on matters of strategic importance to Andina, and the level of information disclosed is consistent with the size and the complexity of the business.

When making decisions, each Director ensures that they act in the way they consider, in good faith, would most likely promote the Company's and the Group's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) The likely consequences of any decision in the long term

Our long-term success is linked to the delivery of an efficient electricity distribution service for our customers that contributes to improving people's quality of life, the development of the business and the community, as well as that of our employees and stakeholders. The Directors are mindful that their strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed, balancing the different priorities and interests of stakeholders in a way compatible with the long-term, sustainable success of the business. Moreover, strategic and operating plans also are discussed annually with the regulator.

172(1) (B) The interests of Andina's employees

Andina's employees are core to the business and fundamental to its operational success. The Directors understand how important the workforce is to the long-term success of the business and are committed to keep it motivated and fully involved in all aspects of the business. Significant efforts are being made to ensure that Andina remains a responsible employer when it comes to payroll, benefits, health, safety, and a positive working environment, such as:

- strict health and safety monitoring;
- technical and soft skills training;
- scholarship plans for relatives;
- communication apps and multisectoral meetings; and
- surveys.

Policy for disabled employees: Applications for employment by disabled persons are fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, efforts are made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee engagement statement: The Group's policy is to consult and discuss with employees, through unions, staff councils and their representatives, on a regular basis, all matters likely to affect employees' interests. Information about matters of concern to employees is given through Apps, e-mails and WhatsApp messages to achieve a common awareness for all employees of the factors affecting them.

S172(1) (C) The need to foster Andina's business relationships with suppliers, customers and others

Maintaining solid and mutually beneficial relationships with suppliers, customers and governments are fundamental pillars for Andina's operational success. With the objective of boosting these working relationships effectively, the Group seeks the promotion and application of the following general principles:

Customers

- Putting customers at the centre of our strategy.
- Regular monitoring of customer satisfaction rates.
- Good quality and time saving customer service.
- Implementation of new customer service communication channels such as WhatsApp.
- Improvements to web pages, by incorporating automations and new online management procedures.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

S172(1) (C) The need to foster Andina's business relationships with suppliers, customers and others (Continued)

Partners and suppliers

- Tenders to ensure equal opportunities for suppliers and the best commercial outcome for the business.
- Health and Safety control plans throughout the value chain.

Governments and regulators

- Continuous communication with the government regarding the tariff update and participation in policy debates of interest to Andina and the communities in which it operates.

S172(1) (D) The impact of Andina's operations on the community and the environment

Electricity is crucial for communities and impacts businesses and homes daily. The Directors believe that working closely with communities is important and so Andina regularly consults local people and Non-governmental Organisations (NGOs) on the ways in which the Group's activities could impact the local community or the environment. The Group actively participates in numerous community projects such as:

- PLEC (Light at Home Program): since 2005 this program has helped 100,000+ people (25,000 families) to access electricity in a safe and economically affordable way;
- alliances with organisations such as Junior Achievement, and FONBEC (Scholarships) to support the education of young people from poor backgrounds;
- sponsoring of charitable social plans;
- annual environmental audits;
- connection with local communities through social media, community workshops and training; and
- management of greenhouse gas emissions and waste.

The Group utilises the Integrated Management System (IMS) to ensure continuous monitoring of environmental management and ongoing compliance with ISO 9001:2015 Quality Management and ISO 14001:2015 Environmental Management. The Group is subject to annual external environmental audits certified by IRAM (National Institute of Standardization and Certifications).

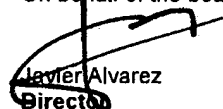
S172(1) (E) The desire of Andina to maintain a reputation for high standards of business conduct

The desire of Andina to maintain its reputation for high standards of business conduct, translates into the Board of Directors' intention to behave responsibly and to guarantee that the business is managed in a responsible manner and to promote a culture of integrity, trust and good governance. The Board ensures that the mission and values of the Group supports this, and our engagement with all stakeholder groups reflects that this aim is embedded across the business and impacts the decisions taken throughout the organisation.

S172(1) (F) The need to act fairly as between members of the Company and the Group

With the aim to promote a culture of good corporate compliance and integrity, the Company and the Group follows a corporate governance framework and code of conduct which allows the Directors to understand the views of the shareholders. This permits the Directors to both effectively and constructively engage with and report to the shareholders.

On behalf of the board



Javier Alvarez
Director

16 January 2026

ANDINA ENERGIES PLC (formerly known as Andina Plc)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their Annual Report and audited consolidated financial statements for the year ended 31 December 2024.

Directors

The Directors who held office during the year and up to the date of signing of the financial statements were as follows:

Mr Javier Alvarez	
Mr Neil Bleasdale	
Mr Julian Collins	
Mr Marcelo Comba	
Mrs Valeria Inés de Oliveira César	
Mrs Maria Fernanda Martinez	
Mr Ricardo Nicolás Mallo Huergo	
Mrs Cecilia Aversa	(Resigned 24 May 2024)
Mrs Maria Lucila Seco	(Resigned 17 October 2025)
Mrs Evangelina Cecilia Suarez	(Appointed 1 June 2025)
Mrs German Frederico Ranftl Moreno	(Appointed 1 June 2025)
Mr Emilio Berruti	(Appointed 17 October 2025)
Mr Daniel Marx	(Appointed 17 October 2025)

Results and dividends

The results for the year are set out on page 21 - 22.

No ordinary dividends were paid or proposed during the year (2023: US\$nil). The Directors do not recommend payment of a dividend.

Future developments

The Group will continue to pursue its strategy of sustainable growth through investment in renewable generation and the modernisation of electricity distribution networks. These initiatives aim to strengthen operational efficiency and energy reliability while supporting Argentina's ongoing energy transition.

No other significant future developments have been identified beyond those described in Note 37 (Subsequent events).

Political donations and political expenditure

Andina is a politically neutral organisation and made no political donations.

Financial instruments

Details of financial risks are included in the Principal Risks, Financial Risk and Uncertainties Section on pages 11 – 12 of the Strategic Report.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

Going concern

The Directors have reviewed the cash position and liquidity status of the Group and the Company for the period up to 30 June 2027, considering tariff updates, currency fluctuations and scheduled borrowings payments, and payment plans. They consider it appropriate that the financial statements be prepared on the going concern basis for the reasons set out below.

At 31 December 2024, the Group had net current assets of US\$67.8 million (2023: net current liabilities US\$5.5 million) and debt of US\$12.6 million (2023: US\$26.3 million), and the Company had net current assets of US\$5.2 million (2023: net current liabilities US\$2.1 million) and debt of US\$9.2 million (2023: US\$23.4 million).

In assessing the ability of the Group and the Company to adopt the going concern basis in preparing the financial statements, the Directors considered factors including:

- the Group's revenues are derived principally from regulated electricity distribution;
- the Group is a stable electricity distribution business operating an essential public service;
- the Company's subsidiaries hold investment grade credit ratings, which allow access to a range of financing options including the capital markets;
- the Group has incorporated the fulfilment of future payments under the payment schedules resulting from agreements made in 2018 (see Settlement of CAMMESA's debt prior to January 2016) and 2023 (see Agreement signed in 2023 to regularise CAMMESA obligations) into the preparation of the cash flow forecast. The Company has noted no issues in the Company's ability to make these payments in line with the agreed upon terms per the mentioned payment plans;
- there is no indication that the entity may have difficulties complying with the covenants related to the corporate notes issued in 2024;
- the Company is financed by borrowings with an average maturity of 31 December 2026 and in addition, has access to borrowing facilities provided by Magnus Capital S.A. and Integra Capital S.A. which the Company could draw upon if required to support short-term liquidity needs;
- consideration was also given to the obligations of the Group and the Company, indicating a reasonable expectation of sufficient financial and operational resources available for the continuation of business for a period of at least 18 months from the date of signing the financial statements. In the event that any liabilities could not be met, the Directors could consider other financing alternatives such as the issuance of warrants and the sale of investments, as they have done previously.
- As part of its growth strategy, the Group is developing new power generation projects through its subsidiary Andina Consultores, with operations expected to commence in 2026. Capital expenditures for these projects will only proceed at scale once financing is secured, although limited preliminary development costs have already been incurred. A power purchase agreement has already been signed with CAMMESA for the energy to be sold.
- The Directors have considered a severe yet plausible downside scenario, which assumes that electricity distribution is reduced and that access to capital markets becomes increasingly restricted despite the subsidiaries' investment-grade credit ratings, owing to adverse developments in Argentina's economic environment or heightened currency volatility. Under this scenario, notwithstanding the Group's net current assets of US\$67.8 million and relatively low indebtedness of US\$12.6 million, the Group could experience increased liquidity pressure and would be required to implement mitigating measures. These could include deferring planned capital expenditure on the power generation project through Andina Consultores, drawing on available borrowing facilities from Magnus Capital S.A. and Integra Capital S.A., or seeking alternative financing arrangements such as the issuance of warrants or share capital.

On this basis, the Directors have a reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of Directors' Responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies' Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Directors are aware, there is no relevant audit information of which the Group's and the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and the Company's auditors are aware of that information.

On behalf of the board


Javier Alvarez
Director
16 January 2026

Independent auditors' report to the members of Andina Energies PLC

Report on the audit of the financial statements

Opinion

In our opinion, Andina Energies PLC's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Consolidated and Company statements of financial position as at 31 December 2024;
- the Consolidated income statement; the Consolidated statement of comprehensive income; the Consolidated and Company statements of changes in equity; and the Consolidated and Company statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of energy market regulations and employment laws in the jurisdictions in which the Group operates, and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax laws in the jurisdictions in which the Group operates and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inquiries with the Directors and management, regarding consideration of known or suspected instances of non-compliance with laws and regulations;

- Challenging assumptions and judgements made by management in respect of critical accounting judgements and estimates;
- Review of minutes of meetings of the Board of Directors;
- Inspection of supporting documentation, where appropriate; and
- Identifying and testing journal entries, in particular any journal entries posted with certain unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Timothy McAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 January 2026

ANDINA ENERGIES PLC (formerly known as Andina Plc)

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 US\$'000	2023 Restated ⁽¹⁾ US\$'000
Revenue	9	478,562	174,290
Cost of sales	10	(316,631)	(146,971)
Gross profit		161,931	27,319
Selling expenses	11	(35,524)	(17,959)
Administrative expenses	11	(34,898)	(21,373)
Net impairment losses on financial and contract assets		(3,351)	(804)
Other operating income	12	6,412	3,817
Operating profit / (loss)		94,570	(9,000)
Gain on financial instruments measured at fair value through profit or loss ⁽²⁾		16,600	36,059
Finance income	13	6,594	6,901
Finance costs	14	(65,057)	(46,663)
Other finance income ⁽³⁾		-	25,686
Hyperinflation impact	3.4.2	15,291	84,669
Share of profits in associates	17	36,158	7,153
Profit before taxation		104,156	104,805
Income tax charge	15	(16,034)	(45,505)
Profit for the financial year		88,122	59,300
Profit for the financial year is attributable to:			
- Owners of the parent company		60,332	27,763
- Non-controlling interests		27,790	31,537
		88,122	59,300

(1) Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

(2) Gain generated from securities, shares and other investments measured at fair value through profit or loss.

(3) Includes a gain of US\$25.7 million recognised in 2023 in connection with the fair value measurement of EDEMSA's debt restructuring agreement with CAMMESA, under the debt regularisation framework.

The accompanying notes on pages 30 – 84 form an integral part of these financial statements.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 US\$'000	2023 Restated ⁽¹⁾ US\$'000
Profit for the financial year		88,122	59,300
Other comprehensive income / (expense)			
<i>Items that will not be reclassified to profit or loss</i>			
Translation differences	3.4.1	133,338	(42,534)
Actuarial loss on defined benefit pension schemes ⁽²⁾	30	(865)	(19)
Tax relating to other comprehensive income / (expense)	15	298	(351)
Other comprehensive income / (expense) for the year		132,771	(42,904)
Total comprehensive income for the year		220,893	16,396
Total comprehensive income / (expense) for the year is attributable to:			
- Owners of the parent company		155,487	(4,600)
- Non-controlling interests		65,406	20,996
		220,893	16,396

(1) Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

(2) For the year ended 31 December 2024, the actuarial loss on defined benefit pension schemes includes a loss of US\$1.13 million from a Group subsidiary (2023: US\$0.12 million gain), and a gain of US\$0.26 million from the Group's investment in South American Energy LLP (2023: US\$0.14 million loss), recognised under the equity method.

The accompanying notes on pages 30 – 84 form an integral part of these financial statements.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		2024	2023	2022
	Note	US\$'000	Restated ⁽¹⁾ US\$'000	Restated ⁽¹⁾ US\$'000
Non-current assets				
Investments in associates and subsidiaries	17	169,984	74,742	90,309
Intangible assets	18	-	-	-
Property, plant and equipment	19	367,924	204,983	286,509
Inventories	20	4,937	2,607	4,649
Trade and other receivables	21	530	733	500
		543,375	283,065	381,967
Current assets				
Inventories	20	21,463	3,114	5,415
Trade and other receivables	21	110,346	33,003	57,398
Financial instruments	22	110,222	45,136	47,978
Cash and cash equivalents (excluding bank overdrafts)	23	35,710	424	1,911
		277,741	81,677	112,702
Total assets		821,116	364,742	494,669
Current liabilities				
Trade and other payables	25	(153,159)	(66,105)	(243,907)
Borrowings	26	(24,867)	(13,595)	(4,737)
Leases	27	(69)	(77)	(363)
Provisions	29	(31,471)	(7,038)	(8,456)
Defined benefit pension liability	30	(393)	(337)	(768)
		(209,959)	(87,152)	(258,231)
Non-current liabilities				
Trade and other payables	25	(17,530)	(13,680)	(9,784)
Borrowings	26	(68,117)	(22,034)	(11,027)
Leases	27	(224)	(121)	(660)
Provisions	29	(107)	(88)	(150)
Deferred tax liability	28	(116,064)	(82,863)	(70,370)
Defined benefit pension liability	30	(5,796)	(3,049)	(4,972)
		(207,838)	(121,835)	(96,963)
Total liabilities		(417,797)	(208,987)	(355,194)
Net assets		403,319	155,755	139,475

(1) Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2024

	Note	2024 US\$'000	2023 Restated ⁽¹⁾ US\$'000	2022 Restated ⁽¹⁾ US\$'000
Equity				
Share capital	24	29,520	24,473	24,473
Share premium	24	12,455	7,655	7,655
Translation reserve	24	121,191	26,144	33,055
Merger reserve	24	40,432	40,432	40,432
Other reserve	24	18,927	2,103	2,219
Retained earnings / (accumulated losses)	24	61,536	1,096	(1,215)
Equity attributable to owners of the parent company		284,061	101,903	106,619
Non-controlling interests		119,258	53,852	32,856
Total equity		403,319	155,755	139,475

(1) Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

The accompanying notes on pages 30 – 83 form an integral part of these financial statements.

The financial statements on pages 21 – 83 were approved by the Board of Directors and authorised for issue on 16 January 2026 and are signed on its behalf by:


David Alvarez
Director

ANDINA ENERGIES PLC (formerly known as Andina Plc)

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

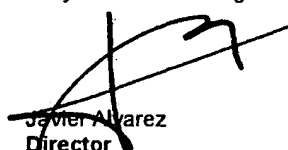
	Note	2024 US\$'000	2023 Restated ⁽¹⁾ US\$'000	2022 Restated ⁽¹⁾ US\$'000
Non-current assets				
Investments in associates and subsidiaries	17	200,127	105,976	119,483
Trade and other receivables	21	517	1,302	1,401
		<u>200,644</u>	<u>107,278</u>	<u>120,884</u>
Current assets				
Trade and other receivables	21	128	1,463	1,505
Financial instruments	22	11	56	409
Cash and cash equivalents	23	5,942	140	-
		<u>6,081</u>	<u>1,659</u>	<u>1,914</u>
Total assets		<u>206,725</u>	<u>108,937</u>	<u>122,798</u>
Current liabilities				
Trade and other payables	25	(801)	(922)	(875)
Borrowings	26	(102)	(2,847)	(1,741)
		<u>(903)</u>	<u>(3,769)</u>	<u>(2,616)</u>
Non-current liabilities				
Trade and other payables	25	-	(2,550)	(2,209)
Borrowings	26	(9,100)	(20,598)	(10,348)
		<u>(9,100)</u>	<u>(23,148)</u>	<u>(12,557)</u>
Total liabilities		<u>(10,003)</u>	<u>(26,917)</u>	<u>(15,173)</u>
Net assets		<u>196,722</u>	<u>82,020</u>	<u>107,625</u>
Equity				
Share capital	24	29,520	24,473	24,473
Share premium	24	12,455	7,655	7,655
Translation reserve	24	(7,745)	(6,427)	(11,080)
Merger reserve	24	40,432	40,432	40,432
Other comprehensive income	24	43,466	(16,006)	9,850
Other reserve	24	18,927	2,103	2,219
Retained earnings	24	59,667	29,790	34,076
Total equity		<u>196,722</u>	<u>82,020</u>	<u>107,625</u>

(1) Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

As permitted by s408 of the Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's profit for the year was US\$29,877 thousand (2023 - loss US\$4,286 thousand).

The accompanying notes on pages 30 – 83 form an integral part of these financial statements.

The financial statements on pages 21 – 83 were approved by the Board of Directors and authorised for issue on 16 January 2026 and are signed on its behalf by:


Javier Alvarez
Director
Company Registration No. 8095058

ANDINA ENERGIES PLC (formerly known as Andina Plc)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Translation reserve	Merger reserve	(Accumulated losses) / Retained earnings	Other reserve	Total controlling interest	Non-controlling interest	Total equity
Note	24	24	24	24	24	24	24	24	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2023	24,473	7,655	33,055	40,432	(20,282)	2,219	87,552	32,856	120,408
Adjustment to results of previous years ⁽¹⁾	-	-	-	-	19,067	-	19,067	-	19,067
Balance at 1 January 2023 restated ⁽¹⁾	24,473	7,655	33,055	40,432	(1,215)	2,219	106,619	32,856	139,475
Year ended 31 December 2023:									
Profit for the year restated ⁽¹⁾	-	-	-	-	27,763	-	27,763	31,537	59,300
Other comprehensive expense:									
Translation differences ⁽²⁾	-	-	(6,911)	-	(25,196)	-	(32,107)	(10,427)	(42,534)
Actuarial loss on defined benefit plans	-	-	-	-	(256)	-	(256)	(114)	(370)
Total comprehensive (expense)/income for the year	-	-	(6,911)	-	2,311	-	(4,600)	20,986	16,396
Other reserve	-	-	-	-	-	(116)	(116)	-	(116)
Balance at 31 December 2023 restated ⁽¹⁾	24,473	7,655	26,144	40,432	1,096	2,103	101,803	53,852	155,755
Year ended 31 December 2024:									
Profit for the year	-	-	-	-	60,332	-	60,332	27,790	88,122
Other comprehensive income / (expense):									
Translation differences ⁽³⁾	-	-	95,047	-	268	-	95,315	38,023	133,338
Actuarial loss on defined benefit plans	-	-	-	-	(160)	-	(160)	(407)	(567)
Total comprehensive income for the year	-	-	95,047	-	60,440	-	155,487	65,406	220,893
Other reserve	5,047	4,800	-	-	-	16,824	26,671	-	26,671
Balance at 31 December 2024	29,520	12,455	121,191	40,432	61,536	18,927	284,061	119,258	403,319

The accompanying notes on pages 30 – 84 form an integral part of these financial statements.

(1) Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

(2) Includes a gain of US\$132 million from hyperinflation, a loss of US\$150 million from the translation impact on opening balances at the year-end exchange rate, and a loss of US\$25 million from the associate.

(3) Includes a gain of US\$125 million from hyperinflation, a gain of US\$8 million from the translation impact on opening balances at the year-end exchange rate, and a gain of US\$0.3 million from the associate.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Translation reserve	Merger reserve	Other comprehensive income/ (expense)	Retained earnings	Other reserve	Total equity
Note	24	24	24	24	24	24	24	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2023	24,473	7,656	(11,080)	40,432	9,850	16,009	2,219	88,568
Adjustment to results of previous years	-	-	-	-	-	19,067	-	19,067
Balance at 1 January 2023 restated ⁽¹⁾	24,473	7,656	(11,080)	40,432	9,850	34,076	2,219	107,625
Year ended 31 December 2023:								
Loss for the year restated ⁽¹⁾	-	-	-	-	-	(4,286)	-	(4,286)
<i>Other comprehensive income / (expense):</i>								
Translation differences	-	-	4,653	-	(25,717)	-	-	(21,064)
Actuarial loss on defined benefit plans	-	-	-	-	(139)	-	-	(139)
Total comprehensive income / (expense)	-	-	4,653	-	(25,856)	(4,286)	-	(25,489)
Other reserve	-	-	-	-	-	-	(116)	(116)
Balance at 31 December 2023 restated ⁽¹⁾	24,473	7,656	(6,427)	40,432	(16,006)	29,790	2,103	82,020
Year ended 31 December 2024:								
Profit for the year	-	-	-	-	-	29,877	-	29,877
<i>Other comprehensive income / (expense)</i>								
Translation differences	-	-	(1,318)	-	59,208	-	-	57,890
Actuarial gain on defined benefit plans	-	-	-	-	264	-	-	264
Total comprehensive income / (expense)	-	-	(1,318)	-	59,472	29,877	-	88,031
Capital increase	5,047	4,800	-	-	-	-	16,824	26,671
Balance at 31 December 2024	29,520	12,456	(7,745)	40,432	43,466	59,667	18,927	196,722

⁽¹⁾ Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

The accompanying notes on pages 30 – 84 form an integral part of these financial statements.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 US\$'000	2023 Restated ⁽¹⁾ US\$'000
Cash flows from operating activities			
Cash generated from operations	32	75,021	5,203
Interest received		5,288	4,071
Interest paid		(6,412)	(4,078)
Net cash generated from operating activities		73,897	5,196
Cash flows from investing activities			
Purchase of property, plant and equipment	19	(30,821)	(15,234)
Purchase of financial instruments		(64,765)	(3,423)
Net cash used in investing activities		(95,586)	(18,657)
Cash flows from financing activities			
Proceeds from borrowings	26	82,222	21,589
Proceeds from issuance of warrants	24	5,205	-
Repayment of borrowings	26	(20,572)	(15,271)
Net cash generated from financing activities		66,855	6,318
Net increase / (decrease) in cash and cash equivalents		45,166	(7,143)
Cash and cash equivalents at beginning of year	23	(3,929)	1,911
(Loss) / gain generated from cash and cash equivalents		(5,527)	1,303
Cash and cash equivalents at end of year	23	35,710	(3,929)

Significant non-cash transactions

The significant non-cash transactions in 2024 and 2023 are detailed below:

	Note	2024 US\$'000	2023 Restated ⁽¹⁾ US\$'000
Transfer of inventory to property, plant and equipment	20	4,781	3,113
Debt-for-equity conversion	26	7,627	-
Other reserve - CROSGO	26	13,722	-

(1) Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

The accompanying notes on pages 30 – 84 form an integral part of these financial statements.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	US\$'000	Restated ⁽¹⁾ US\$'000
Cash flows from operating activities			
Cash used in operations	33	(188)	(57)
Net cash used in operating activities		(188)	(57)
Cash flows from investing activities			
Purchase of current investments		-	(102)
Net cash used in investing activities		-	(102)
Cash flows from financing activities			
Proceeds from borrowings	26	785	299
Proceeds from issuance of warrants	24	5,205	-
Net cash generated from financing activities		5,990	299
Net increase in cash and cash equivalents		5,802	140
Cash and cash equivalents at beginning of year	23	140	-
Cash and cash equivalents at end of year	23	5,942	140

Significant non-cash transactions

The significant non-cash transactions in 2024 and 2023 are detailed below:

	Note	2024	2023
		US\$'000	Restated ⁽¹⁾ US\$'000
Debt-for-equity conversion	26	7,627	-
Other reserve – Crosgo	26	13,722	-

(1) Restated - see note 17: Comparative figures have been restated following a correction made by South American Energy LLP, an associate of the Group, in relation to a deferred tax error identified in one of its subsidiaries. This adjustment increased the Group's recognised share of profit under the equity method.

The accompanying notes on pages 30 – 84 form an integral part of these financial statements.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 1 | General information

Andina Energies Plc (the "Company") is a public limited company incorporated and domiciled in England and Wales, with its registered office at 1–3 Charter Square, Sheffield, S1 4HS. The Company was incorporated on 6 June 2012 under company number 08095058. On 24 March 2025, the Company changed its registered name from Andina Plc to Andina Energy Plc. Subsequently, on 16 July 2025, the Company changed its name to Andina Energies Plc.

These consolidated financial statements comprise the Company and its subsidiaries (together, the "Group"). While the Company is domiciled in the United Kingdom, the Group's operations and assets are based in Argentina.

The Group is engaged principally in the electricity distribution and power generation sectors. In the distribution activity, the Group controls Empresa Distribuidora de Electricidad de Mendoza S.A. ("EDEMESA"), a regulated electricity distributor in the province of Mendoza, and also holds a non-controlling interest in Empresa Distribuidora y Comercializadora Norte S.A. ("EDENOR"), the largest electricity distribution company in Argentina by number of customers, serving the northern area of the Buenos Aires Metropolitan Region.

In the generation activity, the Group is currently developing photovoltaic solar parks in the province of Mendoza through its subsidiaries Andina Consultores y Servicios S.A.U. and Trancura Energía S.A. The latter was incorporated into the Group in 2025 as part of its strategic expansion into renewable energy (refer to note 37 - Events after the reporting year). The Group also holds an equity interest in Hidroeléctrica Ameghino S.A., which operates a hydroelectric power plant in the province of Chubut.

The Company remains committed to the long-term development of sustainable energy infrastructure, with a strategic focus on optimising energy use and supporting the digital transformation of electricity networks into smart grids, thereby promoting reliable, affordable and inclusive access to energy.

These financial statements present both the consolidated financial statements of the Group and the separate financial statements of the Company. The notes to the financial statements primarily relate to the consolidated figures, unless otherwise indicated. The separate financial statements of the Company have been prepared in accordance with applicable legal requirements in the United Kingdom.

Note 2 | Basis of preparation

Note 2.1 | Compliance with IFRS

The consolidated and Company financial statements have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

Note 2.2 | Basis of measurement

The financial statements have been prepared under the historical cost convention, except for financial assets measured at fair value through profit or loss, and for the net assets and results of the Group's operations in Argentina, which is considered a hyperinflationary economy. The financial information is presented using the closing rate at the end of the reporting period.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 2.3 | Going concern

The Directors have reviewed the cash position and liquidity status of the Group and the Company for the period up to 30 June 2027, considering tariff updates, currency fluctuations and scheduled borrowings payments, and payment plans. They consider it appropriate that the financial statements be prepared on the going concern basis for the reasons set out below.

At 31 December 2024, the Group had net current assets of US\$67.8 million (2023: net current liabilities US\$5.5 million) and debt of US\$12.6 million (2023: US\$26.3 million), and the Company had net current assets of US\$5.2 million (2023: net current liabilities US\$2.1 million) and debt of US\$9.2 million (2023: US\$23.4 million).

In assessing the ability of the Group and the Company to adopt the going concern basis in preparing the financial statements, the Directors considered factors including:

- the Group's revenues are derived principally from regulated electricity distribution;
- the Group is a stable electricity distribution business operating an essential public service;
- the Company's subsidiaries hold investment grade credit ratings, which allow access to a range of financing options including the capital markets;
- the Group has incorporated the fulfilment of future payments under the payment schedules resulting from agreements made in 2018 (see Settlement of CAMMESA's debt prior to January 2016) and 2023 (see Agreement signed in 2023 to regularise CAMMESA obligations) into the preparation of the cash flow forecast. The Company has noted no issues in the Company's ability to make these payments in line with the agreed upon terms per the mentioned payment plans;
- there is no indication that the entity may have difficulties complying with the covenants related to the corporate notes issued in 2024;
- the Company is financed by borrowings with an average maturity of 31 December 2026 and in addition, has access to borrowings facilities provided by Magnus Capital S.A. and Integra Capital S.A which the Company could draw upon if required to support short-term liquidity needs;
- consideration was also given to the obligations of the Group and the Company, indicating a reasonable expectation of sufficient financial and operational resources available for the continuation of business for a period of at least 18 months. In the event that any liabilities could not be met, the Directors could consider other financing alternatives such as the issuance of warrants and the sale of investments, as they have done previously.
- As part of its growth strategy, the Group is developing new power generation projects through its subsidiary Andina Consultores, with operations expected to commence in 2026. Capital expenditures for these projects will only proceed at scale once financing is secured, although limited preliminary development costs have already been incurred. A power purchase agreement as already been signed with CAMMESA for the energy to be sold.
- The Directors have considered a severe yet plausible downside scenario, which assumes that electricity distribution is reduced and that access to capital markets becomes increasingly restricted despite the subsidiaries' investment-grade credit ratings, owing to adverse developments in Argentina's economic environment or heightened currency volatility. Under this scenario, notwithstanding the Group's net current assets of US\$67.8 million and relatively low indebtedness of US\$12.6 million, the Group could experience increased liquidity pressure and would be required to implement mitigating measures. These could include deferring planned capital expenditure on the power generation project through Andina Consultores, drawing on available borrowing facilities from Magnus Capital S.A. and Integra Capital S.A., or seeking alternative financing arrangements such as the issuance of warrants or share capital.

On this basis, the Directors have a reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Note 2.4 | Functional and presentation currency

The functional currency of the Company and each entity within the Group has been determined based on the primary economic environment in which it operates. The Company's functional currency is Pounds Sterling. The Group's subsidiaries and the associate HDS have the Argentine Peso as their functional currency, while the associate SAE has Pounds Sterling as its functional currency. The presentation currency of the financial statements is U.S. dollars. See note 3.4. for additional information on functional and presentation currencies. These financial statements are presented in U.S. dollars (US\$), rounded to the nearest thousand, unless otherwise stated.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 2 | Basis of preparation (Cont.)

Note 2.5 | Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

Judgements and estimates that are considered significant to the financial statements are disclosed in note 5. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Note 2.6 | Principles of consolidation and equity accounting

Note 2.6.1 | Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group is considered to control an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the entity's relevant activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date on which control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries are aligned, where necessary, to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are presented separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity.

Note 2.6.2 | Associates

Associates are entities over which the Group has significant influence but neither control nor joint control. This is generally presumed when the Group holds between 20% and 50% of the voting rights of the investee. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method.

Note 2.6.3 | Equity method

Under the equity method, investments are recognised initially at cost and are adjusted thereafter to reflect the Group's share of the post-acquisition profits or losses and movements in other comprehensive income of the investee. The Group's share of profit or loss is recognised in profit or loss, and its share of other comprehensive income is recognised in other comprehensive income. Distributions received from equity-accounted investees are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses of an equity-accounted investee equals or exceeds its interest in the investee, including any unsecured long-term receivables, the Group discontinues recognising its share of further losses, unless it has a legal or constructive obligation to make payments on behalf of the investee.

Unrealised gains arising from transactions with equity-accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been adjusted where necessary to ensure consistency with the Group's accounting policies.

The carrying amount of investments accounted for using the equity method is assessed for impairment in accordance with the accounting policy described in note 3.8.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 2 | Basis of preparation (Cont.)

Note 2.6 | Principles of consolidation and equity accounting (Cont.)

Note 2.6.4 | Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity holders. A change in ownership interest results in an adjustment to the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and the consideration paid or received is recognised in equity, as a transaction with owners of the Group.

When the Group ceases to consolidate or apply the equity method to an investment due to a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value at that date, with the resulting gain or loss recognised in profit or loss. This fair value becomes the initial carrying amount for subsequently accounting for the retained interest as an associate or financial asset. In addition, amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities, and may therefore be reclassified to profit or loss.

If the Group reduces its ownership interest in an associate but retains significant influence, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss, where appropriate.

Note 2.7 | Adoption of new and amended IFRS standards

New accounting standards, amendments and interpretations issued by the IASB, that are effective as of 31 December 2024 and have been adopted by the Group and the Company

The Group and the Company have first applied the following standards and/or amendments as from 1 January 2024:

- *IAS 1 "Presentation of Financial Statements"*, amended in January and July 2020, February 2021 and October 2022. These amendments relate to the classification of liabilities as current or non-current.
- *IFRS 16 "Leases"*, amended in September 2022. These amendments clarify how a seller-lessee should subsequently measure sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
- *IAS 7 "Statement of Cash Flows"* and *IFRS 7 "Financial Instruments: Disclosures"*, amended in May 2023. These amendments introduce additional disclosure requirements relating to supplier finance arrangements.

None of the above amendments had a material impact on the Group's or the Company's financial statements.

New accounting standards, amendments and interpretations issued by the IASB that are not yet effective and have not been early adopted by the Group or the Company

- *IFRS 18 "Presentation and Disclosure in Financial Statements"*, issued in April 2024, introduces new categories of income and expense and requirements for management-defined performance measures. It is effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group and the Company are currently assessing the impact of this standard.
- *IFRS 19 "Subsidiaries without Public Accountability: Disclosures"*, issued in May 2024. This standard permits eligible subsidiaries to apply reduced disclosure requirements. Effective from 1 January 2027.
- *IAS 21 "The Effects of Changes in Foreign Exchange Rates"*, amended in August 2023. These amendments clarify when a currency is considered exchangeable and how to determine the exchange rate when it is not. Effective from 1 January 2025.
- *IFRS 7 and IFRS 9*, amended in May 2024. These amendments result from the post-implementation review of the classification and measurement requirements in IFRS 9. Effective from 1 January 2026.
- *Annual Improvements to IFRS – Volume 11 (2024)*, issued in July 2024. Includes minor amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. Effective from 1 January 2026.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies

Unless otherwise stated, the material accounting policies set out below have been applied consistently to both the consolidated financial statements of the Group and the separate financial statements of the Company, as appropriate.

Note 3.1 | Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns different from those of segments operating in other economic environments (note 6). Operating segments are identified based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker (CODM) in order to allocate resources and assess performance.

Note 3.2 | Property, plant and equipment

Property, plant and equipment, except for works in progress, is measured at acquisition cost adjusted to reflect the effects of inflation, net of accumulated depreciation and recognised impairment losses. Depreciation is calculated using the straight-line method over the estimated useful life of the assets, which is based on engineering assessments.

Subsequent expenditure (major maintenance and reconstruction) is capitalised or recognised as a Group asset only when it is probable that future economic benefits will flow to the Group and the cost can be measured reliably. Expenditure that restores the asset to its original condition or maintains it in operating condition is recognised in profit or loss when incurred.

Under the Concession Agreement, the Group may not pledge assets used in the provision of public services or grant any other security interest over them in favour of third parties, although it retains the right to dispose of assets that become inadequate or unnecessary. This restriction does not apply to security granted upon acquisition or construction of assets.

Residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Property, Plant and Equipment	Average useful life (Years)
Land	Not depreciated
Buildings	33
Machinery and equipment	21
Networks and power transformers	32
Electric networks and transformer substations	41
Others ⁽¹⁾	5 to 9

(1) Others mainly includes vehicles, computer hardware and office equipment

Work in progress is valued based on the degree of completion and is recorded at cost adjusted to reflect the effects of inflation. Cost includes expenses attributable to the construction, when they are part of the cost incurred for the purposes of acquisition, construction or production of property, plant and equipment that necessarily takes a substantial period of time to get ready for its intended use. These assets begin to be depreciated when they are ready for use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognised in "Other operating income" or "Other operating expense".

The Group considers three alternative scenarios when analysing the recoverability of long-lived assets. The overall value of property, plant and equipment does not exceed its recoverable amount, which is determined as the higher of value in use and fair value less costs of disposal (see note 3.8).

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.3 | Revenue recognition

Note 3.3.1 | Electricity distribution business

The Group supplies electricity to residential and business customers in Mendoza, Argentina. Revenue is recognised in accordance with IFRS 15 based on the satisfaction of performance obligations, which differ between small and large customers.

Small customers (T1 – Residential and small businesses with demand ≤10 kW)

For small customers, energy supply arrangements have no fixed duration, no minimum consumption, and can be terminated at any time. The Group does not identify enforceable rights and obligations at contract inception; these arise only when the Group becomes the legal supplier of electricity to the customer.

The performance obligation is the delivery of electricity, which is considered satisfied over time as the customer consumes energy. Therefore, revenue is recognised for both billed energy and unbilled energy delivered up to the end of the reporting period.

Although the tariff structure includes a fixed charge, this component is not material in relation to the total amount billed to small customers.

Billing is carried out on a bimonthly basis, but invoices are split into two monthly due dates. Invoices are made available to customers at least 5 days prior to the first due date. The first instalment is due 15 calendar days from the invoice date, and the second instalment is due 30 calendar days after issuance. Service may be suspended 10 business days after the due date of any unpaid instalment.

Large customers (T2 – High demand users under contracts with demand >10 kW)

Large customers are supplied under individual power contracts, which establish a monthly contracted capacity (potential) available to the customer. The Group charges a fixed amount for the contracted power, regardless of actual usage. This reflects a capacity availability obligation rather than a volume-based supply commitment. If the customer's registered demand exceeds the contracted amount, excess charges apply in accordance with contractual and regulatory terms.

Approximately 80% of T2 customers have their consumption automatically measured through an "autocierre" process on the first day of each month. For these customers, consumption is determined and invoiced immediately based on system readings.

For the remaining customers, invoices are issued once actual readings are obtained or estimated using tailored consumption curves. In these cases, invoices are generally issued within 10 days of month-end, and payment is due within 15 calendar days from the date of receipt.

Revenue is recognised based on the right to consideration for both the contracted power and the measured energy supplied.

Network use customers (TP – Third-party supplied users)

In addition to the supply of electricity, the Group provides network access services to users who receive electricity directly from a third-party generator. In such cases, a network access charge (TP) is applied under the tariff scheme approved by the EPRE. This charge compensates for the availability and use of the Group's distribution network, without the Group being involved in the energy supply itself.

Revenue from this service is recognised in accordance with IFRS 15 as the performance obligation of making the network available in operational condition for the transport of energy is satisfied over time.

Note 3.3.2 | Electricity generation from renewable sources business

As at the reporting date, the solar park remains under construction and has not commenced revenue generation.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.4 | Effects of the changes in foreign currency exchange rates

Note 3.4.1 | Functional and presentation currency

The individual financial statements of each Group entity are maintained in the currency of the primary economic environment in which it operates (its functional currency), which is the Argentine Peso for the Group's entities operating in Argentina, and Pounds Sterling for the UK holding entity. For the purposes of the consolidated financial statements, the results and financial position of each entity are translated into U.S. dollars, which is the Group's presentation currency, in order to facilitate comparison with other utility companies.

The financial statements are presented in US\$ and the exchange rates used were:

	US\$ per £ 1			AR\$ per US\$ 1		
	2024	2023	2022	2024	2023	2022
Average Exchange Rate	1.2777	1.2435	1.2363	1,030.50	806.95	177.06
Closing Exchange Rate	1.2517	1.2729	1.2094	1,032.00	808.45	177.16

Note 3.4.2 | Functional currency of a hyperinflationary economy

In accordance with IAS 29, the financial statements of an entity whose functional currency is that of a hyperinflationary economy must be stated in terms of the measuring unit current at the balance sheet date, irrespective of whether they are prepared on the basis of historical cost or current cost. Comparative figures for prior period(s) must also be restated in terms of the same current measuring unit. Restatements are made by applying a general price index. Items such as monetary assets and liabilities, which are already expressed in the measuring unit current at the end of the reporting period, are not restated. Other non-monetary items are adjusted based on the change in the general price index between the date of initial recognition and the balance sheet date. Income statement components are expressed in the measuring unit current at the date of the financial statements, using a general price index from the dates on which income and expenses were recognised. The resulting inflation-adjusted balances are translated into the Group's presentation currency using the closing exchange rate, as described in Note 3.4.1.

In assessing whether an economy is hyperinflationary, IAS 29 outlines several characteristics to consider, including a cumulative inflation rate over three years that approaches or exceeds 100%. On this basis, Argentina has been classified as a hyperinflationary economy under IAS 29 since 1 July 2018.

The inflation adjustment of nominal amounts has been calculated using the indices published by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), which are derived from the general price index issued by the National Institute of Statistics and Censuses (INDEC).

The price indices used for the adjustment of the financial statements were as follows:

- 2022 = 1134.5875
- 2023 = 3533.1922
- 2024 = 7694.0075

The main procedures applied to determine the inflation adjustment are as follows:

- All monetary assets and liabilities recognised in the statement of financial position are not adjusted, as the financial statements are already translated at the year-end exchange rate.
- Non-monetary assets and liabilities measured at historical cost and capital assets are adjusted by applying the appropriate inflation adjustment indices.
- All elements of the income statement are restated using the relevant conversion factors.
- Gains and losses in purchasing power resulting from the net monetary position (the difference between monetary assets and liabilities exposed to inflation) are recognised separately in the consolidated income statement under "Hyperinflation impact" and amounted to a gain of US\$15.3 million (2023 gain: US\$84.7 million).

On the initial adjustment for inflation, the capital asset accounts were adjusted from the date of the previous hyperinflationary period in Argentina.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.5 | Trade and other receivables

Note 3.5.1 | Trade receivables

Receivables arising from services billed to customers but not yet collected, as well as those relating to services rendered but unbilled at the year-end, are recognised at fair value and subsequently measured at amortised cost using the effective interest method. They are also subject to impairment under IFRS 9, as described in Note 3.7.2.

Government subsidies are recognised when the planned works have been executed, provided there is reasonable assurance that the funds will be received and that the Group has complied with the stipulated conditions.

Government grants related to the acquisition of property, plant and equipment are deducted from the cost of the related assets. These assets are depreciated over their estimated useful lives based on the purchase cost net of the grant

Note 3.5.2 | Other receivables

Other receivables are initially recognised at fair value (generally the original invoiced or settlement amount) and subsequently measured at amortised cost using the effective interest method and, where material, adjusted for the time value of money. The Group recognises impairment allowances where there is objective evidence that it will not be able to collect all amounts due in accordance with the original terms of the receivable.

Note 3.6 | Inventories

Raw materials and consumables are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Classification is based on the average consumption of these items in recent years.

The Group has no history of obsolete inventory.

Note 3.7 | Financial instruments

Note 3.7.1 | Financial assets

All recognised financial assets are initially measured at fair value and are subsequently measured in their entirety at either amortised cost or fair value, depending on their classification:

Transaction costs that are directly attributable to the acquisition of financial assets (other than those classified as at fair value through profit or loss) are included in the initial measurement. For financial assets measured at fair value through profit or loss, such costs are recognised immediately in profit or loss.

Classification of financial assets

Financial assets that meet both of the following conditions are measured at amortised cost using the effective interest method:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are classified and measured at fair value through profit or loss when they do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income (FVTOCI). Such assets are carried at fair value, with gains or losses recognised in the consolidated income statement under a separate line item entitled "Gain (loss) on financial instruments at fair value through profit or loss."

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.7 | Financial instruments (Cont.)

Note 3.7.2 | Financial assets (Cont.)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost, which primarily comprise of trade receivables. The loss allowance for expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group recognises a lifetime ECL on trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate..

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the asset and an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Note 3.7.3 | Financial liabilities

Financial liabilities are initially recognised at fair value. The classification of financial liabilities at initial recognition depends on the purpose for which the liability was issued and its characteristics. All purchases of financial liabilities are recorded at the amount received, which generally reflects the fair value of the liability on the date the Group becomes a party to the contractual obligations.

Transaction costs that are directly attributable to the issue of financial liabilities (other than those measured at fair value through profit or loss) are deducted from the initial carrying amount. For financial liabilities measured at fair value through profit or loss, such costs are recognised immediately in profit or loss.

Subsequent measurement

Financial liabilities that are not: (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at fair value through profit or loss (FVTPL), are subsequently measured at amortised cost using the effective interest method. These liabilities include trade and other payables and borrowings.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Any resulting gain or loss is recognised in the statement of comprehensive income.

Note 3.7.4 | Fair value hierarchy

The Group classifies its financial assets and financial liabilities measured at fair value into the following levels of the fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices that are observable directly or indirectly,
- Level 3: inputs for the asset or liability that are not based on observable market data.

The level is determined based on the lowest level input that is significant to the fair value measurement.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.7 | Financial instruments (Cont.)

Note 3.7.5 | Derivative financial instruments

The Group may enter into derivative financial instruments, including forward contracts and swaps. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value.

Gains or losses arising from changes in the fair value of derivatives not designated in a hedging relationship are recognised in profit or loss under "Gain (loss) on financial instruments measured at fair value through profit or loss."

The Group does not currently apply hedge accounting.

Note 3.7.6 | Equity instruments

The Group currently holds no investments in equity securities of other entities. However, it has issued warrants that grant the right to acquire a fixed number of its own equity instruments in exchange for a fixed amount of cash. These warrants meet the "fixed-for-fixed" condition under IAS 32 and are therefore classified as equity instruments.

No liability is recognised in respect of these warrants, and subsequent changes in fair value are not accounted for.

Note 3.8 | Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Note 3.9 | Cash and cash equivalents

Cash and cash equivalents include call deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. In the consolidated statement of financial position, bank overdrafts are presented within borrowings under current liabilities.

Note 3.10 | Equity

Changes in these accounts are recognised in accordance with applicable legal and statutory regulations, as well as decisions adopted by the shareholders at the General Meeting. All equity balances are presented on a consolidated basis and reflect movements approved during the reporting periods.

Note 3.10.1 | Share capital

Share capital represents the nominal value of ordinary shares issued and fully paid by the Company. Ordinary shares carry one vote per share and equal rights to dividends and capital distributions. The Company does not have a limit on authorised share capital.

Share premium represents the excess over nominal value paid by shareholders upon issuance of shares. Movements in share capital and share premium reflect new equity contributions or other approved transactions by the Company.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.10 | Equity (Cont.)

Note 3.10.2 | Translation reserve

The translation reserve comprises all exchange differences arising from the translation of the assets and liabilities of Group entities with functional currencies different from the presentation currency, using the exchange rate at the reporting date, and income and expenses translated at average rates for the year. The reserve is recognised in other comprehensive income and is reclassified to profit or loss upon disposal of the corresponding net investment.

Note 3.10.3 | Other comprehensive income (loss)

This reserve reflects actuarial gains and losses recognised in accordance with IAS 19 in connection with the Group's employee benefit plans. These items are not subsequently reclassified to profit or loss.

Note 3.10.4 | Retained earnings

Retained earnings consist of accumulated profits or losses with no specific appropriation. Positive balances may be distributed, subject to shareholder approval and legal restrictions.

Note 3.11 | Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares and adjusted for bonus elements in ordinary shares issued during the year, if any.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- (a) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- (b) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

As of the reporting date, the Group's potentially dilutive instruments consist of warrants issued that grant the right to acquire ordinary shares of the Company.

Note 3.12 | Trade and other payables

Trade and other payables are recognised when the Group becomes obligated to make future payments in relation to the acquisition of goods, services, or other contractual arrangements in the ordinary course of business.

They are initially recognised at fair value, which may correspond to the transaction price or, in the case of restructured or extended payment terms, the present value of expected cash flows discounted using a market-based rate. Subsequently, payables are measured at amortised cost using the effective interest method.

Any difference between the nominal amount and the fair value at initial recognition is recognised in profit or loss under finance income or finance costs. Interest expense is recognised over the term of the payable using the effective interest method.

Note 3.13 | Borrowings

Borrowings are initially recognised at fair value, net of directly attributable transaction costs. Subsequently, they are measured at amortised cost; any difference between the amount received (net of transaction costs) and the amount repayable at maturity is recognised in profit or loss over the term of the borrowings using the effective interest method.

Fees paid in connection with obtaining borrowing facilities are recognised as transaction costs to the extent that it is probable the facility will be drawn. In such cases, the fees are deferred and recognised when the drawdown occurs. If there is no evidence that it is probable the facility will be drawn, the fee is capitalised as a prepaid cost for liquidity services and amortised over the commitment period.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.13 | Borrowings (Cont.)

Note 3.13.1 | Borrowing costs related to non-current assets

General and specific borrowing costs that are directly attributable to the acquisition, construction, or production of qualifying assets—those that necessarily take a substantial period of time to get ready for their intended use or sale—are capitalised as part of the cost of those assets until they are substantially ready for use or sale.

Capitalisation of borrowing costs begins when:

- (a) expenditures for the qualifying asset are incurred;
- (b) borrowing costs are incurred; and
- (c) activities necessary to prepare the asset for its intended use or sale are in progress.

All other borrowing costs are expensed in the period in which they are incurred and recognised in profit or loss.

Note 3.14 | Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be capitalised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Note 3.14.1 | Long term benefits for years of service

The Group grants compensation to employees covered by the industry's collective bargaining agreement upon completion of twenty, twenty-five, thirty, and thirty-five years of service. This compensation is paid as a special remuneration equivalent to the monthly salary of the month in which the condition is fulfilled. The amount is doubled when the employee reaches forty years of service. The cost of providing this benefit is recognised as a liability and an expense over the period during which the employee's services are received.

Note 3.14.2 | Long term benefits for retirement or disability

The Group has a defined benefit plan. This represents accrued benefits to be paid to employees covered by the industry's collective bargaining agreement, either upon reaching retirement age or in the event of retirement due to disability or other health-related reasons.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements, and curtailments is recognised as an expense in profit or loss in the period in which it arises.

The net interest element is determined by applying the discount rate to the net defined benefit liability, taking into account changes during the period resulting from contributions and benefit payments. The net interest is recognised in profit or loss as part of employee benefit expense.

Remeasurements, including actuarial gains and losses, the effect of the asset ceiling, and the return on plan assets (excluding amounts included in net interest), are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

Note 3.14.3 | Other

The Group does not provide other post-employment benefits, other long-term employee benefits, or share-based payment schemes beyond those described above.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.15 | Income tax

Income tax expense for the period comprises current and deferred tax. Income tax is recognised in the income statement, except when it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the same component.

Note 3.15.1 | Current tax

The current income tax charge is calculated based on tax laws that have been enacted or substantively enacted at the reporting date in Argentina. Management periodically evaluates positions taken in tax filings with respect to areas where the applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, based on the amounts expected to be paid to the tax authorities.

Note 3.15.2 | Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised for temporary differences arising from the initial recognition of goodwill. Deferred tax is also not recognised for temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit at the time of the transaction.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising from investments in subsidiaries and associates, except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or on different entities within the Group, where there is an intention to settle the balances on a net basis.

Note 3.16 | Right-of-use assets

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment.

Lease liabilities are measured at the present value of the contractual lease payments over the lease term. The discount rate is based on the rate implicit in the lease or, if not readily determinable, the Group's incremental borrowing rate at the commencement date. Variable lease payments dependent on an index or rate are included in the measurement of the lease liability based on the index or rate at commencement. Other variable payments are expensed in the period in which they are incurred.

The initial lease liability also includes:

- expected amounts payable under any residual value guarantees;
- the exercise price of purchase options when it is reasonably certain they will be exercised; and
- penalties payable for terminating the lease, when termination is reasonably certain.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.16 | Right-of-use assets (Cont.)

Right-of-use assets are initially measured at the amount of the lease liability, adjusted for:

- lease payments made at or before the commencement date;
- any lease incentives received;
- initial direct costs; and
- any estimated restoration obligations.

After initial recognition, lease liabilities are increased for interest and reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the lease term.

If the Group revises its estimates regarding the lease term or lease payments (e.g. changes in an index or rate), the lease liability is remeasured using the original discount rate, and the right-of-use asset is adjusted accordingly.

Leases classified as short-term (12 months or less, without purchase option) or of low value (assessed individually when new) are expensed on a straight-line basis, unless another systematic basis better represents the consumption of the asset's economic benefits.

Determining whether an arrangement is, or contains, a lease depends on the substance of the arrangement and involves assessing whether the fulfilment of the arrangement depends on the use of a specific asset and whether it conveys the right to control its use.

Note 3.17 | Provisions

The Group is a party to various claims, lawsuits, and other legal proceedings, including customer disputes. The potential liability arising from such matters may not always be accurately estimated. Management, with the assistance of legal counsel, periodically evaluates each significant case and assesses the Group's potential financial exposure.

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expected expenditures to settle the obligation, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Estimates are reviewed at each reporting date and adjusted as necessary. If future developments differ from these estimates, additional charges or reversals may be recognised in future periods.

Note 3.18 | Balances with related parties

Receivables and payables with related parties are recognised at amortised cost in accordance with the terms agreed between the parties involved.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 3 | Material accounting policies (Cont.)

Note 3.19 | Classification of assets and liabilities into current and non-current

Assets and liabilities are presented as current and non-current in the statement of financial position.

An asset is classified as current when the Group:

- expects to realise the asset or intends to sell or consume it in its normal operating cycle;
- holds the asset primarily for the purpose of trading;
- expects to realise the asset within twelve months after the reporting date; or
- the asset is cash or a cash equivalent unless restricted for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when the Group:

- expects to settle the liability in its normal operating cycle;
- is due to settle the liability within twelve months after the reporting date; or
- does not have an unconditional right to defer settlement for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 4 | Financial risk management

A summary of the Group's main financial risks, including the origin of each exposure and the associated measurement and management strategies, is presented below:

Risk	Source of Exposure	Measurement	Management
Price risk	Tariffs regulated by the provincial government	Cash flow analysis in light of tariff delays	Monitoring of tariff framework and active engagement with the provincial regulator (EPRE) regarding tariff reviews and regulatory claims
	Input prices such as copper and aluminium	Assessment of commodity price impacts	Supplier and procurement strategy to mitigate volatility in commodity purchase prices (e.g. copper, aluminium)
Credit risk	Trade receivables from electricity customers	Allowance for doubtful accounts	Right to disconnect service; low customer concentration
	Bank deposits	Counterparty risk analysis	Placement only with reputable and solvent financial institutions
	Other receivables (advances, tax credits)	Ongoing monitoring of counterparties	Assessment and oversight by Finance Management
	Financial assets at fair value	Carrying amount and issuer profile	Investment guidelines and diversification criteria
Foreign exchange risk	US\$-denominated liabilities (financial and trade)	Simulation of profit/loss impact under FX variation scenarios	Partial natural hedge via US\$-denominated assets; monitoring of exposures
Interest rate risk	Variable rate Corporate notes (Class 2 and 4)	Sensitivity analysis to $\pm$ 2.5% rate variation	Impact assessment and diversified debt structure
	Corporate notes Class 1 indexed to UVA	Assessment of correlation with inflation-linked tariff adjustments	Risk mitigated through quarterly tariff updates
	CAMMESA debt indexed to MEM interest rate	Evaluation of impact from semi-annual recalculations	Agreement limits rate to 50% of MEM and includes conditional recalculations
Liquidity risk	Short-term debt concentration due to tariff delays	Liquidity ratio (Current Assets / Current Liabilities)	Payment plan with CAMMESA, refinancing, capital market issuances, investment management.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 4 | Financial risk management (Cont.)

Note 4.1 | Price risk

Tariff framework exposure

Due to the nature of the services provided, the Group operates under a tariff scheme regulated by the provincial government.

If tariff increases to which the Group is legally entitled are not granted, or if the quarterly procedure for updating the distribution added value (VAD) is not applied, the Group's cash flows and ability to invest in infrastructure may be adversely affected, potentially impairing the recoverable value of certain assets.

The Group is not exposed to risk from fluctuations in the market price of electricity purchases, as such price variations are fully passed through to customers.

Input cost exposure

The Group is exposed to commodity price risk primarily related to the purchase of copper and aluminium cables used in distribution networks. It is also exposed to general inflationary pressure on the cost of goods and services procured. To mitigate this risk, the Group applies commercial practices focused on selecting the most efficient suppliers, ensuring the lowest possible input costs without compromising on quality.

No derivative instruments were used during the year in connection with these exposures.

Note 4.2 | Credit risk

Trade receivables

The Group is exposed to credit risk arising from customers potentially failing to meet their payment obligations. In accordance with local regulations, the Group has the right to suspend and disconnect electricity services in the event of non-payment, limiting its exposure to credit risk. There is no significant customer concentration, as no single customer represents more than 2% of total trade receivables.

Expected credit losses are recognised using a provision matrix based on historical default rates considering reasonable estimates that reflect potential changes in key variables such as tariffs and demand.

Cash and cash equivalents

Credit risk also arises from deposits held with banks. This risk is limited as the Group only places funds with counterparties with strong credit ratings and reputations, monitored by the Group's Finance Department.

Other receivables

Other receivables include supplier advances, tax credits and various operational receivables. These balances are subject to credit risk, which is managed through ongoing monitoring of counterparties by the Finance Department.

Financial assets at fair value

The Group is also exposed to credit risk through investments classified as financial assets at fair value. These consist of public and private securities issued both locally and abroad.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. Further detail is presented in the table below:

Group	2024	Maximum exposure	2023	Maximum exposure
	Carrying value US\$'000		Carrying value US\$'000	
Current financial assets:				
Trade and other receivables	101,420	101,420	26,153	26,153
Investments	110,222	110,222	45,136	45,136
Cash and cash equivalents	35,710	35,710	424	424
	<u>247,352</u>	<u>247,352</u>	<u>71,713</u>	<u>71,713</u>

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 4 | Financial risk management (Cont.)

Note 4.2 | Credit risk (Cont.)

Company	2024 Carrying value US\$'000	Maximum exposure US\$'000	2023 Carrying Value US\$'000	Maximum Exposure US\$'000
Current financial assets:				
Trade and other receivables	59	59	2,765	2,765
Cash and cash equivalents	5,942	5,942	140	140
	<u>6,001</u>	<u>6,001</u>	<u>2,905</u>	<u>2,905</u>

Note 4.3 | Foreign currency risk

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

The Group is mainly exposed to currency risks on certain bank deposits, debtors and creditors denominated in a different currency from their functional currency.

The Group's exposure to foreign currency risk mainly relates to balances in US\$, based on carrying amounts at the reporting date as follows:

	2024 US\$'000	2023 US\$'000
Trade and other receivables	6,777	1,583
Investments	61,666	12,439
Cash and cash equivalents	2,709	19
Financial liabilities	<u>(27,424)</u>	<u>(5,966)</u>
	<u>43,728</u>	<u>8,075</u>

Note 4.4 | Interest rate risk

Variable rate Corporate notes (Class 2 and 4)

These Corporate notes accrue a floating interest rate based on BADLAR (private banks) plus 7%. A sensitivity analysis indicates that if interest rates had been 2.5% higher in 2024, the Group's post-tax result would have decreased by approximately US\$ 0.1 million (ARS 95 million), and if 2.5% lower, it would have increased by the same amount. The Group regularly monitors the impact of interest rate fluctuations and maintains a diversified debt structure to reduce concentration risk.

Corporate notes Class 1 indexed to UVA

Class 1 Corporate notes accrue interest at a fixed rate of 5% and are indexed to the UVA inflation index. Since inflation-linked tariff adjustments are implemented on a quarterly basis, the risk associated with these instruments is substantially mitigated.

CAMMESA debt indexed to MEM interest rate

Other financial obligations, including debt with CAMMESA, also carry floating interest clauses based on various reference rates. However, this risk is largely mitigated due to the terms of the debt restructuring agreement signed with CAMMESA in 2023, which limits the applicable interest rate to 50% of the rate in force in the MEM. Furthermore, the agreement provides for semi-annual recalculations of instalments if the MEM interest rate fluctuates by 5% or more.

Note 4.5 | Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by realising cash or another financial asset.

Liquidity risk is monitored by the Group to ensure that it has sufficient resources to meet its financial obligations as they fall due. The liquidity risk of the Group is managed by the Board who monitor the Group's liquidity requirements through monthly management accounts and periodic cash flow forecasts. New funds are borrowed when required. The Group intends to maintain a balance of funding designed to reduce liquidity risks whilst also seeking to minimise the costs of borrowings. Where appropriate the Board will seek additional funds from the issue of share capital, private or public placements.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 4 | Financial risk management (Cont.)

Note 4.5 | Liquidity risk (Cont.)

The table below shows the Group and Company's financial liabilities at the reporting date by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows which may differ from the amounts included in the statement of financial position because the balances presented in the statement of financial position are based on discounted cash flows.

Group 2024	Carrying Amount US\$'000	Contractual cash flows US\$'000	1 year or less US\$'000	1 to 5 Years US\$'000	Over 5 Years US\$'000
Current financial liabilities:					
Trade and other payables	5,371	6,533	6,533	-	-
Borrowings	24,867	24,867	24,867	-	-
Leases	69	69	69	-	-
Non-current financial liabilities:					
Trade and other payables	16,312	64,986	-	16,327	48,659
Borrowings	68,117	68,117	-	68,117	-
Leases	224	224	-	224	-
	<u>114,960</u>	<u>164,796</u>	<u>31,469</u>	<u>84,668</u>	<u>48,659</u>
Company					
2024	Carrying Amount US\$'000	Contractual cash flows US\$'000	1 year or less US\$'000	1 to 5 Years US\$'000	Over 5 Years US\$'000
Current financial liabilities:					
Trade and other payables	801	801	801	-	-
Borrowings	102	102	102	-	-
Non-current financial liabilities:					
Borrowings	9,100	9,100	-	9,100	-
	<u>10,003</u>	<u>10,003</u>	<u>903</u>	<u>9,100</u>	<u>-</u>
Group					
2023	Carrying Amount US\$'000	Contractual cash flows US\$'000	1 year or less US\$'000	1 to 5 years US\$'000	Over 5 Years US\$'000
Current financial liabilities:					
Trade and other payables	5,982	7,144	7,144	-	-
Borrowings	13,595	12,770	12,770	-	-
Leases	77	193	193	-	-
Non-current financial liabilities:					
Trade and other payables	11,501	82,989	-	20,850	62,139
Borrowings	22,034	3,166	-	3,166	-
Leases	121	245	-	245	-
	<u>53,310</u>	<u>106,507</u>	<u>20,107</u>	<u>24,261</u>	<u>62,139</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 4 | Financial risk management (Cont.)

Note 4.5 | Liquidity risk (Cont.)

Company 2023	Carrying amount US\$'000	Contractual cash flows US\$'000	1 year or less US\$'000	1 to 5 years US\$'000	Over 5 Years US\$'000
Current financial liabilities:					
Trade and other payables	540	540	540	-	-
Loans and borrowings	2,847	2,112	2,112	-	-
Non-current financial liabilities:					
Trade and other payables	353	353	-	353	-
Borrowings	20,598	769	-	769	-
	<u>24,338</u>	<u>3,774</u>	<u>2,652</u>	<u>1,122</u>	<u>-</u>

Note 5 | Critical accounting estimates and judgements

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

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

Note 5.1 | Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Carrying value of the Company's investments and the Group's tangible and intangible assets

Estimated useful lives and residual values are reviewed annually, taking into account prices prevailing at each reporting date. The carrying values of tangible and intangible assets are also reviewed for impairment when there has been an event or a change in the circumstances that would indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the cost to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction.

The value in use is determined using the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The calculation of estimated future cash flows and residual values is based on reasonable management estimates and is therefore subjective. Operating and economic assumptions that could affect the valuation of the assets using discounted cash flow models are regularly reviewed and updated as part of the monitoring of the operational and financial performance and the forecasting processes of the Group. Judgement is required to determine if operating and economic changes are significant and impact the potential performance of an asset or a cash-generating unit and, therefore, determine whether they are an indication of an impairment or an impairment reversal. The key assumptions have been included in note 19.

The value in use of the Company's investments is determined using the present value of the future cash flows expected to be derived from the cash-generating unit. The calculation of estimated future cash flows and residual values is based on reasonable management estimates and is therefore subjective. The assumptions utilised in determining the value in use are consistent with those described above.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 5 | Critical accounting estimates and judgements (Cont.)

Note 5.1 | Key sources of estimation uncertainty (Cont.)

Impairment of financial assets

The allowance for the impairment of accounts receivable is assessed based on the level of doubtful debts, which comprises all such debt arising from the bills for electricity consumption of small demand (T1) and medium-demand (T2) customers. The Company's management records an allowance by applying to the doubtful debts of each customer category an uncollectible rate that is determined according to each customer category, based on the historical comparison of collections made.

Additionally, management may reassess the allowance of doubtful debts as and when necessary.

The Company has performed a review of the financial assets it currently measures and classifies at fair value through profit or loss or at amortised cost and has concluded that they meet the conditions to maintain their classification.

Regulatory penalties

The determination of provisions for regulatory penalties involves the use of estimates. Management assesses, at each reporting date, the potential liabilities arising from service quality parameters established by the Ente Provincial Regulador Eléctrico (EPRE). The estimate reflects Management's best assessment of probable penalties related to service performance for which no formal notification has yet been received from the regulator.

Legal claims and contingencies

The Group is subject to certain claims, lawsuits and other legal proceedings arising in the ordinary course of business, including customer claims. The outcome of such matters cannot be estimated with certainty. Management periodically reviews the status of significant cases and assesses the potential financial exposure. Where a loss is considered probable and can be reasonably estimated, the Group recognises a corresponding provision.

Note 5.2 | Key sources of judgements

The judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Income tax filings

The subsidiary's income tax filings for fiscal years 2021 to 2023 involved significant judgements regarding the preparation of the income tax return under Argentine tax law.

For the 2021 tax year, EDEMSA applied an inflation adjustment to accumulated tax loss carry forwards from fiscal years 2018 and 2019, concluding that omitting such inflation adjustment would have resulted in an excessive and unconstitutional tax burden, as it would have taxed purely inflationary income.

For the 2022 and 2023 tax years, EDEMSA applied the deferral mechanism established by Law No. 27,701, which allows taxpayers to defer the recognition of the positive inflation adjustment. Under this mechanism, one third of the adjustment corresponding to each year was recognised in that year, with the remaining two thirds deferred to the following two fiscal years. This treatment was adopted based on legal advice supporting EDEMSA's eligibility for the benefit, despite not meeting the specific investment thresholds required by the law.

Additionally, for 2023, EDEMSA treated its liability with CAMMESA as non-computable for the purposes of the tax inflation adjustment, given its exceptional origin during the COVID-19 emergency and the uncertainty surrounding its final determination by the regulator.

These treatments involve significant judgment, as they rely on constitutional principles and evolving case law. Although legal counsel supports the positions adopted, there remains a risk that the Federal Administration of Public Revenues (AFIP) could challenge them. Further details are provided in note 15.

Convertible loans

Management exercised significant judgement in concluding that the Group's convertible loans should be classified as financial liabilities with embedded derivatives rather than equity, due to the fact that they fail the fixed-for-fixed test under IAS 32: the loans are denominated in US\$ while the conversion price is set in GBP, and creditors may alternatively request repayment in cash instead of conversion into shares. In addition, the fair value measurement of the embedded derivatives under IFRS 9 involves valuation techniques and assumptions about future cash flows and market conditions, which represent a key source of estimation uncertainty and have had a material impact on profit or loss.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 5 | Critical accounting estimates and judgements (Cont.)

Note 5.2 | Key sources of judgements (Cont.)

Judgement: Investments in SAE LLP

During 2021, the Company acquired a 23.4% interest in South American Energy LLP (SAE LLP), financed through capital contributions and loan agreements. In turn, the Company has a 23.4% indirect interest in Energía del Cono Sur S.A. (EDELCO), which is 100% controlled by SAE LLP and an 11.9% indirect interest in EDENOR.

The results of SAE LLP, EDELCO and EDENOR are not consolidated within the Andina Group consolidated financial statements, as the Company is not exposed to the variable returns of SAE LLP. Management consider it appropriate to account for the investment in SAE LLP as an equity-accounted investment, reflecting Andina's significant influence over the entity.

As outlined in the LLP Members' Agreement:

- SAE LLP decisions (relevant and non-relevant) are by majority in the Member's meetings; the Members are designated by means of an ordinary resolution of the Members and the quorum for each meeting is having 70% of the members present
- The Company is not exposed to or does not have rights to the variable returns from its involvement in the investee; the Company does not have the ability to affect the amount of the investor's returns.

Note 6 | Segment information

The Group operates in a single business segment, the generation and distribution of electricity, as all activities are subject to similar risks and returns.

All operations of the Group are located in Argentina, primarily within the Province of Mendoza. Accordingly, no additional business or geographical segment disclosures are presented.

Note 7 | Subsidiary information

The Group's principal subsidiaries at 31 December 2024 and 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Country of Incorporation	Registered address	Principal activity	Control	% Held 2024	% Held 2023	Measurement method
Andina Electricidad Limited (AEL)	UK	1-3 Charter Square, Sheffield, S1 4HS	Holding	Direct	100	100	Consolidated
Andina Electricidad S.A. (AESA)	Argentina	Maipu 1252, 2nd Floor, Ciudad Autonoma de Buenos Aires	Holding	Direct	100	100	Consolidated
Andina Consultores y servicios S.A.U. (ACS SAU)	Argentina	Maipu 1252, 9th Floor, Ciudad Autonoma de Buenos Aires	Electricity generation	Indirect	100	100	Consolidated
Inversora Andina de Electricidad S.A. (IADESA)	Argentina	Belgrano 815 - Mendoza	Holding	Indirect	100	100	Consolidated
Mendinvert S.A.	Argentina	Belgrano 815 - Mendoza	Holding	Indirect	100	100	Consolidated
SODEMSA	Argentina	Belgrano 815 - Mendoza	Holding	Indirect	100	100	Consolidated
Empresa Distribuidora de Electricidad de Mendoza S.A. (EDEMISA) ⁽¹⁾	Argentina	Belgrano 815 - Mendoza	Electricity distribution	Indirect	51	51	Consolidated
EDEMISA Servicios SAU	Argentina	Belgrano 815 - Mendoza	Electricity distribution	Indirect	51	51	Consolidated

The Company's subsidiary undertakings all have share capital consisting solely of ordinary shares and capital accounts.

(1) EDEMISA's financial statements are available at www.enr.gov.ar

EDEMISA's shares, rights and obligations under the concession contract may not be assigned, in whole or part, to a third party without the prior consent of the province of Mendoza.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 7 | Subsidiary information (Cont.)

Non-controlling interests

EDEMSA is the only subsidiary with non-controlling interests that are material to the Group.

Set out below is summarised financial information for EDEMSA. The amounts disclosed are derived from the individual financial statements of EDEMSA, adjusted where necessary for differences in accounting policies.

Summarised statement of financial position	2024	2023
	US\$'000	US\$'000
Current assets	271,477	79,921
Current liabilities	(206,655)	(81,036)
Current net assets	64,822	(1,115)
Non-current assets	372,812	207,458
Non-current liabilities	(194,251)	(96,441)
Non-current net assets	178,561	111,017
Total net assets	243,383	109,902
Net assets attributable to NCI	119,258	53,852
Summarised statement of comprehensive income	2024	2023
	US\$'000	US\$'000
Revenue	478,562	174,290
Profit for the period	56,711	64,359
Other comprehensive expense	(830)	(232)
Total comprehensive income	55,881	64,127
Profit allocated to NCI	27,790	31,537
Dividends paid to NCI	-	-
Summarised cash flows	2024	2023
	US\$'000	US\$'000
Cash flows from operating activities	59,624	10,653
Cash flows from investing activities	(95,496)	(20,554)
Cash flows from financing activities	67,566	2,566
Net increase / (decrease) in cash and cash	31,694	(7,335)

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 8 | Associate information

Set out below are the associates of the Group as at 31 December 2024 and 2023 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name	Country of Incorporation	Registered address	Principal activity	Control	% Held 2024	% Held 2023	Measurement method
Hidroeléctrica del Sur S.A. (HDS)	Argentina	Juez Tedin N° 2728 - Ciudad Autónoma de Buenos Aires	Holding	No	40	40	Equity method
Hidroeléctrica Ameghino S.A. (HASA)	Argentina	Sarmiento 698- Trelew- Chubut	Electricity generation	No	23.6	23.6	Equity method (2)
South American Energy LLP (SAE LLP)	UK	1-3 Charter Square, Sheffield, S1 4HS	Holding	No	23.4	23.4	Equity method
Energía del Cono Sur S.A. (EDELCOs)	Argentina	Av. Maipú 1252, 12th Floor - Ciudad Autónoma de Buenos Aires	Investment and provision of services related to the distribution of electrical energy, renewable energies and sustainable technology	No	23.4	23.4	Equity method (3)
Empresa Distribuidora y Comercializadora Norte S.A.(EDENOR) (1)	Argentina	6363 Av. del Libertador, Ciudad Autónoma de Buenos Aires	Electricity distribution	No	11.9	11.9	Equity method (3)
EDENOR Tech S.A.U.	Argentina	6363 Av. del Libertador, Ciudad Autónoma de Buenos Aires	Sale, management, storage, import and export of renewable and conventional energy and their possible by-products	No	11.9	-	Equity method (3)

(1) EDENOR's financial statements are available at www.cnv.gov.ar
EDENOR's Class "A" shareholders may transfer their shares only with the prior approval of the ENRE.

(2) The investment in HDS is equity accounted for, where the Group has an indirect interest in HASA through HDS.

(3) The investment in SAE LLP is equity accounted for, where the Group has an indirect interest in Edelcos and Edenor through SAE LLP.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 8 | Associate information (Cont.)

Summarised financial information for associates

The tables below provide summarised financial information for those associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	SAE LLP ⁽¹⁾		HDS ⁽²⁾	
	2024 US\$'000	Restated 2023 US\$'000	2024 US\$'000	2023 US\$'000
Total current assets	2,063	3,065	261	241
Total non-current assets	756,474	315,895	8,985	5,589
Total assets	758,537	318,960	9,246	5,830
Total current liabilities	(4,803)	(2,644)	-	-
Total non-current liabilities	(34,801)	(1,398)	(1,546)	(1,455)
Total liabilities	(39,604)	(4,042)	(1,546)	(1,455)
Net assets	718,933	314,918	7,700	4,375
Other comprehensive expense	1,125	(594)	-	-
Cumulative translation adjustments	(20)	(1,145)	-	-
Profit for the financial year	155,738	56,511	264	191

(1) The figures for SAE LLP as at 31 December 2024 and 31 December 2023 have been audited by PricewaterhouseCoopers LLP. Such financial information is made available to Andina Energies Plc in its capacity as a member of SAE LLP. SAE LLP is the sole associate for the Company.

(2) The figures for HDS as at 31 December 2024 and 31 December 2023, and for the years then ended, were audited by Julio Ramírez and José María Quitegui, respectively.

Note 9 | Revenue

	2024 US\$'000	2023 US\$'000
Electricity distribution	478,562	174,290

Electricity distribution

EDEMSA's Concession Agreement was granted in 1998 for a term of 30 years and was extended in 2024 for an additional of 20 years, from the original expiry date, until 2048. The Ente Provincial Regulador Eléctrico ("EPRE") monitors EDEMSA's compliance with the Concession Agreement and other local regulatory frameworks.

Tariffs are determined under Comprehensive Tariff Structure Reviews ("RTIs"), which are scheduled every five years.

- The 5th RTI, covering the period from 1 August 2018 to 31 July 2024, established semi-annual tariff updates.
- The 6th RTI, covering the period from 1 August 2023 to 31 July 2028, introduced a new mechanism for intra-period updates, with automatic quarterly adjustments to the Distribution Value Added (VAD) linked to inflation, as instructed by provincial decree.

Distribution tariffs are comprised of two components:

- 1) the costs of acquiring energy and power in the MEM, including costs associated with transmission.
- 2) VAD (Distribution Value Added) – which reflects the cost inherent to electricity distribution made up of the cost of network operation and maintenance costs and regulated commercial and customer service costs.

Revenue is recognised over time as electricity is delivered to end-users.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 10 | Cost of sales

This note discloses the breakdown of the cost of sales for each year, based on the consumption of energy, materials and supplies, the variation in inventory levels, and the capitalisation of items reclassified as property, plant and equipment.

	2024 US\$'000	2023 US\$'000
Opening balance of materials and spare parts	5,721	2,208
Purchases of energy spare parts	194,438	89,571
Purchases of materials and spare parts	30,035	5,256
Distribution costs (note 11)	113,582	54,102
Materials and spare parts reclassified to property, plant and equipment	(4,781)	(3,112)
Hyperinflation adjustments	4,036	4,667
Closing balance of materials and spare parts	(26,400)	(5,721)
	316,631	146,971

Note 11 | Expenses by nature

The breakdown of expenses by nature is as follows:

Expenses by nature for the year-ended 31 December 2024

Description	Distribution costs US\$'000	Administrative expenses US\$'000	Selling expenses US\$'000	Total US\$'000
Fees to Directors and statutory supervisory board members	72	26	24	122
Salaries and social security taxes	25,290	10,898	10,739	46,927
Other materials and spare parts	2,572	253	311	3,136
Fuel and oil	2,052	82	83	2,217
Depreciation of property, plant and equipment	14,950	695	1,576	17,221
Maintenance and repairs	6,699	888	141	7,728
Taxes and statutory contributions	733	785	4,465	5,983
Professional fees and third-party services	25,804	15,660	16,748	58,212
Operator's fees	3,576	1,070	1,224	5,870
Concession fee	16,626	-	-	16,626
Litigation and other claims	14,988	379	118	15,485
Employee training and related costs	103	3,547	22	3,672
Other	117	615	73	805
At 31 December 2024	113,582	34,898	35,524	184,004

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 11 | Expenses by nature (Cont.)

Expenses by nature for the year-ended 31 December 2023

Description	Distribution costs US\$'000	Administrative expenses US\$'000	Selling expenses US\$'000	Total US\$'000
Fees to Directors statutory supervisory board members	64	23	21	108
Salaries and social security taxes	14,945	6,155	6,048	27,148
Other materials and spare parts	998	123	111	1,232
Fuel and oil	1,077	44	41	1,162
Depreciation of property, plant and equipment	7,927	368	836	9,131
Maintenance and repairs	3,902	395	47	4,344
Taxes and statutory contributions	150	492	2,052	2,694
Professional fees and third-party services	9,782	9,539	8,246	27,567
Operator's fees	1,248	472	433	2,153
Concession fee	5,879	-	-	5,879
Litigation and other claims	8,074	425	72	8,571
Employee training and related costs	41	3,112	16	3,169
Other	15	225	36	276
At 31 December 2023	54,102	21,373	17,959	93,434

Note 12 | Other operating income

	2024 US\$'000	2023 US\$'000
Reversal provision property tax ⁽¹⁾	1,612	-
Works performed for third parties	592	469
Rental income	2,300	999
Recognised credits – Renegotiated agreement with CAMMESA	-	1,916
Gain on disposal of assets	1,017	215
Other	891	218
	6,412	3,817

Note 13 | Finance income

	2024 US\$'000	2023 US\$'000
Interest income	5,473	4,071
Exchange gain	1,121	2,830
	6,594	6,901

Note 14 | Finance costs

	2024 US\$'000	2023 US\$'000
Interest on borrowings (note 26)	24,868	16,431
Exchange loss	4,083	6,197
Commercial interest ⁽²⁾	32,441	20,232
Interest on defined benefit pension liability and taxes payment plans	3,665	3,803
	65,057	46,663

(1) The provision property tax previously recognised was derecognised following a review of the Company's tax positions.

(2) Corresponds to interest accrued under the Offer Letter for Debt Regularisation with CAMMESA, which established 96 monthly instalments, a 6-month grace period, increasing instalments, and an interest rate equal to 50% of the MEM reference rate.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 15 | Income tax

	2024 US\$'000	2023 US\$'000
Current tax		
Corporation tax on (loss) / profit for the current year	(17,465)	33,363
Deferred tax		
Origination and reversal of temporary differences	33,499	12,142
Total tax charge	16,034	45,505

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024 US\$'000	2023 US\$'000
Profit before taxation	104,156	104,805
Estimated tax charge	36,455	36,783
Permanent differences	(14,034)	(662)
Share of profits in associates	(12,655)	(2,504)
Hyperinflation impact (according to accounting policies)	(16,851)	(16,252)
Hyperinflation impact (according to tax laws)	23,119	28,140
Taxation charge	16,034	45,505

In addition to the amount charged to the consolidated income statement, the following amounts relating to tax have been recognised directly in other comprehensive (expense)/income:

	2024 US\$'000	2023 US\$'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive expense	298	(351)

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 15 | Income tax (Cont.)

The Group has submitted the following income tax filings based on the opinion of its legal and tax advisors, who consider that there are strong technical grounds supporting the judgements applied in each case. However, while a favourable outcome is expected, the Federal Administration of Public Revenues ("AFIP") could challenge the positions adopted, and such challenges could ultimately be upheld by higher courts. The specific judgements applied for each fiscal year are described below:

Note 15.1 | Submission of income tax presentation corresponding to 2021

In 2022, EDEMSA filed its income tax return for the fiscal year ended 31 December 2021, applying the inflation adjustment mechanism to accumulated tax loss carry forwards from fiscal years 2018 and 2019, in accordance with Article 25 of the Argentine Income Tax Law (as amended in 2019).

Using this mechanism, EDEMSA calculated a current income tax charge of AR\$0.8 million, after applying accumulated tax loss carry forwards adjusted for inflation of AR\$4,217 million (previously AR\$1,726 million in nominal terms). Had the inflation adjustment not been applied, the tax payable would have amounted to AR\$870 million. EDEMSA and its legal and tax advisors considered that this would have resulted in an excessive tax burden, potentially breaching constitutional limits, as it would have taxed income derived solely from inflation.

EDEMSA considers that this situation is comparable to that addressed by the Argentine Supreme Court in the "Candy S.A." ruling, where the Court rejected the taxation of fictitious income arising from inflationary effects. Based on this interpretation, EDEMSA submitted its tax return applying the inflation adjustment and included a formal explanation of the methodology adopted. A precautionary measure was initially rejected by the Federal Court of Mendoza, but subsequently granted by the Court of Appeals in October 2022, subject to the presentation of a counter-guarantee.

On 19 August 2024, the Federal Court of Mendoza ruled in favour of EDEMSA, declaring that the first paragraph of Article 93 of the Income Tax Law No. 20,628 (and amendments) did not apply in EDEMSA's case. This decision upheld the tax treatment adopted by EDEMSA for the 2021 fiscal year. The ruling was appealed by AFIP. Subsequently, on 13 October 2025, the Federal Court of Appeals of Mendoza confirmed the first-instance ruling and rejected the appeal filed by AFIP, thereby reaffirming the validity of EDEMSA's position.

Note 15.2 | Submission of income tax presentation corresponding to 2022

Article 118 of Law No. 27,701 (the FY22 National Government Budget Law) established that taxpayers who, by application of Title VI of this law and by application of the inflation adjustment rules, determine a positive inflation adjustment in the first and second fiscal years starting on 1 January 2022 inclusive, may allocate one third of the positive inflation adjustment in that fiscal year and the remaining two thirds, in equal parts, in the two immediately following fiscal years. The allocation of the positive inflation adjustment, in the terms set forth above, will only be applicable for taxpayers whose investment in property, plant and equipment during each of the two fiscal years immediately following computation of the first third of the period in question, is higher or equal to US\$169 million (AR\$30,000 million). Failure to comply with this requirement will mean the loss of the benefit.

In 2023, EDEMSA filed its income tax return for the fiscal year ended 31 December 2022 and has decided to allocate one third of the determined positive inflation adjustment, amounting to US\$31 million (AR\$5,551 million), deferring the remaining two thirds totalling US\$62 million (AR\$11,102 million) for the periods 2023 and 2024. Despite not meeting the capital expenditure investment thresholds, based on EDEMSA's legal and tax advisors, it is considered that EDEMSA is a capital-intensive company with a high level of debt. They also contend that setting a specific investment amount is not appropriate within the constitutional framework, particularly in light of principles of equality, reasonableness, and established jurisprudence.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 15 | Income tax (Cont.)

Note 15.2 | Submission of income tax presentation corresponding to 2022 (Cont.)

Therefore, EDEMSA has notified the AFIP by submitting formal documents outlining the tax treatment adopted. EDEMSA has also initiated formal legal action to declare the unconstitutionality of the requirement for investments exceeding US\$169 million (AR\$30,000 million) for each of the next two periods, as detailed above, in order to qualify for the deferral benefit.

Through this legal action, it is expected that the court will conduct a constitutional review to clarify the investment requirement and the applicability of Title VI (article 106(c), (d), and following clauses) of the Income Tax Law No. 20,628 and amendments ("LIG") to EDEMSA's specific case. The Company argues that the inflation adjustment mechanism outlined in the Income Tax Law produces a taxable capacity that is non-existent and fictitious, solely due to that particular method of calculation.

Note 15.3 | Submission of income tax presentation corresponding to 2023

For the purposes of filing its 2023 Income Tax return, EDEMSA determined its taxable income in accordance with Argentine tax legislation, applying specific criteria as explained below:

- Treatment of the CAMMESA liability: EDEMSA treated the debt owed to CAMMESA, as a non-computable liability for the purposes of the tax inflation adjustment. Based on legal advice, EDEMSA concluded that this liability should not be considered exposed to inflation due to its exceptional origin during the COVID-19 emergency, the obligation to maintain electricity supply irrespective of customer collection, and the uncertainty surrounding its final determination by the regulator. Recognising this liability in the inflation adjustment would have led to an effective tax rate significantly above the statutory rate, creating a fictitious taxable gain. This treatment resulted in a reduction of US\$4.7 million (AR\$49,115 million) in taxable income attributable to the inflation adjustment.
- Computation of the tax inflation adjustment: based on the arguments set forth in *Submission of income tax presentation corresponding to 2022*, EDEMSA has made the determination of the 2023 income tax following the same principles. Consequently, for the purposes of calculating the Income Tax provision corresponding to the 2023 fiscal period, EDEMSA has proceeded to allocate one third of the positive inflation adjustment amounting to US\$0.3 million (AR\$3,442 million), deferring the remaining two thirds, totalling US\$0.7 million (AR\$6,883 million) for the periods 2024 and 2025.

In relation to the 2023 income tax determination, EDEMSA submitted a formal notification to AFIP and initiated a constitutional claim seeking judicial certainty. A precautionary measure was granted in August 2024, later upheld by the Federal Court of Appeals following an appeal by the AFIP. While a favourable outcome is expected, there remains a risk that the tax treatment adopted may be challenged. This treatment has been consistently applied across fiscal years and remains subject to ongoing judicial review.

Note 15.4 | Argentine tax reforms

Within the framework of Law No.27630 that modified the Income Tax rates, General Resolution (AFIP) 5168 was published, establishing the updated scale for fiscal years beginning on 1 January 2022.

For tax calculations, tax rates will be gradually applied according to the scheme below:

Accumulated Taxable Net Profit		Will pay AR\$	More %	On the surplus of AR\$
From AR\$	To AR\$			
\$ 0.00	\$34,703,523.08	\$ 0.00	25%	\$ 0.00
\$34,703,523.08	\$347,035,230.79	\$8,675,880.77	30%	\$34,703,523.08
\$347,035,230.79	Onwards	\$102,375,393.08	35%	\$347,035,230.79

Consequently, as a result of the above factors, the tax rate applied in FY24 by the Argentinian subsidiaries is 35% (2023: 35%).

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 16 | Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The weighted average number of shares reflects the timing and structure of share issuances throughout the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the potential dilutive effect of convertible instruments that were in issue during the year, provided they result in dilution.

The profit attributable to ordinary equity holders of the Company for the year ended 31 December 2024 amounted to US\$ 29.9 million (2023: loss of US\$ 4.3 million).

The tables below present the calculations of basic and diluted earnings per share for the years ended 31 December 2024 and 2023:

Basic earnings per-share	2024	2023
	Number	Number
Ordinary shares outstanding at 1 January	167,044,814	167,044,814
Weighted effect of new shares issued on 28 June 2024	20,879,482	-
Weighted average number of ordinary shares (basic)	<u>187,924,296</u>	<u>167,044,814</u>
Basic earnings / (loss) per share (US\$ per share)	<u>0.16</u>	<u>(0.03)</u>
Diluted earnings per-share		
Weighted average number of ordinary shares (basic)	187,924,296	167,044,814
Dilutive effect of convertible loans and warrants	<u>237,963,001</u>	<u>-</u>
Weighted average number of ordinary shares (diluted)	<u>425,887,297</u>	<u>167,044,814</u>
Diluted earnings / (loss) per share (US\$ per share)	<u>0.07</u>	<u>(0.03)</u>

During 2024, the Company issued 40,865,725 new ordinary shares on 28 June 2024, which were incorporated into the weighted average number of ordinary shares on a time-weighted basis from the date of issuance.

As at 31 December 2024, three convertible loans remained outstanding and were considered dilutive for the purposes of the diluted earnings per share calculation. These loans would convert into approximately 30,052,462 ordinary shares.

The Company has issued fixed-for-fixed warrants, which were included in the diluted earnings per share calculation because they are considered potentially dilutive instruments. Under the treasury stock method, the assumed exercise of these warrants results in an incremental number of ordinary shares, thereby increasing the weighted average number of shares used in the diluted earnings per share calculation. Applying the treasury stock method, the resulting dilutive effect increased the weighted average number of ordinary shares to 207,910,539.

As the Company incurred a net loss for the year ending 31 December 2023, no adjustment for potential ordinary shares was made in the calculation of diluted loss per share for that year.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 17 | Investments in associates and subsidiaries

	Group			Company		
	2024	2023 Restated	2022 Restated	2024	2023 Restated	2022 Restated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Andina Electricidad S.A.	-	-	-	31,883	32,424	30,807
Hidroeléctrica del Sur S.A.	1,740	1,190	1,633	-	-	-
South American Energy LLP	168,244	73,552	88,676	168,244	73,552	88,676
	<u>169,984</u>	<u>74,742</u>	<u>90,309</u>	<u>200,127</u>	<u>105,976</u>	<u>119,483</u>
Movements	Group			Company		
	2024	2023 Restated	2022 Restated	2024	2023 Restated	2022 Restated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January	74,742	90,309	53,700	105,976	119,483	86,208
Share of profits in associates	36,158	7,153	32,689	36,446	7,078	33,283
Other comprehensive income	264	(139)	(283)	264	(139)	(280)
Translation reserve	59,208	(25,717)	9,452	59,208	(25,717)	9,453
Exchange differences	(388)	3,136	(5,249)	(1,767)	5,271	(9,181)
At 31 December	<u>169,984</u>	<u>74,742</u>	<u>90,309</u>	<u>200,127</u>	<u>105,976</u>	<u>119,483</u>

Restatement – South American Energy LLP (SAE LLP)

During the preparation of its financial statements for the year ended 31 December 2024, EDENOR, an indirect subsidiary of SAE, identified an error in the calculation of its deferred tax liability. The error originated from the use of historical values, rather than inflation-adjusted amounts, when determining the tax base of property, plant and equipment, resulting in an overstatement of the deferred tax liability. The correction of this error decreased the deferred tax liability by US\$19.1 million in 2022 and by US\$0.3 million in 2023.

Following the correction of this error, SAE restated its previously issued consolidated financial statements for the years ended 31 December 2023 and 2022. This restatement had a positive impact on SAE's results and consequently increased the Company's recognised share of profit from associates under the equity method.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 17 | Investments in associates and subsidiaries

Restatement – South American Energy LLP (SAE LLP)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2022 US\$'000	Restatement US\$'000	2022 Restated US\$'000	2023 US\$'000	Restatement US\$'000	2023 Restated US\$'000
Non-current assets						
Investment in associates and subsidiaries	71,242	19,067	90,309	55,963	18,779	74,742
Total non-current assets	71,242	19,067	90,309	55,963	18,779	74,742
Total assets	71,242	19,067	90,309	55,963	18,779	74,742
Equity						
Retained deficit	(20,282)	19,067	(1,215)	(17,683)	18,779	1,096
Total equity	(20,282)	19,067	(1,215)	(17,683)	18,779	1,096

COMPANY STATEMENT OF CHANGES IN EQUITY

	2022 US\$'000	Restatement US\$'000	2022 Restated US\$'000	2023 US\$'000	Restatement US\$'000	2023 Restated US\$'000
Non-current assets						
Investment in associates and subsidiaries	100,416	19,067	119,483	87,197	18,779	105,976
Total non-current assets	100,416	19,067	119,483	87,197	18,779	105,976
Total assets	100,416	19,067	119,483	87,197	18,779	105,976
Equity						
Retained deficit	15,009	19,067	34,076	11,011	18,779	29,790
Total equity	15,009	19,067	34,076	11,011	18,779	29,790

CONSOLIDATED INCOME STATEMENT

	2022 US\$'000	Restatement US\$'000	2022 Restated US\$'000	2023 US\$'000	Restatement US\$'000	2023 Restated US\$'000
Share of profits in subsidiary	13,622	19,067	32,689	7,441	(288)	7,153
Profit for the year	13,622	19,067	32,689	7,441	(288)	7,153

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 18 | Intangible assets

	Concession Asset
	US\$'000
Cost	
At 1 January 2023	53,468
Hyperinflation adjustments	24,802
Exchange adjustments	(41,736)
At 31 December 2023	36,534
Hyperinflation adjustments	33,690
Exchange adjustments	(7,925)
At 31 December 2024	62,299
Accumulated amortisation	
At 1 January 2023	53,468
Hyperinflation adjustments	24,802
Exchange adjustments	(41,736)
At 31 December 2023	36,534
Hyperinflation adjustments	33,690
Exchange adjustments	(7,925)
At 31 December 2024	62,299
Carrying amount	
At 31 December 2024	-
At 31 December 2023	-

Concession assets represent the amount paid to acquire the concession rights and are comprised of the electricity distribution businesses.

Under a 1998 concession agreement, SODEMSA was awarded an exclusive right to distribute electricity in the province of Mendoza. The concession agreement is for 30 years divided into three management periods of 10 years each. On 31 January 2023, with the publication of Decree 70/23 by the Government of the Province of Mendoza, the concession period was extended for 20 additional years and so, 50 years in total.

The concession assets related to the electricity distribution business were fully impaired in previous years based on the value in use analysis carried out by the Group. The assets remain impaired as of the reporting date.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 19 | Property, plant and equipment

Group	Land and buildings	Machinery and equipment (1)	Networks and power transformers	Electric networks and transformer substations	Work in progress and other assets	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost						
At 1 January 2023	50,085	34,841	405,183	51,121	86,002	627,232
Additions	-	292	-	-	18,180	18,472
Transfers	2,921	307	16,798	2,574	(22,600)	-
Disposals	-	-	(117)	-	(21)	(138)
Hyperinflation adjustments	23,233	16,182	187,951	23,713	39,894	290,953
Exchange adjustments	(39,096)	(27,197)	(316,278)	(39,904)	(67,131)	(489,606)
At 31 December 2023	37,143	24,405	293,537	37,504	54,324	446,913
Additions	-	755	-	-	34,847	35,602
Transfers	2,407	529	12,757	3,016	(18,709)	-
Disposals	-	-	-	-	(382)	(382)
Hyperinflation adjustments	34,252	22,506	270,690	34,585	50,096	412,129
Exchange adjustments	(8,058)	(5,294)	(63,677)	(8,135)	(11,785)	(96,949)
At 31 December 2024	65,744	42,901	513,307	66,970	108,391	797,313
Accumulated depreciation						
At 1 January 2023	15,219	27,542	246,340	28,583	23,039	340,723
Depreciation charge	1,125	525	5,992	966	523	9,131
Disposals	-	-	-	-	(13)	(13)
Hyperinflation adjustments	7,060	12,776	114,269	13,259	10,687	158,051
Exchange adjustments	(11,880)	(21,499)	(192,288)	(22,312)	(17,983)	(265,962)
At 31 December 2023	11,524	19,344	174,313	20,496	16,253	241,930
Depreciation charge	2,100	901	10,359	1,761	2,100	17,221
Disposals	-	-	-	-	(382)	(382)
Hyperinflation adjustments	10,627	17,839	160,746	18,901	14,988	223,101
Exchange adjustments	(2,500)	(4,196)	(37,814)	(4,446)	(3,525)	(52,481)
At 31 December 2024	21,751	33,888	307,604	36,712	29,434	429,389
Carrying amount						
At 31 December 2024	43,993	9,013	205,703	30,258	78,957	367,924
At 31 December 2023	25,619	5,061	119,224	17,008	38,071	204,983

(1) Includes right-of-use assets for US\$0.5 million (2023 US\$0.3 million) comprising a cost of US\$0.9 million (2023 US\$0.5 million) and accumulated depreciation of US\$0.4 million (2023 US\$0.2 million)

Borrowing costs of US\$9.1 million (2023: US\$4.4 million) have been capitalised to date to Work in progress and other assets.

The Company had no property, plant and equipment at 31 December 2024 or 31 December 2023.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 19 | Property, plant and equipment (Cont.)

Under the contracts for which the Group's electricity distribution assets were acquired and regulated, there are restrictions on the use of said assets and also obligations to maintain the relevant assets with the intention of protecting the services they provide. In addition, the Group cannot pledge the relevant assets as collateral for borrowings, except for those borrowings incurred to finance the acquisition of such assets.

Although tariff levels have improved compared to previous years and both inflation and currency depreciation have shown signs of deceleration, the Argentine economic environment still presents certain challenges, particularly regarding the consistent implementation of tariff updates and the persistence of macroeconomic uncertainty. These factors were considered as impairment indicators and, accordingly, the Group conducted a review in accordance with IAS 36 'Impairment of assets'.

During 2024, Management conducted an impairment review of long-term assets by comparing their carrying amounts with the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU"), in accordance with IAS 36. For the purposes of assessing impairment, assets are grouped at their lowest level for which there are largely independent cash inflows (CGU).

The Group has one cash generating unit (CGU).

The VIU for the CGU is determined by calculating the net present value of the future cash flows expected to be generated by the CGU. The estimates of future cash flows were built upon approved financial forecasts using an estimated industry growth rate. The cash flows include the following key assumptions:

- 1) Tariff increases: Management has calculated these increases based on the adjustment mechanism agreed in the concession contract and the current agreed tariffs;
- 2) Discount rate: The discount rate used is a real interest rate and reflects specific risks related to the industry and the country of operation;
- 3) Growth rates: The cash flows include an estimated growth rate of 1% (2023: 1%), which the Directors believe reflects the expected annual economic growth in the areas where the Group operates;
- 4) Tax rate: Management has used the tax rate of 35% (2023: 35%) that is expected to be in effect in each of the periods considering the current tax law; and
- 5) Inflation and exchange rates: They are based on estimated and current Argentinean market inflation and exchange rates.

The VIU calculations for the CGU indicate that there is no impairment at the year end, nor was there any impairment recorded for the previous year.

Impact of possible changes in key assumptions

The carrying value is more sensitive to movements in tariffs and discount rate. Accordingly, management has undertaken a sensitivity analysis on these two key assumptions as outlined below:

2024	Change in assumption	Impairment charge
Tariff	Decrease of 12%	US\$11.2 million
Discount rate	Increase of 52%	US\$0.19 million
2023	Change in assumption	Impairment charge
Tariff	Decrease of 20%	US\$0.00 million
Discount rate	Increase of 40%	US\$0.88 million

The percentages indicate the change required in tariffs and discount rates for the recoverable amount to start resulting in an impairment, illustrating that while the CGU remains above its carrying amount, its recoverable value shows sensitivity to moderate changes in tariff assumptions.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 20 | Inventories

	Group	
	2024	2023
	US\$'000	US\$'000
Non-current		
Raw materials and consumables	4,937	2,607
Current		
Raw materials and consumables	21,463	3,114

During the year US\$4.8 million of inventory, mostly spare parts, was transferred to property, plant and equipment (2023: US\$3.1 million); US\$8.6 million was transferred to cost of sales (2023: US\$3.3 million) when the inventory was used.

Note 21 | Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Amounts owed by other Group entities	1	501	496	1,070
Amounts owed by associates	517	20	21	20
Corporation tax recoverable	12	-	-	-
Other receivables	-	212	-	212
	530	733	517	1,302
Current				
Trade receivables	51,527	11,987	-	-
Less provision for impairment	(3,766)	(1,134)	-	-
	47,761	10,853	-	-
Amounts owed by Group undertakings ⁽¹⁾	-	-	2,569	2,569
Less provision for impairment ⁽¹⁾	-	-	(2,569)	(2,569)
Accrued income ⁽²⁾	48,850	13,071	-	-
Amounts owed by associates	-	1,397	-	1,397
Other receivables ⁽³⁾	5,489	4,659	59	66
Prepayments ⁽⁴⁾	8,246	3,023	69	-
	110,346	33,003	128	1,463

(1) Intercompany loan receivable from Andina Electricidad Limited that has been fully provided for due to the subsidiary's financial position.

(2) Energy supplied pending billing.

(3) Non-reimbursable government grant related to FEDEI (Fondo Especial de Desarrollo Eléctrico del Interior), a federal fund intended to finance electricity infrastructure works in Argentine provinces. The amount recognised corresponds to capital expenditure already incurred and approved for reimbursement. This line also includes other taxes and social security and other debtors.

(4) Advances for works, services and materials.

Movements in the provision for impairment are as follows:

	Group		Company	
	2024	2023	2024	2023
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January	1,134	3,033	2,569	2,569
Provision for receivables impairment	3,351	804	-	-
Receivables written off in the year	(473)	(336)	-	-
Exchange differences	(246)	(2,367)	-	-
At 31 December	3,766	1,134	2,569	2,569

Trade and other receivables are non-interest bearing and generally have a 30 to 90-day term. Due to their short maturities, the fair value of trade and other receivables approximates to their book value.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED 31 DECEMBER 2024

Note 22 | Financial instruments

The following tables analyse the carrying amounts of financial assets and liabilities by category and by level of the fair value hierarchy:

	Group			Company		
	Amortised cost	FVPL (Level 1)	Total	Amortised cost	FVPL (Level 1)	Total
	2024	2024	2024	2024	2024	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables (*)	101,420	-	101,420	576	-	576
Cash and cash equivalents	9,273	26,437	35,710	5,942	-	5,942
Financial assets at fair value through profit or loss	-	110,222	110,222	-	11	11
Total financial assets	110,693	136,659	247,352	6,518	11	6,529

	Group			Company		
	Amortised cost	FVPL (Level 1)	Total	Amortised cost	FVPL (Level 1)	Total
	2023	2023	2023	2023	2023	2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other receivables (*)	26,153	-	26,153	2,765	-	2,765
Cash and cash equivalents	359	65	424	140	-	140
Financial assets at fair value through profit or loss	-	45,136	45,136	-	56	56
Total financial assets	26,512	45,201	71,713	2,905	56	2,961

(*) Excludes tax receivables and prepayments to suppliers.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 22 | Financial instruments (Cont.)

The following tables analyse the carrying amounts of financial assets and liabilities by category and by level of the fair value hierarchy:

Financial liabilities	Group			Company		
	Amortised cost	FVPL (Level 3)	Total	Amortised cost	FVPL (Level 3)	Total
	2024	2024	2024	2024	2024	2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Borrowings	86,628	6,356	92,984	2,846	6,356	9,202
Lease liabilities	293	-	293	-	-	-
Trade and other payables	170,689	-	170,689	801	-	801
Total financial liabilities	257,610	6,356	263,966	3,647	6,356	10,003

Financial liabilities	Group			Company		
	Amortised cost	FVPL (Level 3)	Total	Amortised cost	FVPL (Level 3)	Total
	2023	2023	2023	2023	2023	2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Borrowings	18,659	16,970	35,629	6,475	16,970	23,445
Lease liabilities	198	-	198	-	-	-
Trade and other payables	79,785	-	79,785	3,472	-	3,472
Total financial liabilities	98,642	16,970	115,612	9,947	16,970	26,917

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 23 | Cash and cash equivalents

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Cash at bank and in hand	9,273	359	5,942	140
Short term deposits	26,437	65	-	-
	35,710	424	5,942	140

The reconciliation of cash and cash equivalents disclosed in the Statement of Cash Flows, in accordance with the requirements of IAS 7, is as follows:

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Bank overdrafts	-	(4,353)	-	-
Balances per Statement of Cash Flows	35,710	(3,929)	5,942	140

Note 24 | Equity

Note 24.1 | Share capital and share premium

The table below presents the composition of the Company's capital, indicating the date and type (Share Capital, Share Premium and Preference Share Capital) of each issuance, showing the amounts at 31 December 2023 and 31 December 2024:

Year issuance	Share Capital US\$'000	Share Premium US\$'000	Preference share capital US\$'000
At 31 December 2023	24,473	7,655	78
2024	5,047	4,800	-
At 31 December 2024	29,520	12,455	78

During 2024, the Company issued new ordinary shares in two separate transactions:

- **Formalisation of the 2021 securities loan (Related parties):**
Ordinary shares were issued on 28 June 2024 to formalise the securities loan agreement entered into in 2021 with Brie International Development Corp, Mezzo Trading International Inc. and Stanhope Worldwide Services Inc. The agreement had been classified as an equity instrument within other reserves, and upon issuing the ordinary shares it was settled and reclassified to share capital and share premium. This transaction resulted in an increase of US\$ 1.2 million in share capital and US\$ 1 million in share premium. All counterparties to this transaction are related parties of the Company.
- **Conversion of CROSGO Trading LTD loan:**
On 18 April 2024, the Company entered into a settlement agreement with CROSGO Trading LTD. At the date of the agreement, the financial liability amounted to US\$21.3 million. In accordance with the terms of the agreement, the debt was settled through the issuance of ordinary shares on 28 June 2024, resulting in increases of US\$3.8 million in both share capital and share premium. As the carrying amount of the liability differed from its fair value at the settlement date, an equity reserve of US\$13.7 million was recognised. The transaction was completed and recognised within the financial year ended 31 December 2024. See note 26 for more details of the settlement agreement.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 24 | Equity (Cont.)

Note 24.2 | Reserves

Note 24.2.1 | Merger reserve

The merger reserve arose following the demerger of Andes Energía Plc on 11 July 2012. The demerger involved a capital reorganisation and reduction of Andes Energía Plc's share capital and share premium, and the capitalisation of its reserves. In exchange for the utility business, Andina Energies Plc (formerly Andina Plc) issued ordinary shares and warrants to Andes shareholders.

Note 24.2.2 | Translation reserve

The translation reserve results from exchange differences arising from the translation of the assets and liabilities of the Group's operations into the presentation currency at exchange rates prevailing at the reporting date, and income and expense items at the average exchange rates for the reporting year.

Note 24.2.3 | Retained earnings / (accumulated losses)

The retained earnings / (accumulated losses) include all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

Note 24.2.4 | Other reserve

The other reserve comprises the following:

- **Securities loan arrangement:** US\$ 2.2 million originated from a 2021 securities loan agreement with Brie International Development Corp, Mezzo Trading International Inc. and Stanhope Worldwide Services Inc. The agreement had been classified as an equity instrument within other reserves, and the related was derecognised upon the issuance of ordinary shares in June 2024, as described in note 24.1.
- **Warrant issuance:** A reserve was recognised in 2024 in connection with the issuance of fixed-for-fixed warrants. The programme was offered to all existing shareholders on a pro-rata basis (one warrant per ordinary share held, totalling 207,910,539 warrants available for subscription). The purpose of the programme was to provide shareholders with the opportunity to further participate in the Company's growth by subscribing for warrants that entitle the holder to acquire one ordinary share at a fixed exercise price of £0.20.

The Company received a payment of £0.02 per warrant subscribed (totalling US\$ 5.2 million), resulting in the recognition of a reserve within equity. All warrants offered under the programme were subscribed for by shareholders. At the date of subscription, no shares were issued and the Company had no obligation to deliver cash or another financial asset. No warrants had been exercised as at 31 December 2024.

- **Loan conversion reserve:** A reserve was recognised in 2024 following the settlement agreement with Crosco Trading LTD, under which a financial liability was settled through the issuance of equity instruments. The equity recognised in connection with this transaction comprised share capital, share premium and an equity reserve of US\$13.7 million and this reserve is non-distributable. See note 24.1

Note 24.3 | Other comprehensive income/ (expense)

This section includes the share of other comprehensive income of SAE, the Group's associate, comprising:

- The translation reserve, which arises from exchange differences on the translation of the assets and liabilities of SAE's operations into the Group's presentation currency at the exchange rates prevailing at the reporting date, and income and expense items translated at average exchange rates for the year; and
- Actuarial gains and losses on defined benefit plans, recognised in accordance with IAS 19 Employee Benefits, which reflect changes in actuarial assumptions and experience adjustments during the year.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 25 | Trade and other payables

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Non-current				
Other taxation and social security	-	2,179	-	2,179
Amounts owed to associates	1,218	1,165	-	18
Other payables	16,312	10,336	-	353
	17,530	13,680	-	2,550
Current				
Trade payables	61,361	24,567	162	319
Other taxation and social security	61,875	26,823	-	-
Government payables related to compensation funds	3,812	2,785	-	-
Other payables	1,559	3,197	-	221
Accrued expenses	24,552	8,733	639	382
	153,159	66,105	801	922

Trade payables (except amounts due to CAMMESA) are non-interest bearing and generally have a 30 to 90-day term. Due to their short maturities, the fair value of trade payables approximates to their book value. Amounts owed to associates accrue interest at an annual rate of 7% and do not have additional specific terms or conditions.

Note 26 | Borrowings

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Non-current:				
Corporate notes	55,624	-	-	-
Other borrowings	12,493	22,034	9,100	20,598
	68,117	22,034	9,100	20,598
Current:				
Corporate notes	24,018	-	-	-
Bank overdraft	-	4,353	-	-
Bank borrowings	747	4,957	-	-
Other borrowings	102	4,285	102	2,847
	24,867	13,595	102	2,847
	92,984	35,629	9,202	23,445

Movement in borrowings is analysed as follows:

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
At 1 January	35,629	15,764	23,445	12,089
Proceeds from borrowings	82,222	21,589	785	299
Accrued interest ⁽¹⁾	22,719	5,243	(777)	1,817
Convertible borrowings	6,969	9,240	6,969	9,240
Debt-for-equity conversion	(7,627)	-	(7,627)	-
Other reserve	(13,722)	-	(13,722)	-
Repayments of borrowings	(20,572)	(15,271)	-	-
Exchange difference	(12,634)	(936)	129	-
At 31 December	92,984	35,629	9,202	23,445

(1) Includes US\$4.8 million of interest capitalised within property, plant and equipment related to the corporate notes (2023: nil).

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 26 | Borrowings (Cont.)

Note 26.1 | Corporate notes

On 23 August 2023, the Comisión Nacional de Valores (CNV) authorised EDEMSA to establish a Global Programme for the issuance of simple, non-convertible corporate notes, up to a maximum aggregate amount of US\$80 million.

Under this programme, EDEMSA issued four classes of corporate notes during 2024, as summarised below:

Class	Issue date	Currency	Amount issue (in original currency '000)	Interest rate	Maturity date	Interest payment	Amortised cost US\$'000	Amortised cost AR\$'000
1	6/5/2024	AR\$	31,928	UVA + 5%	6/5/2026	quarterly	40,220	41,446,526
2	6/5/2024	AR\$	66,607,014	BADLAR + 7%	6/5/2025	quarterly	6,825	7,032,817
3	29/11/2024	US\$	16,588	8%	29/11/2027	semi-annual	15,853	16,336,670
4	29/11/2024	AR\$	17,045,539	BADLAR + 7%	29/11/2025	quarterly	16,744	17,255,350
							79,642	82,071,363

At 31 December 2024, the outstanding balance of the corporate notes, measured at amortised cost, amounted to US\$ 79.6 million, equivalent to AR\$82,071 million, and is presented under "Borrowings", classified between current and non-current in accordance with their respective maturities. The related interest expense has been recognised in "Finance costs" within "Interest and other charges" in the consolidated income statement.

All scheduled payments had been made in full as at the reporting date.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 26 | Borrowings (Cont.)

Note 26.2 | Other borrowings

Lender	Convertible	Currency	Interest Rate	Maturity Date	Valuation Method	2024				2023			
						FV US\$'000	Capital US\$'000	Interest US\$'000	Total US\$'000	FV US\$'000	Capital US\$'000	Interest US\$'000	Total US\$'000
EDELCO S.A.	No	US\$	9.75%	15/04/2026	AC ⁽³⁾	-	1,149	361	1,510	-	1,149	248	1,397
Interoil Exploration and Production	No	US\$	-	31/12/2025	AC ⁽³⁾	-	102	-	102	-	102	-	102
Andina Electricidad S.A. ⁽¹⁾	No	US\$	US Prime+0.5%	31/12/2027	AC ⁽³⁾	-	785	35	820	-	-	-	-
Crosgo Trading LTD ⁽²⁾	Yes	US\$	8%	30/06/2025	AC & FV ⁽³⁾	-	-	-	-	15,042	1,220	2,983	19,245
Jenkins & Keane LLC	Yes	US\$	8%	31/12/2026	AC & FV ⁽³⁾	3,166	627	(447)	3,346	1,035	54	363	1,452
Fedmul S.A.	Yes	US\$	6%	31/12/2028	AC & FV ⁽³⁾	2,439	73	94	2,606	893	73	91	1,057
Magnus Argentina S.A.	Yes	US\$	8%	31/12/2026	AC & FV ⁽³⁾	751	124	(57)	818	-	176	16	192
Total Company									9,202				23,445
Trench Energy Consulting SRL	No	ARS	BADLAR + 5%	31/12/2026	AC ⁽³⁾	-	22	74	96	-	28	78	106
Integra Capital S.A.	No	ARS	48%	31/12/2026	AC ⁽³⁾	-	18	12	30	-	16	6	22
Magnus Argentina S.A.	No	ARS	BADLAR + 4%	31/12/2026	AC ⁽³⁾	-	1,038	357	1,395	-	134	104	238
Magnus Argentina S.A.	No	US\$	8%	31/12/2027	AC ⁽³⁾	-	1,062	94	1,156	-	1,062	8	1,070
Neil Bleasdale (Director)	No	US\$	8%	31/12/2027	AC ⁽³⁾	-	1,536	-	1,536	-	662	776	1,438
Total Group									12,595				26,319

(1) Eliminated on consolidation.

(2) Conversion of Crosgo Trading LTD loan:

On 18 April 2024, the Company entered into a settlement agreement with CROSGO. Pursuant to the terms of the agreement, on 28 June 2024 the Company issued ordinary shares to CROSGO as consideration for the full extinguishment of the outstanding financial liability. This transaction resulted in an increase of US\$3.8 million in both share capital and share premium. The transaction was completed and recognised in the financial year ended 31 December 2024.

The liability had been previously recognised at fair value through profit or loss, and the periodic remeasurement of the embedded derivative had led to recurring losses in 2021, 2022 and 2023 due to the increase in the Company's equity valuation.

In 2024, under the settlement terms, the parties agreed to cancel the liability through the issuance of shares at a fixed price of £0.20 per share. As the carrying amount of the liability exceeded the fair value of the equity instruments issued, the Company recognised a reserve of US\$13.1 million.

(3) AC means Amortised cost and FV means Fair value.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 26 | Borrowings (Cont.)

Note 26.3 | Bank borrowings and overdrafts

The breakdown of bank borrowings and overdrafts by type as at 31 December 2024, with comparative figures for 2023, is set out below:

	2024 US\$'000	2023 US\$'000
Bank overdraft	-	4,353
Margin loan – Global Valores	-	700
Margin loan – Lynx Versatil	-	100
Cheque discounting	747	3,657
Supervielle bank	-	500
Total	747	9,310

The borrowings are further described below:

- Overdraft-related funding: In 2023, the Group obtained US\$4.4 million through short-term credit facilities functionally equivalent to overdrafts, granted by local financial institutions. These facilities were fully repaid during 2024, including US\$1.4 million in accrued interest.
- Margin loans from brokerage firms: Margin loans totalling US\$0.8 million (US\$0.7 million from Global Valores and US\$0.1 million from Lynx Versatil) were outstanding in 2023. These short-term facilities bore an annual interest rate of 100% and matured within 30 days. All margin loans were repaid during 2024.
- Cheque discounting with Global Valores: In 2023, the Group obtained US\$3.7 million through the discounting of deferred payment cheques with Global Valores, an Argentine brokerage firm. As of 31 December 2024, the Group had US\$0.7 million in deferred payment cheques discounted with Global Valores. These instruments had maturities of up to 30 days and bore an annual effective interest rate of 120%.
- Bank loan from Supervielle bank: In 2023, the Group held a US\$0.5 million loan from Banco Supervielle with a six-month term maturing in April 2024, bearing an annual interest rate of 180%. The loan was repaid upon maturity.

All these facilities were short term, peso-denominated and were repaid during 2024. As a result, the Group held minimal outstanding debt at the reporting date.

Note 27 | Leases

	Group	
	2024 US\$'000	2023 US\$'000
At 1 January	198	1,023
New leases obtained	216	58
Repayments of leases	(325)	(206)
Accrued interest	246	122
Hyperinflation adjustments	(183)	(475)
Exchange adjustments	141	(324)
At 31 December	293	198
Of which are:		
Non-current	224	121
Current	69	77
	293	198

The total cash outflow for leases in 2024 was US\$0.3 million (2023 US\$0.2 million) and in both years the leases related to vehicles.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 28 | Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group and Company, and movements thereon:

Group	Deferred tax Assets 2024	Deferred tax Assets 2023	Deferred tax Liabilities 2024	Deferred tax Liabilities 2023	Total 2024	Total 2023
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Provision for bad debt	(1,249)	(341)	-	-	(1,249)	(341)
Tax liabilities	-	-	19,489	20,216	19,489	20,216
Provision for accrued interest payable	(6,089)	-	-	1,433	(6,089)	1,433
Employee benefits	(2,166)	(1,184)	-	-	(2,166)	(1,184)
Carry forward losses	-	(277)	-	-	-	(277)
Other	(95)	-	-	2,331	(95)	2,331
Non-current assets	-	-	105,783	60,716	105,783	60,716
Borrowings	-	(31)	391	-	391	(31)
Net deferred income tax	(9,599)	(1,833)	125,663	84,696	116,064	82,863

The Company has no deferred tax assets or liabilities in the current year or prior year.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 28 | Deferred tax (Cont.)

Movements in deferred tax liabilities

	Provision for bad debt	Tax liabilities	Provision charges	Employee Benefits	Carry forward losses	Other	Borrowings	Non-current assets	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2023	743	(4,000)	1,989	2,009	9,946	108	96	(81,260)	(70,370)
Credit/(Charge) to the profit or loss	(167)	(17,483)	(2,792)	163	(6,518)	(2,405)	(35)	(5,192)	(34,429)
Charge to employee benefits - others results integral	-	-	-	(351)	-	-	-	-	(351)
Hyperinflation effect	345	(1,856)	923	932	4,613	50	45	(37,694)	(32,642)
Exchange differences	(580)	3,123	(1,553)	(1,569)	(7,763)	(84)	(75)	63,430	54,929
At 31 December 2023	341	(20,218)	(1,433)	1,184	277	(2,331)	31	(60,716)	(62,863)
Credit/(Charge) to the profit or loss	668	14,985	8,533	(153)	(634)	4,231	(443)	(2,248)	24,939
Credit to employee benefits - others results integral	-	-	-	298	-	-	-	-	298
Hyperinflation effect	314	(18,644)	(1,322)	1,093	417	(2,311)	29	(55,990)	(76,415)
Exchange differences	(74)	4,386	311	(256)	(60)	508	(8)	13,171	17,977
At 31 December 2024	1,249	(19,489)	6,089	2,166	-	95	(391)	(105,783)	(116,064)

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 29 | Provisions

The following table shows the provisions recognised by the Group. The Company had no provisions as at 31 December 2024 or 2023.

	2024 US\$'000	2023 US\$'000
Fines	31,154	6,779
Legal claims	424	347
	31,578	7,126
Non-current	107	88
Current	31,471	7,038
	31,578	7,126

Movements in provisions

The movements in provisions during the year are detailed below. These relate entirely to Group entities, with no changes or balances recorded at the Company level.

	Fines US\$'000	Legal claims US\$'000	Total US\$'000
At 1 January 2024	6,779	347	7,126
Additional provisions in the year	34,362	378	34,740
Used/paid during the year	(8,516)	(225)	(8,741)
Exchange difference	(1,471)	(76)	(1,547)
At 31 December 2024	31,154	424	31,578
	Fines US\$'000	Legal claims US\$'000	Total US\$'000
At 1 January 2023	8,101	505	8,606
Additional provisions in the year	8,146	425	8,571
Used/paid during the year	(3,144)	(189)	(3,333)
Exchange difference	(6,324)	(394)	(6,718)
At 31 December 2023	6,779	347	7,126

Fines

EDEMSA's activities are regulated by the provincial authority, Ente Provincial Regulador Eléctrico (EPRE), which oversees tariff approvals and monitors the quality of technical and commercial services, as well as compliance with public safety regulations, as established in the Concession Agreement. Non-compliance with these obligations may lead to the imposition of penalties. As of the reporting date, EDEMSA has US\$31.2 million (2023: US\$6.8 million) owing in EPRE penalties, of which EDEMSA has accepted US\$5.3 million (2023: US\$0.8 million) and is challenging US\$25.9 million (2023: US\$6.0 million).

Legal claims

This provision relates to legal claims arising in the ordinary course of business, including customer complaints, lawsuits and other proceedings in which third parties are seeking compensation for alleged damages or losses. These matters are expected to crystallise under different timelines after the reporting date. In the opinion of management, supported by appropriate legal advice, the risk of any additional loss exceeding the amounts provided is considered remote.

In management's opinion, after receiving appropriate legal advice, the outcome of these claims is unlikely to result in a significant loss in excess of the amounts provided.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 30 | Benefit plans

Long term benefits for years of service

This represents the accrued benefits to be paid to employees covered by the collective bargaining agreement for the industry labour union, that have completed twenty, twenty-five, thirty, and thirty-five years of service. This is paid in the form of a special remuneration equivalent to the monthly salary in the month that the year of service conditions are met. This amount doubles when the employee reaches forty years of service.

The Group does not have any assets related to long term benefits for years of service.

Long term benefits for retirement or disability

The Group operates a defined benefit plan. This represents accrued benefits to be paid to employees covered by the collective bargaining agreement for the industry labour union, for staff reaching retirement age or retiring as a result of disability prior to this. All such employees who have at least five years of service with the Group are entitled to this benefit. Employees are paid a bonus equivalent to ten months of their last monthly salary. This benefit is increased by two percent for each year of service exceeding the first five years.

These benefits are valued according to the actuarial method of the projected unit credit. The Group estimates the future outcome of certain variables that affect the value of the liability, including the rate of inflation, salary increases and changes in mortality rates. The amounts calculated are discounted using a discount rate that reflects the time value of money and the specific risks to the cash flows considered. The current service cost and the net interest on the defined benefit obligation are recognised in administrative expenses, while actuarial gains and losses arising from changes in assumptions or experience adjustments are recognised in Other Comprehensive Income (OCI).

The Group does not have any assets related to long term benefits for retirement or disability.

The main assumptions used in the calculation are the discount rate and the expected salary increase. The actual rate used to discount the obligations of these benefits was determined by reference to the market yield (at the reporting date) of the National Government's bonds. The salary increased rate responds to the historical evolution of it.

	2024	2023
	%	%
Key assumptions		
Discount rate	15.5	15.5
Expected rate of salary increases	9	9
	2024	2023
	US\$'000	US\$'000
Amounts recognised in the income statement		
Current service cost	1,710	340
Net interest on net defined benefit liability	2,263	2,245
Total costs	3,973	2,585
	2024	2023
	US\$'000	US\$'000
Amounts taken to other comprehensive income/(expense)		
Actuarial changes related to obligations ⁽¹⁾	(865)	(19)

⁽¹⁾ It includes a gain of US\$1.1 million (2023: gain of US\$0.1 million) from EDEMSA and a loss of US\$0.2 million (2023: loss of US\$0.1 million) from SAE.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 30 | Benefit plans (Cont.)

The amounts included in the statement of financial position arising from obligations in respect of defined benefit plans are as follows:

	2024 US\$'000	2023 US\$'000
Present value of defined benefit obligations	6,189	3,386
Deficit in scheme	6,189	3,386
<i>Movements in the present value of defined benefit obligations</i>	<i>2024</i> <i>US\$'000</i>	<i>2023</i> <i>US\$'000</i>
Liabilities at 1 January	3,386	5,740
Current service cost	1,710	340
Benefits paid	(4,687)	(3,001)
Actuarial (gains) / losses ⁽¹⁾	1,128	(119)
Interest cost	2,263	2,245
Foreign exchange	2,389	(1,819)
At 31 December	6,189	3,386

(1) Actuarial (gains) / losses on defined benefit pension liability comprise net (gains) / losses from changes in financial and demographic assumptions.

The Company had no post-employment benefits at 31 December 2024 or 31 December 2023.

There are no plan assets and therefore the liability presented is the gross defined benefit liability.

The sensitivity of the defined benefit liability outstanding at 31 December 2024 to changes in the main actuarial assumptions is as follows:

- Increase / decrease of 1% in real discount rate will result in a decrease of US\$547,000 / an increase of US\$637,000 (2023: A decrease of US\$207,000 / an increase of US\$240,000) in the liability respectively.
- Increase / decrease of 1% in the rate of salary increases will result in an increase of US\$572,000 / a decrease of US\$657,000 (2023: an increase of US\$251,000 / a decrease of US\$217,000) in the liability respectively.

ANDINA ENERGIES PLC (formerly known as Andina Plc)

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 31 | Related-party transactions

Remuneration of key management personnel

Key management include Directors (executive and non-executive) and senior management who have authority for planning, directing and controlling the Group. Key management personnel are remunerated by EDEMSA, the Group's operating subsidiary. The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
Salaries and other short-term benefits	122	341	-	-
	122	341	-	-

Year end balances with related parties

Amounts (owing)/receivable at the reporting date to related parties are stated below:

	Group		Company	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
EDENOR	-	1,397	-	1,397
SAE LLP	21	21	21	21
AESA	-	-	(820)	569
Jose Luis Manzano	496	501	496	501
EDELCOS	(1,510)	(1,397)	(1,510)	(1,397)
HDS	(1,218)	(1,162)	-	-
Brie International Development	-	(475)	-	(475)
Mezzo Trading International Inc.	-	(838)	-	(838)
Stanhope Worldwide Services Inc.	-	(907)	-	(907)
Magnus Argentina S.A.	(3,369)	(1,460)	(818)	(190)
Integra Capital S.A.	(30)	(22)	-	-
Gobierno de la Provincia de Mendoza y otros	120	(3,487)	-	-
Accionistas PPP	1	1	-	-
Edemsa Servicios S.A.U.	1	12	-	-
Key management personnel	(1,536)	(1,438)	-	-

Amounts owed to key management personnel are due to one of the Company's Directors, Neil Bleasdale and his related company.

The Company has access a borrowing facility provided by Magnus Argentina S.A. for \$2.5 million; this credit line bears interest rate of 8% per annum to be paid in full at maturity (31 December 2026). At 31 December 2024 the Company had used US\$0.1 million (2023: US\$0.1 million).

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 32 | Cash generated from Group operations

	2024 US\$'000	2023 US\$'000
Profit before taxation	104,156	104,805
Adjustments for:		
Share of profits in associates	(36,158)	(7,153)
Derecognition of property tax liability	(2,256)	-
Finance costs	58,645	47,911
Gain on financial instruments measured at fair value through profit or loss	(16,600)	(36,059)
Finance income	(10,761)	(80)
Hyperinflation impact	(15,291)	(84,669)
Depreciation of property, plant and equipment	17,221	9,131
Increase in provisions	18,880	9,374
Movements in working capital:		
Increase in inventories	(30,855)	(9,547)
Increase in trade and other payables	98,647	7,788
Increase in trade and other receivables	(110,607)	(36,298)
Cash generated from operations	75,021	5,203

Note 33 | Cash used in Company operations

	2024 US\$'000	2023 US\$'000
Profit / (Loss) before taxation	29,877	(4,286)
Adjustments for:		
Share of profits in associates	(36,446)	(7,078)
Derecognition of property tax liability	(2,256)	-
Finance costs	6,757	11,452
Finance income	-	(80)
Movements in working capital:		
Decrease/(increase) in trade and other receivables	2,074	(223)
(Decrease)/increase in trade and other payables	(194)	158
Cash used in operations	(188)	(57)

Note 34 | Auditors' remuneration

	2024 US\$'000	2023 US\$'000
Fees payable to the Company's auditors and associates:		
For audit services		
Audit of the financial statements of the Group and Company	222	224
Audit of the financial statements of the Company's subsidiaries	222	87
	444	311
For other services		
Taxation compliance services	12	6
	12	6

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 35 | Directors' remuneration

	2024 US\$'000	2023 US\$'000
Group		
Remuneration for qualifying services	82	41

The remuneration of the Directors of the Group was paid by a subsidiary in 2024 amounting to US\$81,926 (AR\$84,424,665) and in 2023 US\$41,360 (AR\$33,375,374). No recharges are made to the Company.

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

	2024 US\$'000	2023 US\$'000
Remuneration for qualifying services	9	7

The remuneration of the highest paid Director is paid by EDEMSA, a related Group entity.

Note 36 | Employees

The average monthly number of persons (including Directors) employed by the Group and Company during the year was:

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Selling	184	163	-	-
Technical	390	396	-	-
Administration	168	161	-	-
Total	742	720	-	-

Note 37 | Events after the reporting year

Expansion into renewable generation: acquisition of Capiz I and II solar projects through Trancura Energia S.A.

Subsequent to the reporting period, the Group completed the acquisition of the Capiz I (20 MW) and Capiz II (30 MW) photovoltaic solar projects, both located in Capiz, Department of San Carlos, approximately 160 km from the City of Mendoza. These projects were incorporated into the Group's generation portfolio through the acquisition of 95% of the share capital of Trancura Energia S.A. The share transfer was formalised through a Share Purchase Agreement executed on 27 January 2025.

The acquisition was executed through a Debt Assumption and Share Transfer Agreement signed on 24 January 2025, whereby the Group acquired the shares from Integra Capital S.A., a related party. As part of the transaction, Andina Electricidad S.A. (a subsidiary of the Group) assumed a liability originally held by Integra Capital S.A. with Magnus Argentina S.A., also a related party, for the amount of ARS 1.89 million. This liability now represents a direct obligation of Andina Electricidad S.A., with a maturity date of 31 December 2027. Additionally, the Group undertook to pay Integra Capital S.A. a structuring and management fee equal to 2% of the gross project value. This fee will only become payable upon the occurrence of any of the following events: (i) sale, assignment or transfer—whether in whole or in part—of the Capiz I and/or II projects; (ii) raising of financing directly allocated to the projects; or (iii) commencement of operations of either project. As of the date of issuance of these financial statements, no payments have been made in connection with this acquisition.

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 37 | Events after the reporting year (Cont.)

Expansion into renewable generation: acquisition of Capiz I and II solar projects through Trancura Energia S.A. (Cont.)

Both projects are classified as "Ready to Build", having obtained the necessary environmental approvals from the competent provincial authority (SAYOT), land use permits granted by the Municipality of San Carlos, and having completed Stage I preliminary studies. An engineering, procurement and construction (EPC) contract has already been signed, and the selected contractor is currently engaged in the engineering phase of the projects.

The land on which the solar parks will be developed is subject to land use agreements executed with the respective landowners. Registration of these agreements is in progress with the Public Registry and Judicial Archive of Mendoza. The contracts establish an annual fee of US\$ 1 thousand per MW, payable from the commencement of commercial operations of each installation.

Issuance of corporate notes by EDEMSA

On 28 April 2025, the Argentine Securities and Exchange Commission (CNV) authorised an increase in the Global Corporate Notes Programme of the indirect subsidiary Empresa Distribuidora de Electricidad de Mendoza S.A. (EDEMSA), raising the programme limit from US\$80 million to US\$400 million or its equivalent in other currencies and/or units of value.

Under this programme, EDEMSA carried out the following issuances:

- On 12 May 2025, issued:
 - Additional Class 3 Corporate Notes, denominated, subscribed, funded, and payable in US dollars within Argentina, bearing a fixed nominal annual interest rate of 8.00%, for a total amount of US\$12.3 million, maturing on 29 November 2027. These Notes are listed on Bolsas y Mercados Argentinos S.A. (BYMA).
 - Class 5 Corporate Notes, denominated, subscribed, funded, and payable in Argentine pesos, bearing a variable interest rate equivalent to the TAMAR rate (the wholesale deposit rate published by the Central Bank of Argentina), plus a margin of 7%, for a total amount of ARS14.0 million, maturing on 12 May 2026, with quarterly interest payments. These Notes are also listed on BYMA.
- On 28 July 2025, EDEMSA issued Class 6 Corporate Notes at a price of 92.93% of their nominal value, for a total amount of US\$150 million, denominated, subscribed, funded and payable in US dollars. The Corporate Notes bear a step-up interest rate of 9.75% until 28 July 2029, 10.75% until 28 July 2030, and 11.75% until their final maturity on 28 July 2031, with semi-annual interest payments starting on 28 January 2026. The principal will be amortised in three equal annual instalments beginning in 2029. This Corporate Notes were issued under Rule 144A and Regulation S of the U.S. Securities Act of 1933, and are listed on the Luxembourg Stock Exchange (Euro MTF Market), as well as on BYMA and A3 Mercados S.A. The issuance is subject to customary covenants, including limitations on indebtedness, related party transactions, restricted payments, mergers, consolidations, spin-offs and asset disposals.

The main terms of these issuances are summarised in the table below:

Class	Issue date	Currency	Amount issued (in original currency '000)	Interest rate	Maturity date	Interest payment frequency
3 ad.	12 May 2025	US\$	12,333	8%	29/11/2027	semi-annual
5	12 May 2025	ARS	13,948,834	Tamar + 7%	12/5/2026	quarterly
6	28 July 2025	US\$	150,000	Incremental	28/7/2031	semi-annual

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)

FOR THE YEAR ENDED 31 DECEMBER 2024

Note 37 | Events after the reporting year (Cont.)

Conversion of ordinary shares into enhanced voting shares

On 19 February 2025, the Board of Directors of the Company approved the conversion of 106,035,503 ordinary shares of £0.10 each into a new class of enhanced voting shares of £0.10 each, on a one-for-one basis. This followed a shareholder offer made on 8 January 2025 and approved at a general meeting held on 24 January 2025. The offer period closed on 10 February 2025.

The conversion was implemented in accordance with the Company's Articles of Association and duly recorded in board minutes dated 19 February 2025. Following the conversion, the Company's issued share capital comprises 101,875,036 ordinary shares and 106,035,503 enhanced voting shares, resulting in a total of 207,910,539 issued shares.

The enhanced voting shares confer specific rights and restrictions as set out in the Articles of Association, including:

- Voting rights: Each enhanced voting share entitles the holder to ten votes per share at general meetings, compared to one vote per ordinary share.
- Dividend rights: Holders of ordinary shares are entitled to receive 1.2 times the dividend per share payable to holders of enhanced voting shares. The total dividend declared is allocated using a formula that adjusts the per-share entitlement accordingly.
- Lock-up provisions: Enhanced voting shares are subject to a lock-up period commencing on the date of conversion and ending on the earlier of (i) the second anniversary of the conversion or (ii) the date of an IPO. During this period, transfers of enhanced voting shares are prohibited. In the event of an IPO, holders must also agree to further disposal restrictions in line with market practice, for up to five years.
- Capital return rights: On a return of capital, liquidation or winding-up, holders of ordinary shares rank first in recovering the paid-up amount per share, followed by holders of enhanced voting shares. Any remaining proceeds are distributed on a pari passu basis according to the number of shares held.

