



1Q20 Results Conference Call

May 20, 2020



Disclaimer



This earnings presentation contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about us and our industry. These forward-looking statements can be identified by words or phrases such as “anticipate,” “forecast,” “believe,” “continue,” “estimate,” “expect,” “intend,” “is/are likely to,” “may,” “plan,” “should,” “would,” or other similar expressions.

The forward-looking statements included in this presentation relate to, among others: (i) our business prospects and future results of operations; (ii) the implementation of our combined cycle expansion project; (iii) the implementation of our financing strategy and the cost and availability of such financing; (iv) the competitive nature of the industries in which we operate; (v) future demand and supply for energy and natural gas; (vi) the relative value of the Argentine Peso compared to other currencies; (vii) weather and other natural phenomena; (viii) the performance of the South American and world economies; and (ix) developments in, or changes to, the laws, regulations and governmental policies governing our business, including environmental laws and regulations.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward looking statements are reasonable, our expectations may turn out to be incorrect. Our actual results could be materially different from our expectations. In light of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this release might not occur, and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, inclusive, but not limited to, the factors mentioned above. Because of these uncertainties, you should not make any investment decision based on these estimates and forward-looking statements.

The forward-looking statements made in this earnings release relate only to events or information as of the date on which the statements are made in this report. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

This presentation does not constitute or form any part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any senior notes or other securities of the Company.



We Continue Delivering Best-In-Class Operational Performance, Even Under Lockdown

Our three plants achieved 100% availability factor in 1Q20

Financial Performance Remains In Line With Forecast

EBITDA in 1Q20 reached USD 25 million, 5% higher than 1Q19

Combined Cycle Project Completion Stands At 98%

Special permit to continue works was granted by government on April 6

Successful Bond Issuance Improved Debt Amortization Profile

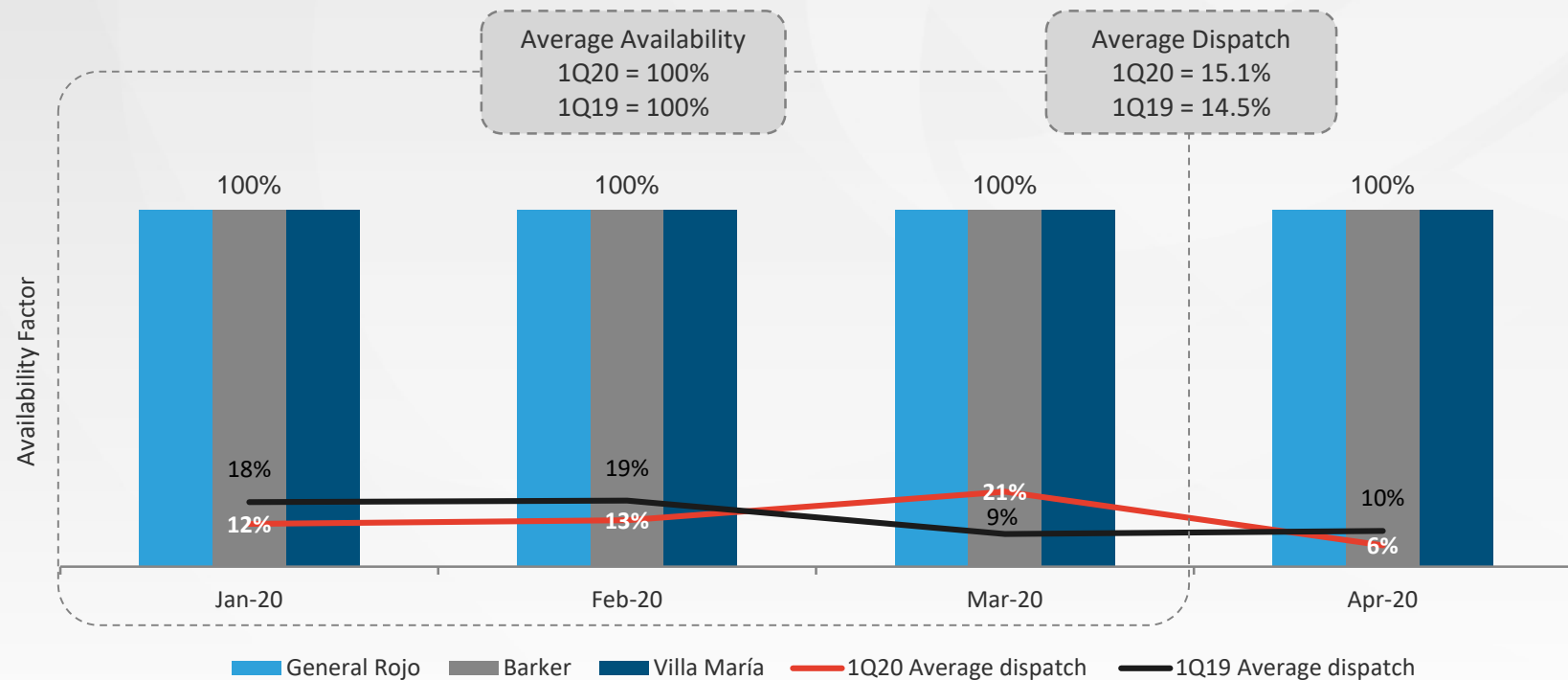
USD 43 million cash relief in 2021

Solid Operational Performance Delivered in 1Q20



Commercial Availability

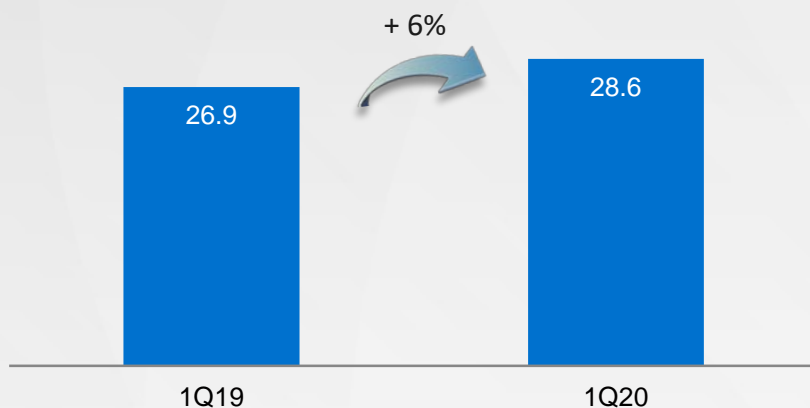
- The Argentine Government imposed a mandatory quarantine nationwide on March 20. The power generation sector is deemed as essential and was exempted from quarantine.
- MSU Energy implemented a H&S contingency plan to secure uninterrupted service and assure the health and safety of our operating teams and staff.
- Availability factor, our key performance driver, reached 100% during 1Q20 and has remained at full capacity during April 2020.
- Energy dispatch averaged 15.1%, 4% higher than in 1Q19.



Stable and predictable dollar denominated revenues



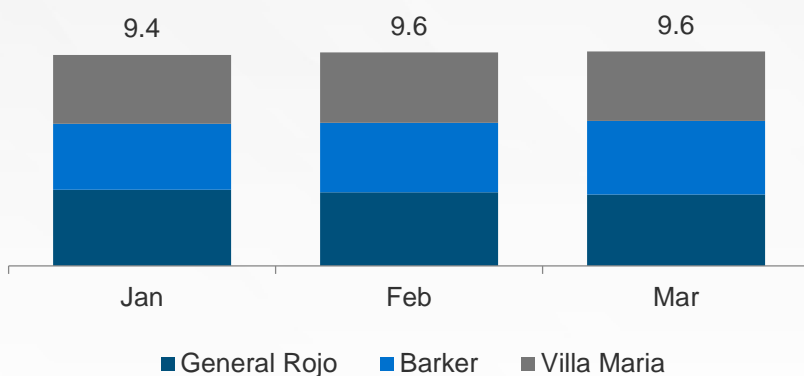
Revenues - USD millions



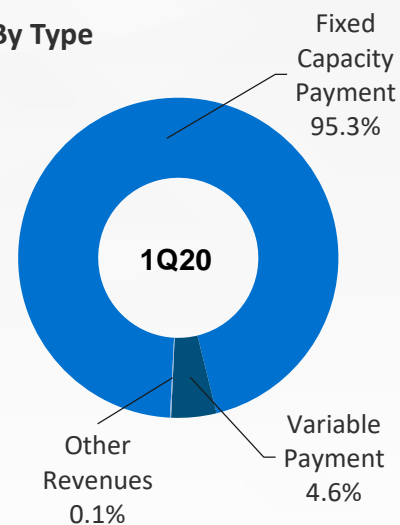
- Revenues in 1Q20 reached USD 28.6 million, 6% higher year-over-year
- Revenue growth in 1Q20 was driven by 150MW of additional capacity and a higher dispatch ratio
- Fixed Capacity payments represents 95% of total revenues

2020 Revenues Breakdown – USD millions

By month/Plant

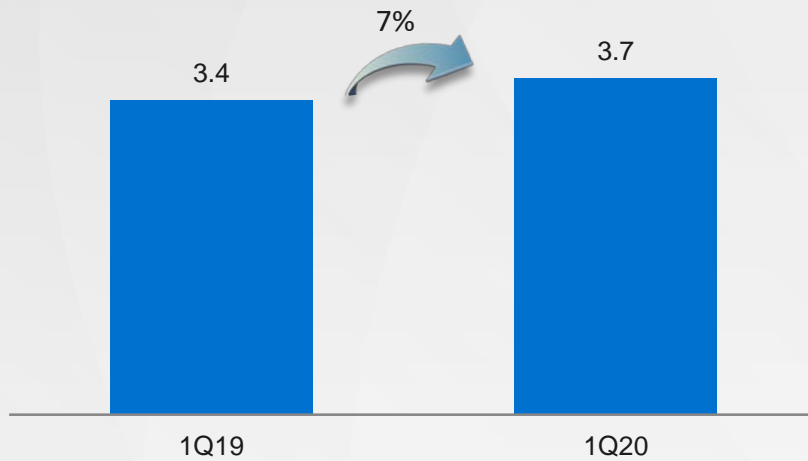


By Type





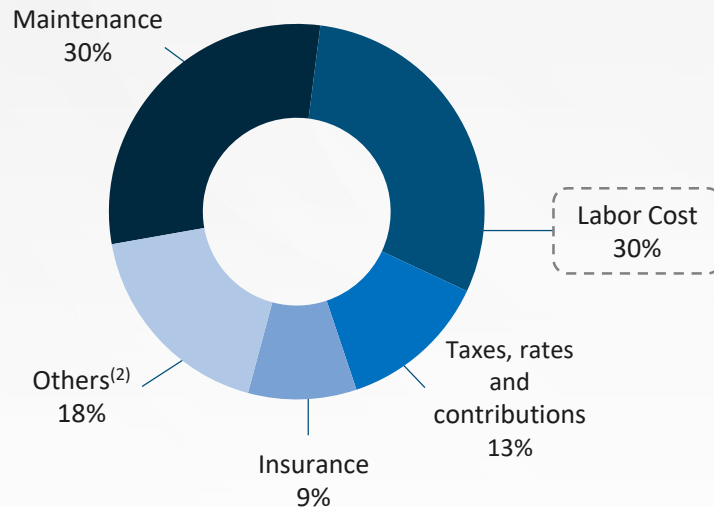
Cash Costs⁽¹⁾ - USD millions



⁽¹⁾ Cost of sales plus General and Administrative Expenses net of DD&A

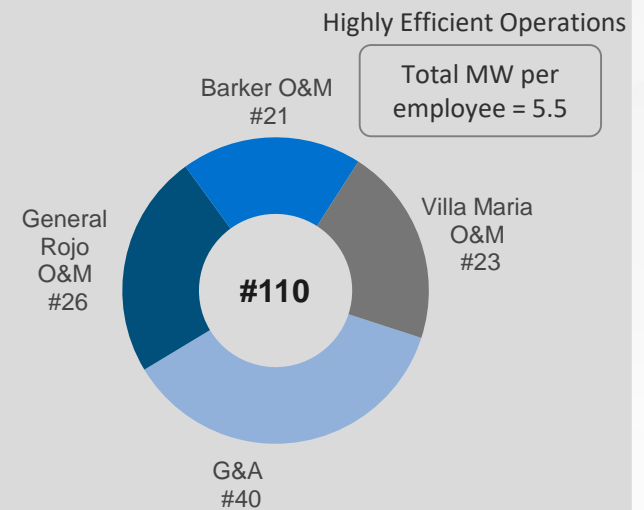
- Cash Costs in 1Q20 increased 7% year-over-year, mainly driven by higher insurance costs driven by the newly added gas turbines, credit and debit taxes and professional fees, partially offset by lower labor costs associated with the devaluation of the ARS peso.
- Approximately 50% of cash costs are denominated in US dollar

1Q20 Costs Breakdown



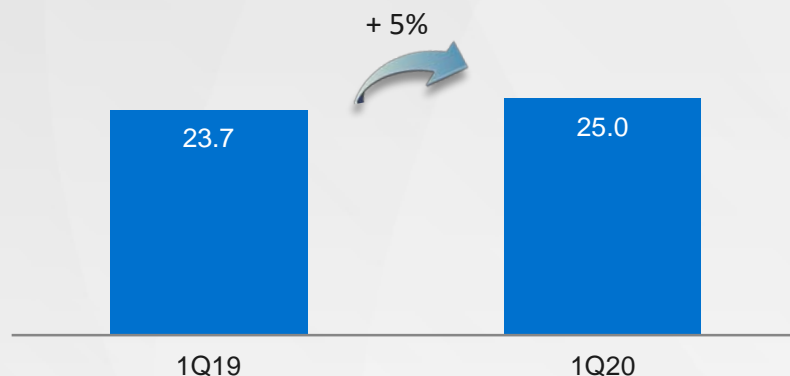
⁽²⁾ Other expenses includes: selling expenses, professional fees, office, vehicles and travel

Headcount - # as of March 31, 2020





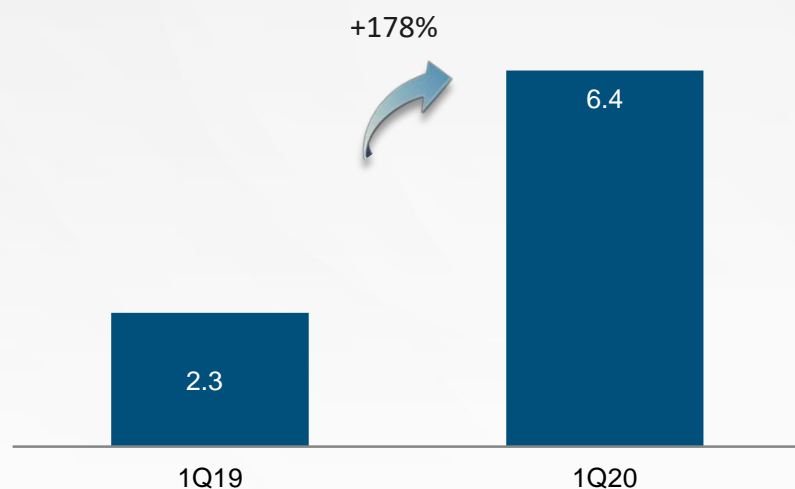
EBITDA - USD millions



■ EBITDA during 1Q20 reached USD 25.0 million, 5% higher year-over-year, mainly explained by:

- the added 150MW of capacity;
- higher dispatch; partially offset by
- higher cash costs

Net Income - USD millions



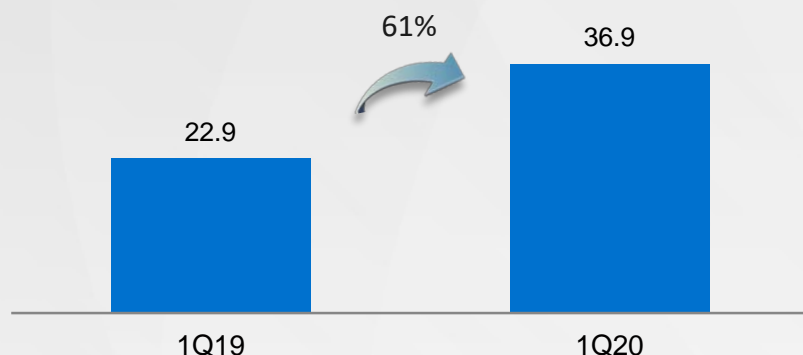
■ Net Income as of March 2020, reached USD 6.4 million, USD 4.1 million higher compared to 1Q19

- 1Q20 growth in Net Income is explained by:
- a USD 1.3 million increase in EBITDA;
 - a USD 5.5 million decrease in Net finance costs mainly explained by the depreciation of the Argentine peso;
 - and partially offset by a USD 2.7 million increase in Income tax loss as a result of higher profit

Net finance costs breakdown USD mm	1Q19	1Q20
Net Interest expense	(11.0)	(11.4)
Foreign exchange loss	(6.7)	(0.8)
Total Financial expenses	(17.7)	(12.2)



Adjusted Operating Cash Flow ⁽¹⁾ - USD millions



⁽¹⁾ Adjusted Operating Cash Flow is defined as Net Cash Flow Provided by Operating Activities net of Tax Receivables related to investments in PP&E (Line item: "Increase in tax assets due to recoverable taxes related for property, plant and equipment").

- Adjusted Operating Cash Flow⁽¹⁾ in 1Q20 reached USD 36.9 million, 61% higher year-over-year. This increase is mainly explained by:
 - USD 6.1 million lump sum payment from GE to cancel outstanding liquidated damages resulting from late COD of our General Rojo simple cycle plant.
 - an USD 8.0 million increase in collections from Cammesa driven by higher installed capacity, higher dispatch and gas margins attained in the previous quarter.
- As of March 31, 2020 overdue Cammesa receivables amounted to USD 13 million vs USD 10 million overdue as of 2019 year end.

Net Debt - USD millions

- Net Debt as of March 31, 2020 stands at USD 842.1 million, consisting of:
 - USD 600 million International Bond
 - USD 250 million Private Placement Note
 - USD 13.5 million Short Term Debt

Debt Breakdown USD mm	as of March 31, 2020
Senior secured notes	(857.0)
Short Term Debt	(13.5)
Total Financial Debt ⁽²⁾	(870.5)
Cash	28.4
Net Financial Debt	(842.1)

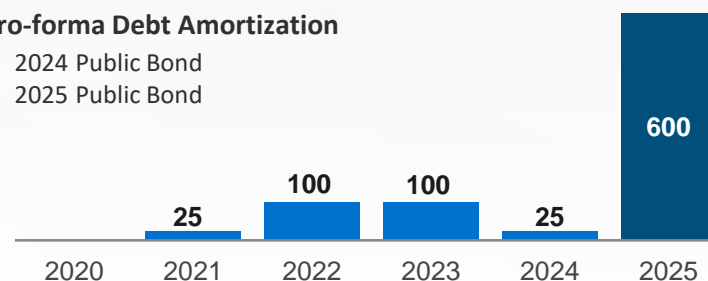
⁽²⁾ Net of capitalized issuance expenses

Issuance of 2024 Senior Secured Floating Rate Notes

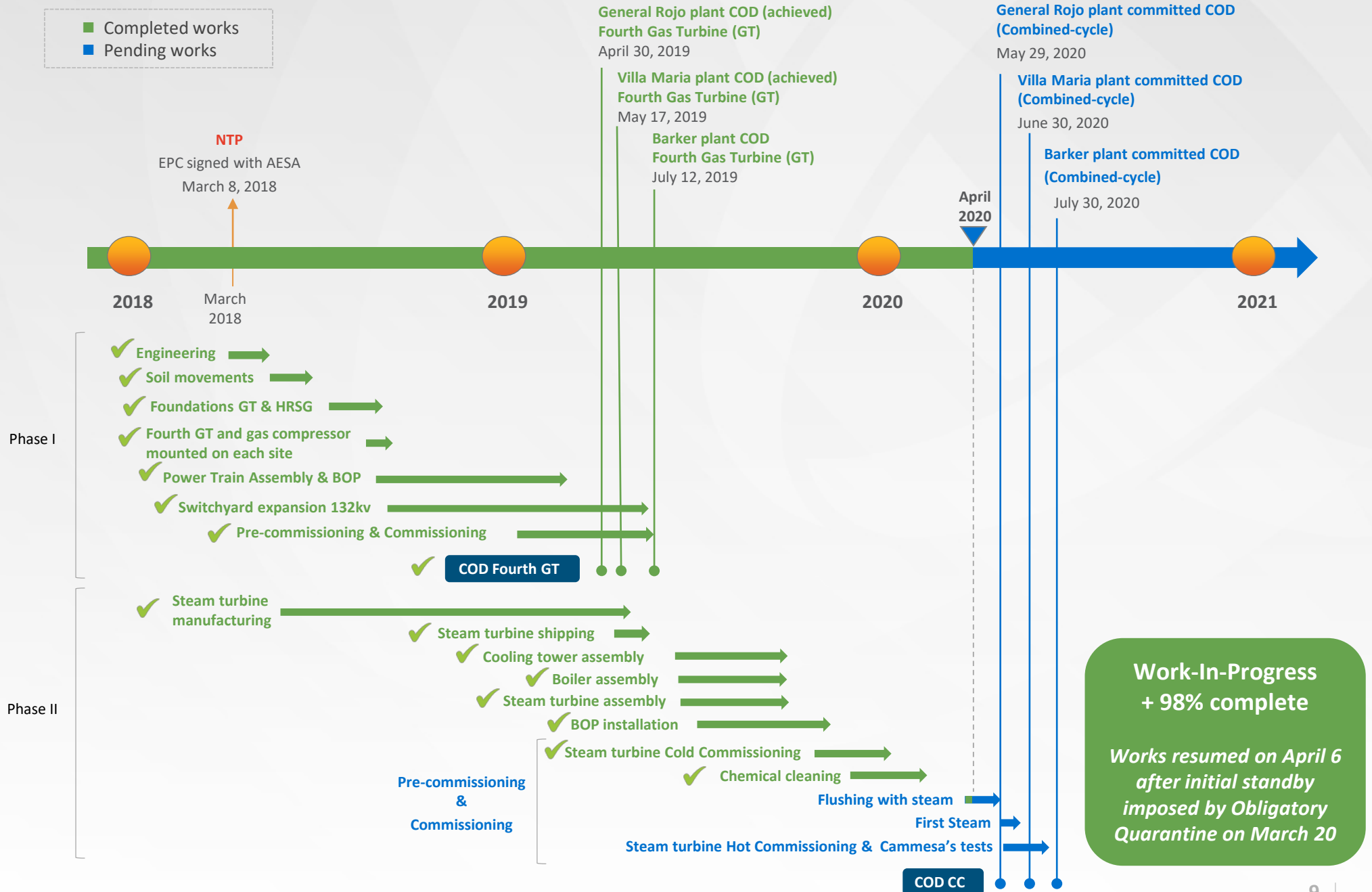
- On May 7, we successfully issued a new USD250.3 million bond maturing in Feb 2024. Proceeds have been used to repay in full existing 2023 Private Notes and for working capital needs.
- Transaction rationale was to proactively manage risks amid COVID-19. New bond improves amortization schedule by 6-months, representing a USD 43 million cash relief in 2021.

Pro-forma Debt Amortization

- 2024 Public Bond
- 2025 Public Bond

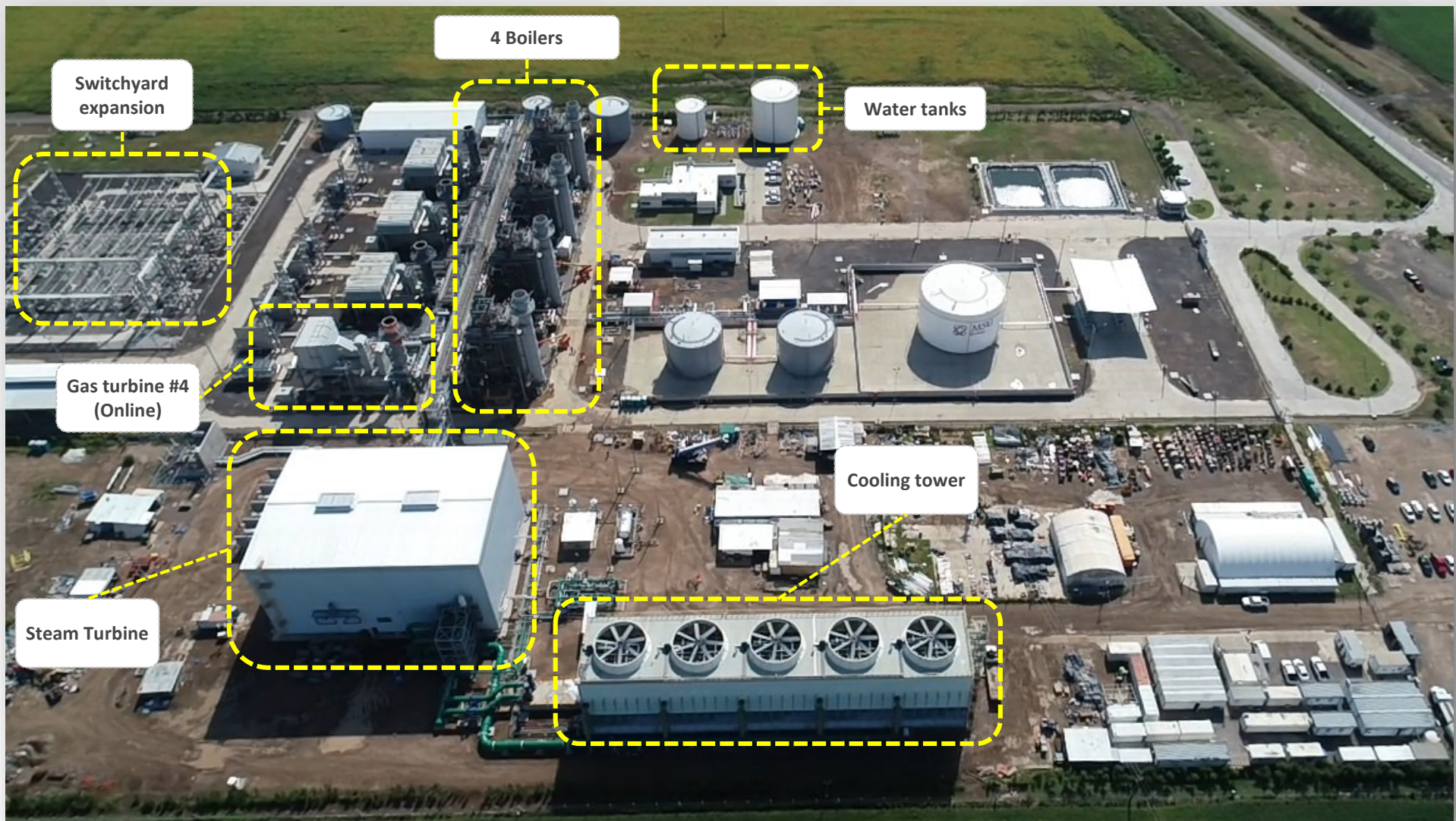


Combined-Cycle project ongoing commissioning phase





Aerial photo – General Rojo Plant. Villa Maria and Barker plants show similar progress





Steam Blowdown activities ongoing in preparation for First Steam at Villa Maria Plant

Test run on boiler #1



Test run on boiler #2



Test run on boiler #3



Test run on boiler #4



Steam Blowdown is key to meet the right steam conditions to run the steam turbine



Financial Statements

Financial Highlights – Income Statement



In USD	1Q2020	1Q2019
Net revenue	28,629,037	26,912,180
Cost of sales	(5,709,057)	(5,547,312)
Gross profit	22,919,980	21,364,868
Other income and expensive, net	-	243,848
General and administrative expenses	(1,059,674)	(932,123)
Operating profit	21,860,306	20,676,593
Net finance costs	(12,230,189)	(17,705,846)
Profit before tax	9,630,117	2,970,747
Income tax expense	(3,209,504)	(683,241)
Profit for the period	6,420,613	2,287,506
Other comprehensive income	-	-
Comprehensive income for the period	6,420,613	2,287,506

Financial Highlights - Cash Flows



In USD	As of March 31, 2020	As of March 31, 2019
Operating activities		
Gain for the period	6,420,613	2,287,506
Adjustments for:		
Income tax expense	3,209,504	683,241
Depreciation of property, plant and equipment	3,093,907	3,045,149
Foreign exchange, differences	777,812	6,712,450
Accrued interest, net	11,452,377	10,993,396
Other income	-	(370,333)
Changes in operating assets and liabilities		
(Decrease) Increase in trade receivables	8,201,728	(4,146,215)
Decrease in other assets	6,034,045	1,089,608
Decrease in tax assets	5,824,413	4,320,635
Decrease in trade and other payable	(8,292,958)	(1,898,347)
Increase in taxes payable	88,844	133,705
Increase in other liabilities	60,314	-
Net cash flows provided by operating activities before Tax payments for PP&E	36,870,600	22,850,795
Increase in tax assets due to recoverable taxes related to property, plant and equipment	(2,163,404)	(5,574,284)
Net cash flows from operating activities	34,707,195	17,276,511
Cash flow from investing activities		
Interest received	2,883,005	323,593
Advanced to purchase property, plant and equipment	-	(3,463,398)
Payments for acquisition of property, plant and equipment	(5,700,225)	(40,266,736)
Net cash flows used in investing activities	(2,817,220)	(43,406,541)
Financing activities		
Loans received	3,131,691	-
Payments of loans	(5,650,000)	-
Payments of interest and financing expenses	(22,139,579)	(29,737,014)
Net cash flows used in financing activities	(24,657,888)	(29,737,014)
Net increase (decrease) in cash	7,232,087	(55,867,044)
Cash and cash equivalents at the beginning of the period	21,125,794	119,326,703
Cash and cash equivalents at the end of the period	28,357,881	63,459,659
Net increase (decrease) in cash	7,232,087	(55,867,044)

Financial Highlights – Balance Sheet



In USD	As of March 31, 2020	As of December 31, 2019
Assets		
Property, plant and equipment	886,408,879	866,693,539
Loans granted	40,982,412	40,363,564
Tax assets	2,226,835	2,205,762
Deferred tax assets	9,769,930	12,979,434
Other assets	6,885,107	7,153,892
Total non-current assets	946,273,163	929,396,191
Tax assets	28,149,523	34,634,321
Other assets	3,671,328	9,220,530
Trade receivables	39,853,460	47,487,199
Cash and cash equivalents	28,357,881	21,125,794
Total current assets	100,032,192	112,467,844
Total assets	1,046,305,355	1,041,864,035
Shareholders' equity		
Share capital	30,295,440	30,295,440
Merger premium	(20,161,526)	(20,161,526)
Legal reserve	202,266	202,266
Other reserves	2,157,498	2,157,498
Retained earnings (accumulated loss)	41,962,844	35,542,231
Total equity	54,456,522	48,035,909
Liabilities		
Loans	834,078,914	833,192,242
Trade and other payables	7,223,401	8,799,925
Total non-current liabilities	841,302,315	841,992,167
Loans	36,409,314	36,668,614
Other liabilities	809,922	744,649
Taxes payable	5,898,904	5,677,574
Trade and other payable	107,428,378	108,745,122
Total current liabilities	150,546,518	151,835,959
Total liabilities	991,848,833	993,828,126
Total liabilities and equity	1,046,305,355	1,041,864,035

Financial Highlights – EBITDA Reconciliation



In USD	As of March 31, 2020	As of March 31, 2019
Net profit for the period	6,420,613	2,287,506
Net finance costs	12,230,189	17,705,846
Income tax expenses	3,209,504	683,241
Depreciation and amortization	3,093,907	3,045,149
EBITDA	24,954,213	23,721,742



Energy moves us

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