



1Q23 Results Conference Call

May 16, 2023



Disclaimer

This 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.

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MSU Energy | 1Q23 Highlights & Recent Developments

- › **Operational performance**

Average availability factor reached 95.8%, partially affected by GE's leased unit failure.

- › **Financial performance**

EBITDA in 1Q23 reached USD 38.4 million.

- › **First two local bonds issued in August 2021 fully amortized**

Class I matured on February 6th and Class II was redeemed on March 14th for a total equivalent of USD 34.2 million.

- › **2024 bond February amortization fully paid**

November and January's hard-dollar issuances secured the necessary funds to meet February and the upcoming May, August and November amortizations pursuant to Fx. Controls.

- › **Minor overhaul in progress**

Three turbines successfully completed. We expect to overhaul 60% of the GTs fleet throughout 2023 and the rest during 2024.



Operational performance

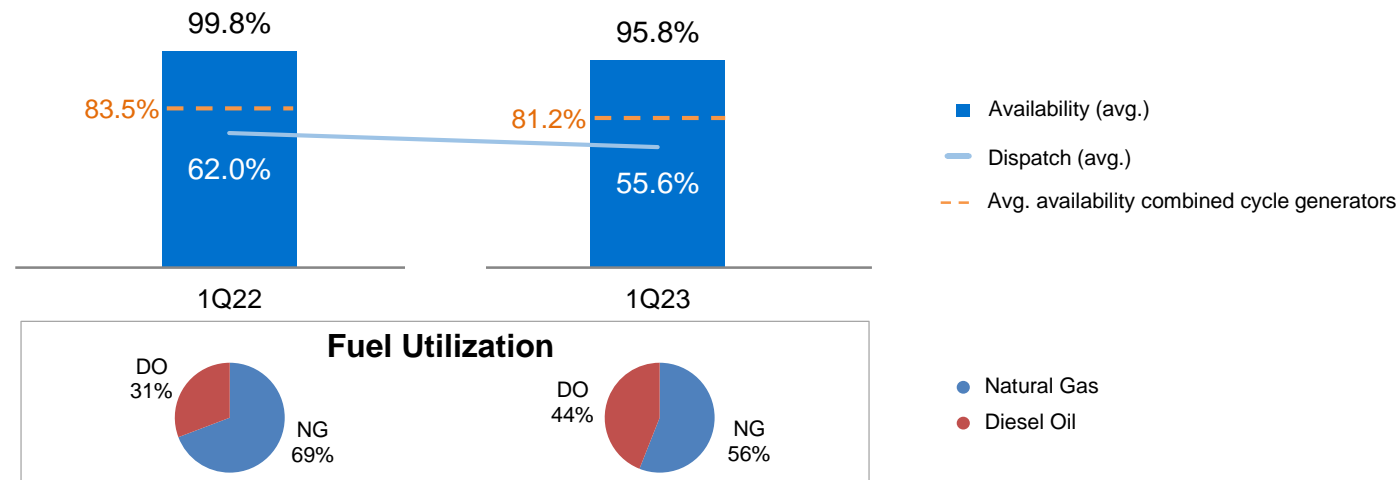
Key Performance Indicators

Argentina Power S&D

- Aggregate energy demand during 1Q23 increased by 14.4% compared to the same period of 2022. Demand growth was driven across all segments. Temperature during the quarter was on average 3^o Celsius higher compared to 1Q22. On March 13th, power demand reached a historical record high of 29,105MW.
- Power generation during 1Q23 increased by 8.1% year-over-year, mainly explained by higher hydroelectric (+74%) and slightly higher thermal (0.6%) generation, partially offset by lower nuclear (28%) and renewable (3%) generation.
- Cammesa's electricity exchange with neighboring countries during 1Q23 resulted in a net import balance of 2,701 GWh while, during the same period of 2022 electricity trade had a net import balance of 234 GWh.

MSU Energy Performance

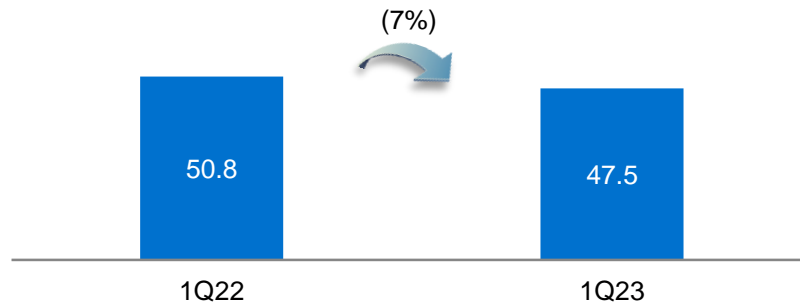
- Availability factor, averaged 95.8% during 1Q23. GE's leased unit installed at the General Rojo plant to replace GT#3 while it was undergoing the 25k hour maintenance suffered a failure resulting in unavailability.
- Our average dispatch rate in 1Q23 reached 55.6% with 44% diesel utilization.





Stable and predictable dollar denominated revenues

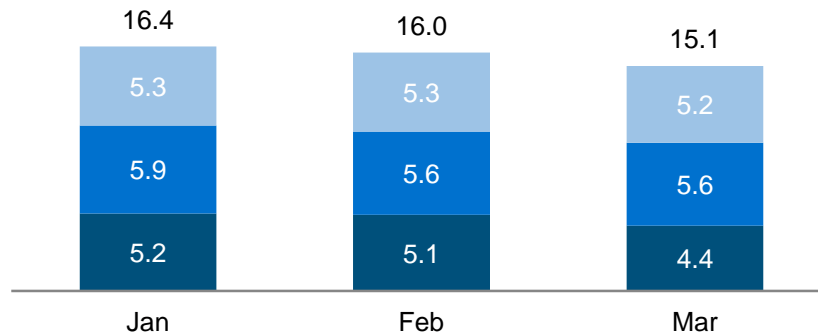
Revenues – USD millions



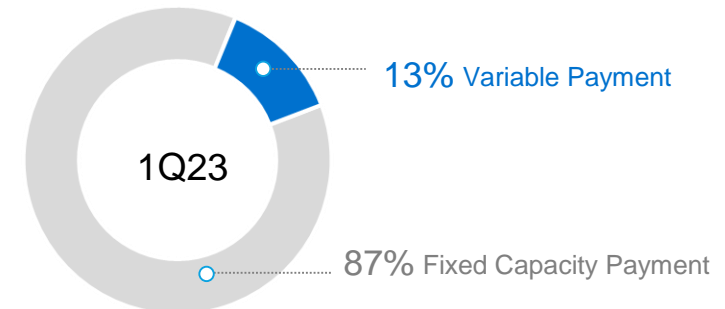
- Revenues reached USD 47.5 million in 1Q23, 7% lower year-over-year mainly explained by lower availability, lower dispatch and higher diesel oil utilization.
- Fixed Capacity payments, driven by availability factor, represented 87% of total revenues in 2022.

1Q23 Monthly revenues breakdown - USD millions

By Month/Plant



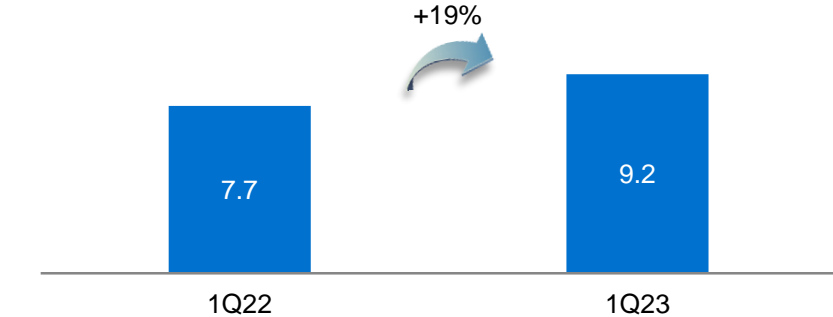
By type





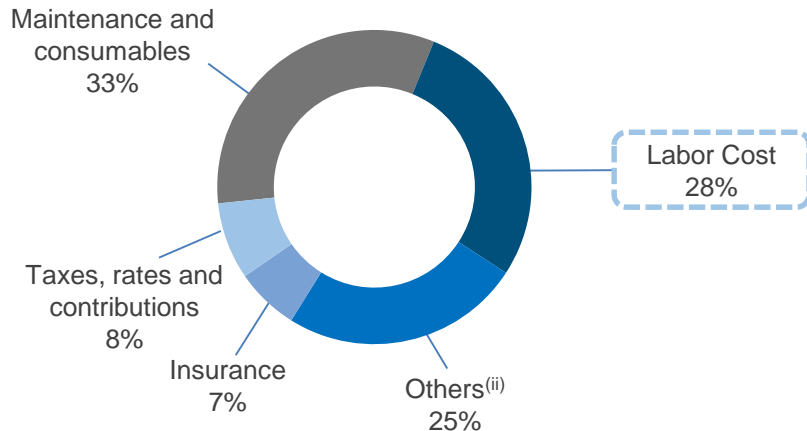
Efficient costs structure

Cash Costs ⁽ⁱ⁾ - USD millions



⁽ⁱ⁾ Cost of Sales plus General and Administrative Expenses net of DD&A

1Q23 Costs Breakdown



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

> Cash Costs⁽ⁱ⁾ reached USD 9.2 million in 1Q23, USD 1.5 million higher year-over-year. The increase is mainly driven by:

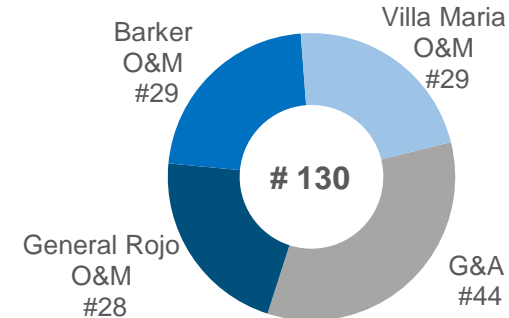
(i) an increase in our ARS pesos denominated costs as a result of higher inflation vis-a-vis devaluation,

(ii) an increase in our maintenance costs pursuant to the CSA with GE driven by the increase in US labor inflation, industrial and metals commodities;

(iii) higher municipal taxes; and,

(iv) partially offset by lower variable costs related to the decrease in dispatch.

Headcount - # as of March 31, 2023

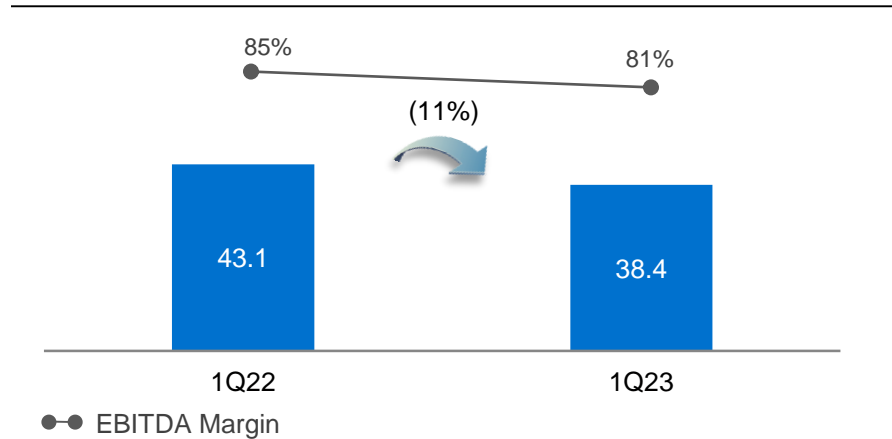


Highly Efficient
Operations
6 MW per employee

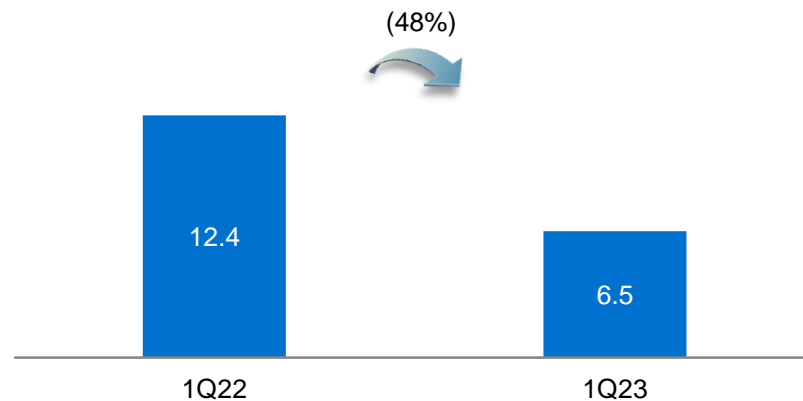


Financial performance

EBITDA - USD millions



Net Income - USD millions



EBITDA reached USD 38.4 million in 1Q23, 11% or USD 4.7 million lower year-over-year as a result of lower revenues and higher costs due to the peso appreciation in real terms and GE CSA escalation adjustment.

Net Income reached USD 6.5 million during 1Q23, USD 5.9 million lower year-over-year.

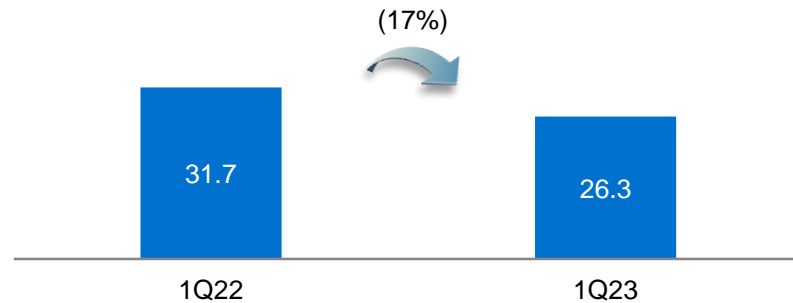
The decrease in 1Q23 is mainly explained by (i) a USD 4.7 million decrease in EBITDA, and (ii) a USD 2.8 million increase in DD&A, partially offset by, (iii) a USD 0.2 million decrease in Net Financial Costs and (iv) a USD 1.4 million decrease in income tax expense.

Net Finance Costs breakdown -USD MM	1Q22	1Q23
Net interest expense	(18.9)	(11.7)
Foreign exchange and fair value (loss)	(2.4)	(9.4)
Net financial cost	(21.3)	(21.1)



Cash Flow

Adjusted Operating Cash Flow ⁽ⁱ⁾ - USD millions

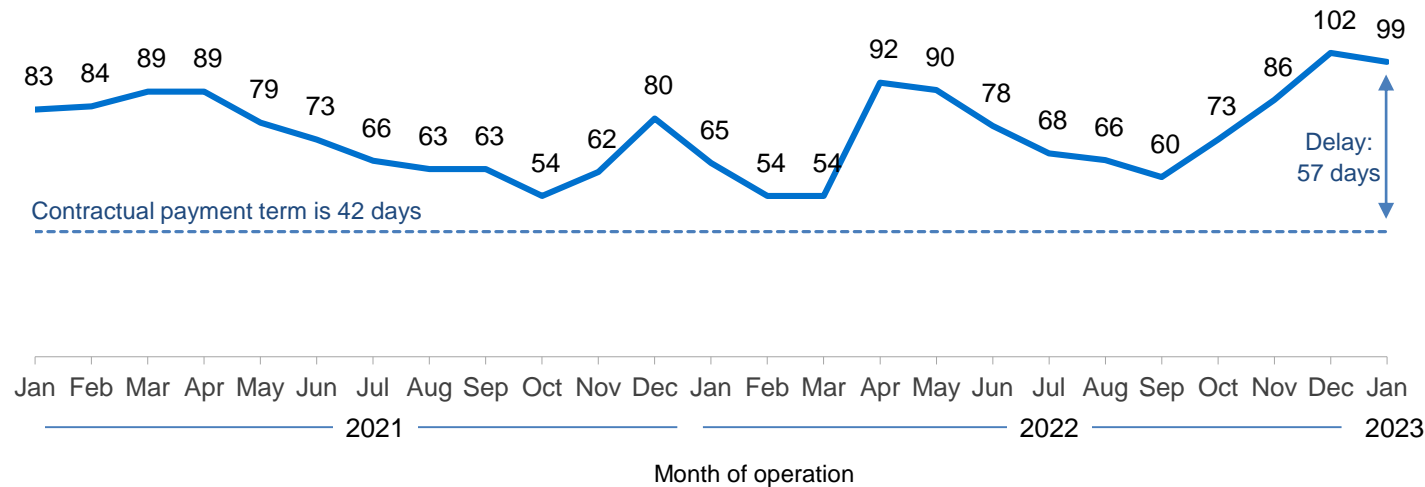


⁽ⁱ⁾ Net Cash Flow Provided by Operating Activities net of Tax Receivables related to investments in PP&E
(Line item: "Increase in tax assets due to recoverable taxes related to property, plant and equipment")

> Adjusted Operating Cash Flow⁽ⁱ⁾ ("AOCF") reached USD 26.3 million during 1Q23 and USD 31.7 million in 1Q22, 17% lower year-over-year.

> As of March 31, 2022 overdue Cammesa receivables amounted to USD 33.8 million.

Cammesa payment days – weighted average



Average monthly collections from Cammesa

	2021	2022	2023
Jan	100%	58%	90%
Feb	100%	52%	82%
Mar	100%	153%	53%
Apr	69%	147%	90%
May	107%	81%	
Jun	73%	19%	
Jul	105%	50%	
Aug	146%	141%	
Sep	148%	132%	
Oct	106%	97%	
Nov	46%	159%	
Dec	190%	20%	



Balance Sheet highlights

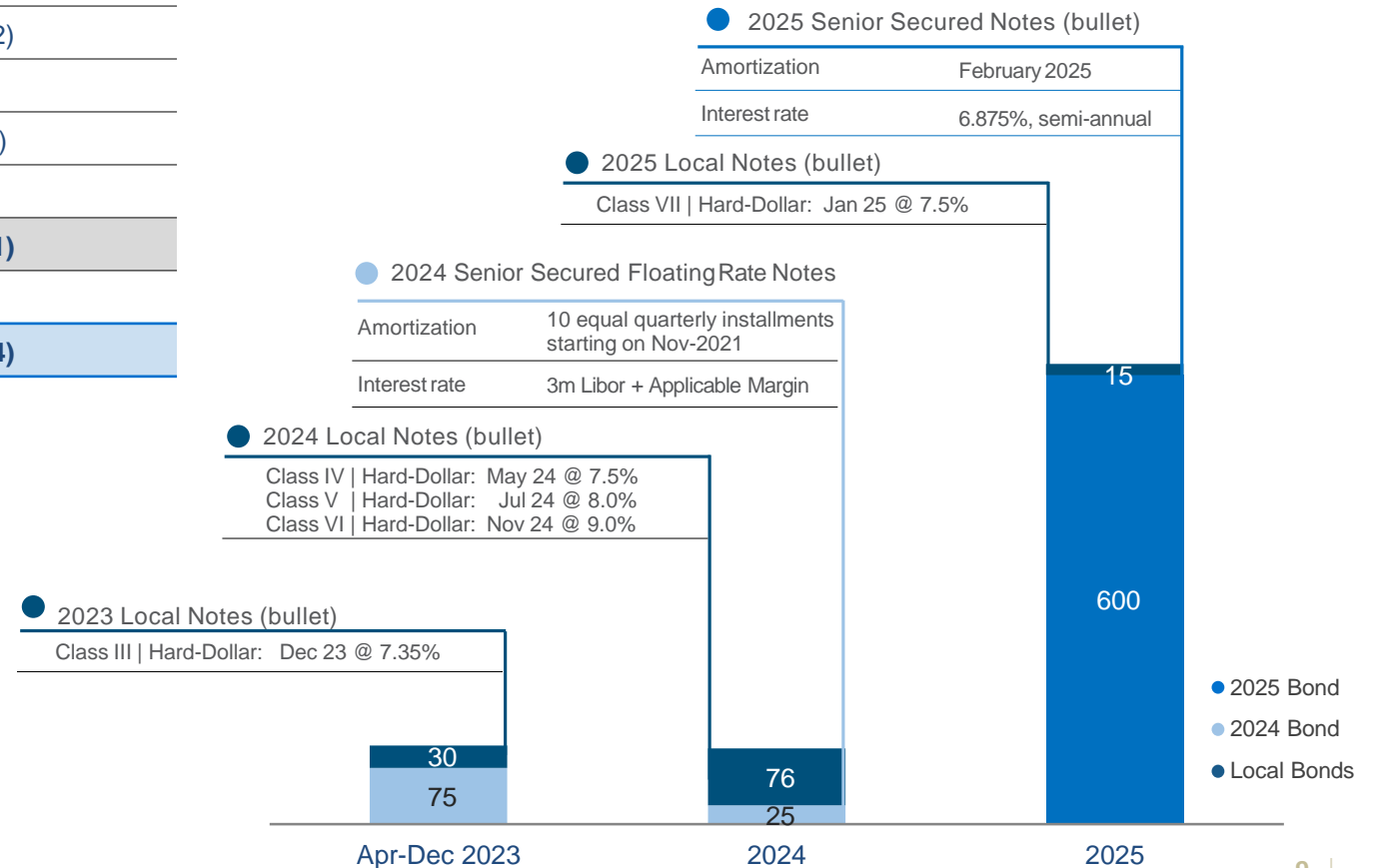
Net debt - USD millions

Debt breakdown (USD MM)	As of March 31, 2023
2025 Senior secured notes	(600.0)
2024 Senior secured FRN	(100.1)
Local notes	(121.2)
Short term loans	(1.1)
Long term loans	(16.9)
Accrued interest, net ⁽ⁱ⁾	(2.7)
Total financial debt	(842.1)
Cash	30.6
Net financial debt	(811.4)
Net leverage ratio (over LTM EBITDA)	5.0x

(i) Net of capitalized issuance expenses

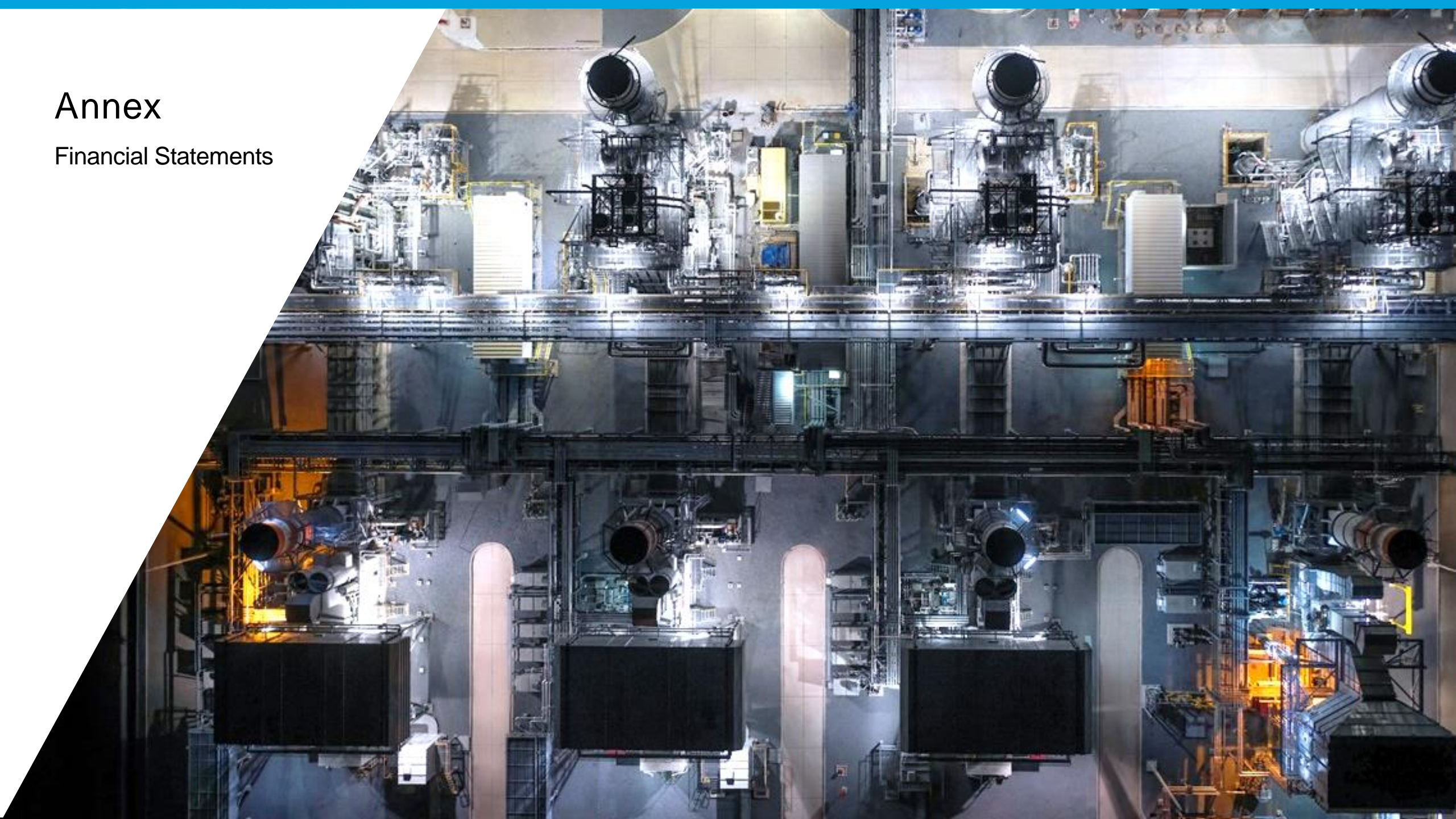
Debt amortization of financial debt – USD millions

- > Debt amortization profile is well aligned with the incremental combined cycle cash flows.
- > Steep deleveraging to continue throughout 2023-2024.



Annex

Financial Statements



Financial Highlights - Income Statement



In thousands of USD	1Q23	1Q22
Net revenue	47,482	50,799
Cost of sales	(16,454)	(12,337)
Gross profit	31,028	38,462
Other income	51	-
General and administrative expenses	(1,830)	(1,696)
Operating profit	29,249	36,767
Net finance costs	(21,113)	(21,273)
Net income before income tax	8,136	15,494
Income tax expenses	(1,655)	(3,074)
Net income for the period	6,481	12,420
Other comprehensive income	-	-
Comprehensive income for the period	6,481	12,420



Financial Highlights - Cash Flows

In thousands of USD	As of March 31, 2023	As of March 31, 2022
Cash Flow from operating activities		
Profit for the period	6,481	12,420
Adjustments for:		
Income tax expense	1,655	3,074
Depreciation of property, plant and equipment	9,106	6,318
Foreign exchange, differences	9,330	2,405
Accrued interest, net	11,683	18,868
Change in fair value of financial assets	99	-
Changes in operating assets and liabilities		
Increase in trade receivables	(13,574)	(9,208)
Decrease in other assets	854	1,220
Increase in materials and spare parts	(861)	(2,459)
Increase in tax assets	(926)	(1,537)
Increase in trade and other payable	1,641	368
Increase in other liabilities	17	21
Increase in taxes payables	794	184
Net cash flows from operating activities	26,299	31,673
Cash flow from investing activities		
Interest received and other financials receivables	3,256	752
Disposal of fixed assets	36	-
Payments for acquisition of property, plant and equipment, net of capitalized interest	(3,912)	(755)
Net cash flows used in investing activities	(621)	(3)
Cash flow from financing activities		
Payments from senior secured floating rate notes	(59,382)	(25,030)
Proceeds from local unsecured notes	15,100	-
Payments of financial leasing	(5)	(7)
Payments of interest and financing expenses	(28,989)	(30,625)
Net cash flows used in financing activities	(73,276)	(55,662)
Cash and cash equivalents at the beginning of year	78,489	62,819
Effect of exchange rate changes on cash and cash equivalents	(3,157)	(470)
Cash and cash equivalents at the end of the period	27,734	38,357
Net decrease in cash	(47,597)	(23,992)

Financial Highlights - Balance Sheet

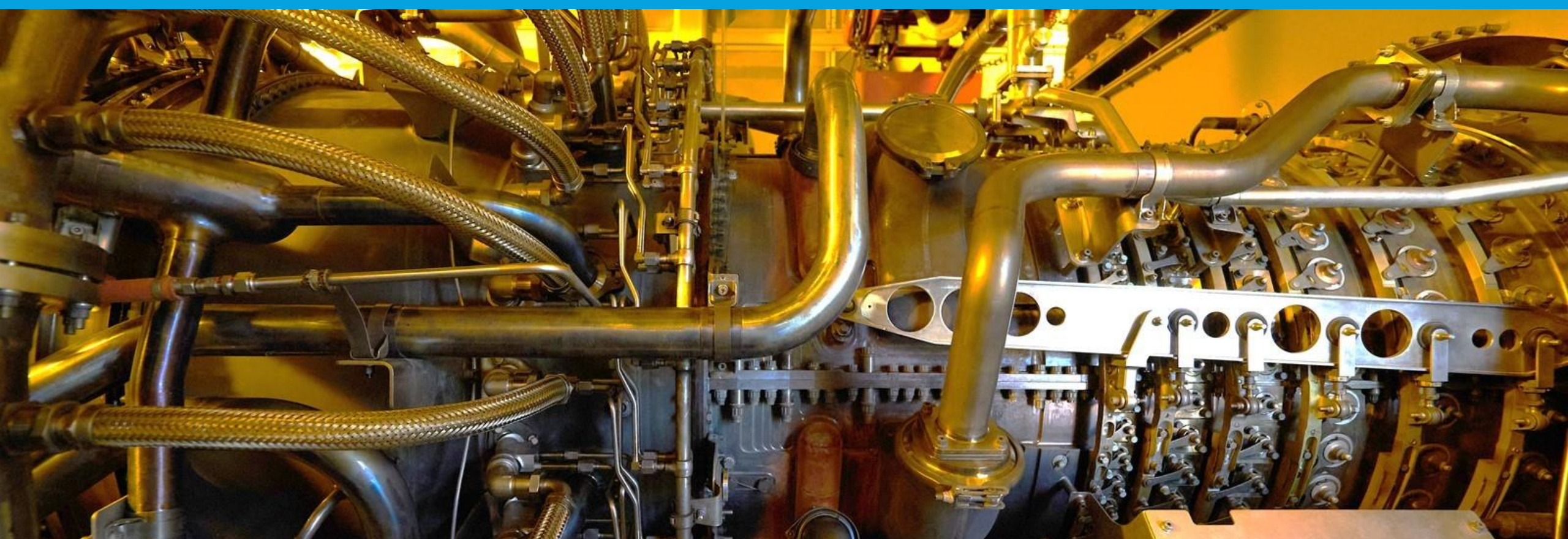


	As of March 31, 2023	As of December 31, 2022
Assets		
Property, plant and equipment	896,747	899,435
Loans granted	48,428	47,817
Other assets	3,639	3,983
Tax assets	2,984	2,036
Total non-current assets	951,798	953,271
Other assets	6,013	6,378
Tax assets	7,447	9,216
Materials and spare parts	16,936	16,075
Trade receivables	79,178	65,149
Investments	2,886	3,011
Cash and cash equivalents	27,734	78,489
Total current assets	140,195	178,319
Total assets	1,091,992	1,131,590
Shareholders' equity		
Share capital	30,295	30,295
Merger premium	(20,162)	(20,162)
Legal reserve	1,251	1,251
Other reserves	116,737	116,737
Retained earnings	48,901	42,420
Total equity	177,023	170,542
Liabilities		
Deferred tax payable	40,803	39,148
Loans	705,547	714,164
Taxes payable	2,814	3,223
Total non-current liabilities	749,164	756,535
Loans	136,505	179,829
Other liabilities	1,095	1,073
Taxes payable	2,349	1,684
Trade and other payables	25,856	21,927
Total current liabilities	165,806	204,513
Total liabilities	914,970	961,048
Total liabilities and equity	1,091,992	1,131,590

Financial Highlights - EBITDA Reconciliation



In thousands of USD	1Q23	1Q22
Net income for the period	6,481	12,420
Net finance costs	21,113	21,273
Income tax expense	1,655	3,074
Depreciation and amortization	9,106	6,318
EBITDA	38,355	43,084



Investor Relations – Contact Information

Hernán Walker | CFO

Hernán Cerutti | IR & Capital Markets Manager

+54 11 43162800 | ir@msuenergy.com | www.msuenergy.com

Cerrito 1294 | 2nd floor | C1010AAZ | Buenos Aires



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