

MSU ENERGY S.A.

Unaudited condensed interim financial statements for
the three-month period ended March 31, 2023

MSU ENERGY S.A.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023

Contents	Page
Independent auditors' report on review of condensed interim financial statements	
General Information	
Unaudited condensed interim Statement of Financial Position	2
Unaudited condensed interim Statement of Profit or Loss and Other Comprehensive Income	3
Unaudited condensed interim Statement of Changes in Shareholders' Equity	4
Unaudited condensed interim Statement of Cash Flows	5
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS	6
NOTE 1 - GENERAL INFORMATION	6
1.1) Description of the business	6
1.2) Financial situation	6
NOTE 2 - BASIS OF ACCOUNTING	6
2.1) Purpose of these condensed interim financial statements	6
2.2) Comparative information	6
2.3) Significant accounting policies	7
NOTE 3 - USE OF JUDGMENT AND ESTIMATES	7
NOTE 4 - OPERATING SEGMENTS	7
NOTE 5 - INCOME TAX	8
NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT	9
NOTE 7 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	13
NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	16
NOTE 9 - BALANCES AND TRANSACTIONS WITH PARENT COMPANY AND OTHER RELATED PARTIES	17
NOTE 10 - LOANS GRANTED	17
NOTE 11 - LOANS	18
NOTE 12 - CAPITAL	23
NOTE 13 - CONTRACTUAL COMMITMENTS	23
NOTE 14 - EBITDA RECONCILIATION WITH NET INCOME (LOSS)	25
NOTE 15 - SUBSEQUENT EVENTS	26



INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

MSU ENERGY S.A.
Cerrito 1294 – 2nd Floor - Buenos Aires – Argentina

Introduction

We have reviewed the accompanying condensed interim statement of financial position of MSU ENERGY S.A. as of March 31, 2023, the condensed interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and notes to the condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410 '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters than might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the three months ended March 31, 2023 are not prepared, in all material respects, in accordance with IAS 34 '*Interim Financial Reporting*'.

Emphasis of Matter – Purpose of these condensed interim financial statements

We draw attention to note 2.1 to the condensed interim financial statements, which discloses the basis of preparation, including the approach and the purposes for preparing them. Our conclusion is not modified in respect of this matter.

City of Buenos Aires (Argentina), May 12, 2023.

KPMG

Mario A. Belardinelli
Partner

MSU ENERGY S.A.

Unaudited condensed interim financial statements for the three-month period ended March 31, 2023.

Stated in United States Dollars (USD).

GENERAL INFORMATION

Legal address: Cerrito 1294 - 2nd Floor – City of Buenos Aires

Main business: Power generation

Parent company's information:

Name: MSU Energy Holding Ltd.

Main business: Investments

Ownership interest and voting stock: 75.33%

MSU ENERGY S.A.

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION as of March 31, 2023 (in USD)

	<u>Notes</u>	<u>03/31/2023</u>	<u>12/31/2022</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7 (h)	896,746,885	899,435,240
Loans granted	10	48,428,271	47,816,935
Other assets	7 (a)	3,638,618	3,982,892
Tax assets	7 (b)	<u>2,983,846</u>	<u>2,036,389</u>
Total non-current assets		<u>951,797,620</u>	<u>953,271,456</u>
CURRENT ASSETS			
Other assets	7 (a)	6,012,914	6,378,374
Tax assets	7 (b)	7,446,671	9,215,637
Materials and spare parts		16,936,408	16,075,335
Trade receivables		79,178,355	65,149,305
Investments	7 (c)	2,885,780	3,010,671
Cash and cash equivalents	7 (d)	<u>27,734,486</u>	<u>78,489,181</u>
Total current assets		<u>140,194,614</u>	<u>178,318,503</u>
Total assets		<u>1,091,992,234</u>	<u>1,131,589,959</u>
SHAREHOLDERS' EQUITY			
Share capital		30,295,440	30,295,440
Merger Premium		(20,161,526)	(20,161,526)
Legal reserve		1,250,092	1,250,092
Other reserves		116,737,360	116,737,360
Retained earnings		<u>48,901,320</u>	<u>42,420,468</u>
Total equity		<u>177,022,686</u>	<u>170,541,834</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred tax payable		40,802,884	39,147,553
Loans	7 (f)	705,546,672	714,164,299
Taxes payable		<u>2,814,117</u>	<u>3,223,348</u>
Total non-current liabilities		<u>749,163,673</u>	<u>756,535,200</u>
CURRENT LIABILITIES			
Loans	7 (f)	136,505,119	179,828,783
Other liabilities	7 (g)	1,095,351	1,073,610
Taxes payable		2,348,929	1,683,709
Trade and other payables	7 (e)	<u>25,856,476</u>	<u>21,926,823</u>
Total current liabilities		<u>165,805,875</u>	<u>204,512,925</u>
Total liabilities		<u>914,969,548</u>	<u>961,048,125</u>
Total liabilities and equity		<u>1,091,992,234</u>	<u>1,131,589,959</u>

The accompanying notes are part of these unaudited condensed interim financial statements.

MSU ENERGY S.A.

**UNAUDITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
for the three-month period ended March 31, 2023 (in USD)

	<u>Notes</u>	<u>03/31/2023</u> (3 months)	<u>03/31/2022</u> (3 months)
Net revenues	8 (a)	47,482,136	50,799,491
Cost of sales	8 (c)	<u>(16,454,174)</u>	<u>(12,337,271)</u>
Gross profit		31,027,962	38,462,220
Other income		50,803	-
General and administrative expenses	8 (c)	<u>(1,829,997)</u>	<u>(1,695,669)</u>
Operating profit		29,248,768	36,766,551
Financial income	8 (b)	13,410,784	3,861,642
Financial expenses	8 (b)	<u>(34,523,369)</u>	<u>(25,134,280)</u>
Net finance costs		<u>(21,112,585)</u>	<u>(21,272,638)</u>
Net income before income tax		8,136,183	15,493,913
Income tax charge		<u>(1,655,331)</u>	<u>(3,073,536)</u>
Net income for the period		6,480,852	12,420,377
Other comprehensive income		<u> -</u>	<u> -</u>
Comprehensive income for the period		<u>6,480,852</u>	<u>12,420,377</u>

The accompanying notes are part of these unaudited condensed interim financial statements.

MSU ENERGY S.A.

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the three-month period ended March 31, 2023 (in USD)

<u>Items</u>	<u>Share capital</u>	<u>Merger premium</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained earnings (accumulated loss)</u>	<u>Total</u>	<u>Total</u>
Balances as of December 31, 2021	<u>30,295,440</u>	<u>(20,161,526)</u>	<u>2,547,167</u>	<u>40,253,636</u>	<u>75,186,649</u>	<u>117,987,452</u>	<u>128,121,366</u>
Profit for the period	-	-	-	-	<u>12,420,377</u>	<u>12,420,377</u>	<u>12,420,377</u>
Balances as of March 31, 2022	<u>30,295,440</u>	<u>(20,161,526)</u>	<u>2,547,167</u>	<u>40,253,636</u>	<u>87,607,026</u>	<u>130,407,829</u>	<u>140,541,743</u>
Balances as of December 31, 2022	<u>30,295,440</u>	<u>(20,161,526)</u>	<u>1,250,092</u>	<u>116,737,360</u>	<u>42,420,468</u>	<u>160,407,920</u>	<u>170,541,834</u>
Profit for the period	-	-	-	-	<u>6,480,852</u>	<u>6,480,852</u>	<u>6,480,852</u>
Balances as of March 31, 2023	<u>30,295,440</u>	<u>(20,161,526)</u>	<u>1,250,092</u>	<u>116,737,360</u>	<u>48,901,320</u>	<u>166,888,772</u>	<u>177,022,686</u>

The accompanying notes are part of these unaudited condensed interim financial statements.

MSU ENERGY S.A.
UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
for the three-month period ended March 31, 2023 (in USD)

CAUSES OF CHANGES IN CASH	<u>Notes</u>	<u>03/31/2023</u>	<u>03/31/2022</u>
Cash flow from operating activities			
Income for the period		6,480,852	12,420,377
Adjustments for:			
Income tax expense		1,655,331	3,073,536
Depreciation of property, plant and equipment	8 (c)	9,106,145	6,317,924
Foreign exchange, differences	8 (b)	9,329,856	2,404,518
Accrued interest, net	8 (b)	11,683,391	18,868,120
Change in fair value of financial assets	8 (b)	99,338	-
Changes in operating assets and liabilities:			
Increase in trade receivables		(13,573,686)	(9,208,121)
Decrease in other assets		854,419	1,219,661
Increase in materials and spare parts		(861,073)	(2,459,209)
Increase in tax assets		(926,809)	(1,537,142)
Increase in trade and other payable		1,641,030	367,949
Increase in other liabilities		16,844	20,684
Increase in taxes payable		<u>793,714</u>	<u>184,496</u>
Net cash flows from operating activities		<u>26,299,352</u>	<u>31,672,793</u>
Cash flow from investing activities			
Interest received and other financials receivables		3,255,806	752,612
Proceeds from disposal of fixed assets		36,028	-
Payments for acquisition of property, plant and equipment, net of capitalized interest		<u>(3,912,385)</u>	<u>(755,508)</u>
Net cash flows used in investing activities		<u>(620,551)</u>	<u>(2,896)</u>
Cash flow from financing activities			
Payments of senior secured floating rate notes	11 (i)	(59,381,771)	(25,030,000)
Proceeds from local unsecured notes	11 (i)	15,100,000	-
Payments of financial leasing	11 (i)	(5,461)	(6,619)
Payments of interest and financing expenses	11 (i)	<u>(28,988,895)</u>	<u>(30,625,233)</u>
Net cash flows used in financing activities		<u>(73,276,127)</u>	<u>(55,661,852)</u>
Net decrease in cash		<u>(47,597,326)</u>	<u>(23,991,955)</u>
Cash and cash equivalents at the beginning of year		78,489,181	62,818,989
Effect of exchange rate changes on cash and cash equivalents		(3,157,369)	(469,915)
Cash and cash equivalents at the end of the period		<u>27,734,486</u>	<u>38,357,119</u>
Net decrease in cash		<u>(47,597,326)</u>	<u>(23,991,955)</u>

The accompanying notes are part of these unaudited condensed interim financial statements.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of March 31, 2023 (in USD)

NOTE 1 - GENERAL INFORMATION

1.1) Description of the business

The Company owns and operates three thermal power plants: the General Rojo and the Barker plants located in the province of Buenos Aires and the Villa María plant located in the province of Cordoba with a total installed capacity of 750MW.

The Company's profit comes from having 100% installed capacity contracted under long-term power purchase agreements (PPAs) entered into with Compañía Administradora del Mercado Mayorista Eléctrico S.A. ("Cammesa"), as described below:

- 450MW of aggregate installed capacity in three plants remunerated under Resolution SEE No. 21/2016 public auction (hereinafter, "Simple Cycle PPAs"). The power plants share the same technology and similar layout, consisting of three dual fuel GE LM-6000 gas turbines of 50MW each.
- 100MW added in each plant for an additional 300MW, in connection with the expansion and conversion to combined cycle of the three plants awarded under Resolution SEE No. 287/2017 public auction (hereinafter, "Combined Cycle PPAs").

Under the Simple Cycle PPAs, MSU Energy assumed the obligation to maintain a minimum level of generation capacity in each of the Plants for a term of 10 (ten) years, starting from the commercial operation date of each plant (Note 13).

Under the Combined Cycle PPAs, MSU Energy assumed the obligation to expand and convert the Plants to combined cycle by installing a fourth gas turbine and a steam turbine in each plant. The combined cycle PPAs are effective for 15 years initiated as from the commercial operation dates (Note 13).

On June 13, December 29, 2017 and January 25, 2018, the gas turbines 01, 02 and 03 of the General Rojo, Barker and Villa María Thermoelectric Power Plants were authorized to operate with Argentine Interconnection Grid System (SADI). Turbines 04 of General Rojo, Villa María and Barker power plants were authorized to conduct commercial operations with SADI on April 30, May 17 and July 12 of 2019, respectively. On August 15, August 20 and October 31 of 2020, the expansion and conversion project of the Villa María, General Rojo and Barker power plants was completed, respectively. Since that date, the three plants have been authorized to initiate commercial operations with SADI. Therefore, the acquisition and construction costs of each plant started to be depreciated.

1.2) Financial situation

As of March 31, 2023, the Company discloses a negative working capital of \$ 25,611,261 (compare to a negative working capital of \$ 26,194,422 as of December 31st, 2022), mainly driven by the maturity of the principal payment of the Senior Secured Floating Rate Notes issued on May 7, 2020 (Note 11 b).

The Company has prepared cash flow forecasts considering the combined cycle operation in all three plants and the access to short-term debt, and concluded that current liabilities, which includes: repayment of the senior secured and unsecured notes as well as short term debt will be paid as required.

NOTE 2 - BASIS OF ACCOUNTING

These condensed interim financial statements have been prepared in conformity with IAS 34 Interim Financial Reporting and should be read in conjunction with the last annual financial statements as at and for the year ended December 31, 2022 ("last annual financial statements"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Changes to significant accounting policies are described in Note 2.3.

These condensed interim financial statements ended March 31, 2023 were authorized for issue by the Company's President on May 12, 2023.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of March 31, 2023 (in USD)

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.1) Purpose of these condensed interim financial statements

These non statutory condensed interim financial statements have been prepared by management to provide interim financial information to the financial creditors of the entity and other interested parties pursuant to the requirements under the Notes issued on February 2018 and May 2020 (Note 11 a and b).

2.2) Comparative information

The condensed interim statement of financial position is presented on a comparative basis with December 31, 2022.

The condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period ended on March 31, 2023 are presented on a comparative basis with the three months period ended as of March 31, 2022.

2.3) Significant accounting policies

The main accounting policies applied to the preparation of these condensed interim financial statements are consistent with those applied to the preparation of the financial statements under IFRS for the year ended December 31, 2022.

The Company has not adopted in advance any of the new IFRS or modifications to existing IFRS that come into effect after January 1, 2023.

NOTE 3 - USE OF JUDGMENT AND ESTIMATES

The preparation of these condensed interim financial statements under IFRS requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

The related estimates and assumptions are based on expectations and other factors deemed reasonable in the circumstances, the results of which are the basis of judgment on the value of assets and liabilities not easily evident from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are continuously reviewed. The effect of reviews of accounting estimates is prospectively recognized.

The critical judgments made in the application of accounting policies to these condensed interim financial statements are related to the type of disbursements to be capitalized, such as property, plant and equipment, as the determination of items eligible for capitalization requires a high degree of professional judgment.

At the same time, Management recognizes estimation uncertainties with a significant effect on amounts recognized in these condensed interim financial statements in relation to the assumptions to determine the amount of deferred tax assets related to estimated tax losses carryforward.

NOTE 4 - OPERATING SEGMENTS

The Board of Directors is the chief operating decision maker, who receives and reviews financial information considering that MSU Energy has only one operating segment. This is based on the fact that MSU Energy has only one customer - CÀMMESA (Note 13 a), b) y c)), to whom provides with the availability of contractual capacity and the supply of power.

All MSU Energy non-current assets are located in Argentina as of March 31, 2023 and March 31, 2022.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of March 31, 2023 (in USD)

NOTE 5 - INCOME TAX

(a) Income tax expense

The income tax expense for interim periods is recognized on the basis of the best estimate made by Management of the weighted average rate that is expected at year end, applied to income before taxes for the period.

At the end of March 2023, the effective tax rate calculated for the year reached 20,35%, compared to the 19,84% previously projected for 2022 at the end of March 2022.

(b) Changes in income tax rate

On June 16, 2021, the Executive Branch (PEN) passed and published Law No. 27630 that rendered a system of tax brackets that will be in force for fiscal years beginning on or after January 1, 2021 which will be adjusted annually on and after January 1, 2022, by considering the variation in the Consumer Price Index (CPI) measured as of October of each year. The adjusted amounts effective for the fiscal year beginning on or after January 1, 2023 are as follows:

Accumulated taxable income		To be paid AR\$	Plus %	Over the excess of AR\$
From AR\$	To AR\$			
AR\$ 0	AR\$ 14,301,209	AR\$ 0	25%	AR\$ 0
AR\$ 14,301,209	AR\$ 143,012,092	AR\$ 3,575,302	30%	AR\$ 14,301,209
AR\$ 143,012,092	Without limit	AR\$ 42,188,567	35%	AR\$ 143,012,092

In addition, as provided for by Law No. 27630, the rate applicable to the dividends on earnings generated in fiscal years beginning on or after January 1, 2018, is set to 7%.

As of March 31, 2023, the current tax was measured by applying the progressive tax rates on taxable income determined at such date, whereas the deferred tax balances were measured by applying the progressive tax rate expected to be applied based on the taxable income estimated in the year in which the temporary differences are reversed.

(c) Inflation adjustment for tax purposes

The Law No. 27430, created the obligation that, as from fiscal years beginning on or after January 1, 2018, the inflation adjustment calculated based on the procedure described in the Income Tax Law be deducted or included in the tax income/loss, to the extent that the Consumer Price Index (IPC) at a general level accumulated over the 36 months prior to the end of the year that is calculated exceeds 100%.

During the first three years as from effective date (fiscal years beginning on or after January 1, 2018), the tax inflation adjustment shall be applicable to the extent the IPC variation for each of them exceeds 55%, 30% and 15%, respectively. The resulting inflation adjustment, either gain or loss, was recognized in six equal parts for fiscal years ending on December 31, 2020 y 2019. The first part was computed in the year corresponding to the calculation and the remaining five parts are recognized in the immediately subsequent years. As from December 31, 2021, the amount of the tax inflation adjustment is recognized in the same fiscal year.

(d) IFRIC 23 Uncertainty over income tax treatments

The interpretation issued in June 2017 explains how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty over income tax treatments.

For these purposes, an entity has to consider whether it is probable that the relevant authority will accept each tax treatment that it used or plans to use in its income tax filing.

If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine the tax position consistently with the tax treatment used or planned to use in its income tax filings.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of March 31, 2023 (in USD)

NOTE 5 - INCOME TAX (cont.)

(d) IFRIC 23 Uncertainty over income tax treatments (cont.)

If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity will reflect the effect of the uncertainty when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

An entity shall make consistent judgments and estimates for both current tax and deferred tax.

An entity shall reassess a judgment or estimate required by this Interpretation if the facts and circumstances on which the judgment or estimate was based change or as a result of new information that affects the judgment or estimate.

Since December 31, 2019, the Company has applied this interpretation in the recording of current and deferred income tax, considering the adjustment for tax inflation over accumulated loss tax carryforward.

(e) Extraordinary income tax advance payment

On August 12, 2022 the AFIP established through RG 5248/2022 an extraordinary income tax advance payment which should be paid in 3 monthly instalments, for companies that meet any of the following requirements:

- i) The amount of the income tax determined from fiscal period 2021's tax return (year end between August and December 2021) or 2022 (year end between January and July 2022), as applicable, is equal to or greater than AR\$ 100,000,000.
- ii) The amount of the taxable income that arises from the tax return, without applying the deduction of tax losses from previous years, is equal to or greater than \$300,000,000.

The extraordinary payment is 25% of the calculation base used for the payment of the advances if point i) is met, or 15% of the taxable income, without considering tax carrying forward losses from previous years if point ii) is met. The aforementioned payment must not be cancelled through the compensation mechanism and, moreover, could not be taken into account when applying to request for reduction of income tax advanced payments.

The Company paid the amount of AR\$ 1,361,789,548 (equivalent to USD 6,515,537 (Note 7 (b)) in three consecutive monthly instalments of AR\$ 453,929,849 (equivalent to USD 2,171,846) in the months of October, November and December of 2022 respectively. The credit related to the advance payments is disclosed in line Extraordinary income tax advance payment (Note 7 (b)) as of March 31, 2023.

NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT

(a) Classification and fair value of financial instruments

MSU Energy uses the following hierarchy to determine the fair value of its financial instruments: Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities; Level 2: inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices), and Level 3: inputs for the asset or liability that are not based on observable market data.

MSU ENERGY S.A.

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS**

as of March 31, 2023 (in USD)

NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT (cont.)

(a) Classification and fair value of financial instruments (cont.)

The table below shows the classification of financial instruments held by MSU Energy:

Item	Note	Balances as of March 31, 2023		
		Fair value	Amortized cost	Other financial liabilities (2)
<i>Financial assets</i>				
Other financial receivables		-	1,998,768	-
Loans granted	10	-	48,428,271	-
Trade receivables		-	79,178,355	-
Investments	7 (c)	2,855,780 (1)	-	-
Cash and cash equivalents	7 (d)	<u>27,734,486 (1)</u>	-	-
Total financial assets		<u>30,590,266</u>	<u>129,605,394</u>	-
<i>Financial liabilities</i>				
Loans	7 (f)	-	-	842,051,791
Trade and other payable	7 (e)	-	-	23,432,233
Other liabilities	7 (g)	-	-	<u>1,095,351</u>
Total financial liabilities		-	-	<u>866,579,375</u>
Item	Note	Balances as of December 31, 2022		
		Fair value	Financial assets at amortized cost	Other financial liabilities (2)
<i>Financial assets</i>				
Other financial receivables		-	1,541,506	-
Loans granted	10	-	47,816,935	-
Trade receivables		-	65,149,305	-
Investments	7 (c)	3,010,671 (1)	-	-
Cash and cash equivalents	7 (d)	<u>78,489,181 (1)</u>	-	-
Total financial assets		<u>81,499,852</u>	<u>114,507,746</u>	-
<i>Financial liabilities</i>				
Loans	7 (f)	-	-	893,993,082
Trade and other payables	7 (e)	-	-	19,323,030
Other liabilities	7 (g)	-	-	<u>1,073,610</u>
Total financial liabilities		-	-	<u>914,389,722</u>

(1) Level 1

(2) Other financial liabilities are recognized at amortized cost.

As of the date of these condensed interim financial statements, the carrying balances of financial instruments are a reasonable estimate of their related fair values except in loans (liability) for which the fair value (Level 2 for Senior secured notes and Level 3 for loans) is \$ 824,451,197 and \$ 676,929,243 as of March 31, 2023 and December 31, 2022, respectively.

As of March 31, 2023, and December 31, 2022, there are no significant expected credit losses (“ECL”) to be recognized following the impairment assessment of financial assets estimated at amortized cost.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of March 31, 2023 (in USD)

NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT (cont.)

(b) Financial risk management

Financial risk management is addressed by the global policies of MSU Energy S.A, which are focused on the uncertainty of the financial markets and the alternatives to minimize the potential adverse effects on its financial performance. MSU Energy S.A activities entail certain financial risks:

1. Market risk
2. Liquidity risk
3. Credit risk

The Administration and Finance Department is responsible for the financial risk management, which identifies, assesses and hedges the financial risks. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and MSU Energy's activities.

Market risk

Market risk stems from the potential fluctuation to which MSU Energy S.A is exposed upon changes in fair value or future cash flows that may be adversely affected by changes in the exchange rates, interest rates or other variables.

Below is a description of the referred risks as well as a detail of the extent to which MSU Energy S.A is exposed, and a sensitivity analysis for potential changes in each of the relevant market variables.

- **Currency risk**

It is the risk that the fair value or future cash flows of financial instruments may fluctuate due to exchange rate changes. Given that the functional currency of MSU Energy S.A is the USD, the currency increasing exposure in terms of effects on profit or loss is the Argentine peso (legal tender in Argentina).

In order to minimize the results arising from exchange variations and, in an attempt to hedge the volatility risk in the fair value of assets and liabilities in foreign currency, MSU Energy S.A seeks to maintain a balance between assets and liabilities.

The table below provides a breakdown of the net monetary position of MSU Energy S.A in its functional currency:

<u>Net monetary position assets</u>	<u>Functional currency (USD) 3/31/2023</u>	<u>Functional currency (USD) 12/31/2022</u>
Argentine pesos	64,254,684	53,506,631
Total	64,254,684	53,506,631

Based on the table above, the MSU Energy S.A analysis considers the exposure of local currency in relation to the USD (functional currency). MSU Energy S.A estimates that, for each year, should other factors remain constant, a 10% strengthening (or weakening) of the local currency in relation to the functional currency at year-end would increase (decrease) income before tax, as described in the table below (amounts stated in functional currency):

	<u>March 31, 2023</u>		<u>December 31, 2022</u>	
	+20%	+20%	+10%	-10%
Argentine Pesos	(10,709,114)	16,063,671	(4,864,239)	2,127,163
Total	(10,709,114)	16,063,671	(4,864,239)	2,127,163

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of March 31, 2023 (in USD)

NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT (cont.)

(c) Financial risk management (cont.)

Market risk (cont)

- Interest rate risk

The interest risk is related with the change in fair value or in future cash flows of certain financial instruments according to the changes that may occur in market interest rates. On May 7, 2020 MSU ENERGY issued Senior Secured Floating Rate Notes at variable rate for a total amount of \$250.300.000 due on 2024 (Note 11 b).

The Company estimates that, for each period presented, all other factors remaining constant, a strengthening of 100 points (or weakening) of the year-end market interest rate would increase (or decrease) the fair value of financial instruments as follows:

	<u>March 31, 2023</u>		<u>December 31, 2022</u>	
	+1%	-1%	+1%	-1%
Argentine Pesos	(218,245)	218,960	(8,524,733)	8,732,089
Total	(218,245)	218,960	(8,524,733)	8,732,089

- Exchange rate risk

On September 1, 2019, Decree 609/2019 was published by the Executive Branch, whereby certain extraordinary and temporary provisions are stated related to the transfers abroad and exchange market operations. Accordingly, on the same date, the Argentine Central Bank (BCRA) issued Communication "A" 6770, whereby the following measures, among others, are set out up to December 31, 2022:

- Any funds from new external financial debts disbursed as from September 1, 2019, shall be brought into the country and converted into local currency.
- Access to the foreign exchange market in relation to liabilities in foreign currency, between Argentine residents, documented in public records or notarized instruments as of August 30, 2019, is allowed upon their maturity. However, access to the foreign exchange market to pay debts and other liabilities in foreign currency agreed by Argentine residents is forbidden as from September 1, 2019.

Access to the foreign exchange market to conduct the following transactions shall require the BCRA's prior authorization:

- Wiring of profits and dividends;
- Payment of services to foreign related companies;
- Prepayment of financial debts (principal or interest) more than 3 days before maturity.

On January 16, 2020, the BCRA published Communication 'A' 6770, whereby it established, among other measures, that entities may have access to the foreign exchange market to pay dividends abroad, without the prior approval of the BCRA, to the extent that certain conditions are met. The cases that do not comply with the conditions detailed in the communication will still require the prior approval of the BCRA

As of March 31, 2023, the mentioned measures did not affect the normal operations.

2. Liquidity risk

The liquidity risk estimates MSU Energy's capacity to finance its obligations and business plans with stable financing resources. It is also associated with the level of indebtedness and current debt maturity profile.

MSU Energy S.A. has credit facilities and holds, mainly, short term financial assets that can be easily converted into cash known beforehand. In addition, on February 5, 2020 the CNV through Resolution No. 20.635 approved the creation of an offering program for a total outstanding nominal value of up to \$ 60.000.000 or its equivalent in another currency.

MSU ENERGY S.A.

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS**

as of March 31, 2023 (in USD)

NOTE 6 - FINANCIAL INSTRUMENTS - CLASSIFICATION AND RISK MANAGEMENT (cont.)

(d) Financial risk management (cont.)

2. Liquidity risk (cont.)

On August 6, 2021 the company issued Class I and Class II local unsecured notes for a total amount of USD 30,708,423 due on February 6, 2023 and August 6, 2023, respectively. (Note 11 c).

On August 28, 2020, in accordance with Resolution DI-2020-41-APN-GE#CNV, the CNV authorized an increase of the maximum amount of the program, mentioned in previous paragraph, for the issuance of simple notes (not convertible into shares) from USD 60,000,000 to USD 100,000,000 (or its equivalent in other currencies).

On December 21, 2021 the company issued class III local unsecured Notes for USD 30,300,000 bullet 24-months (Note 11 d). On, May 20, 2022 the Company issued class IV local unsecured Notes for USD 15,200,000 bullet 24-months (Note 11 e). On, July 22, 2022 the Company issued class V local unsecured Notes for USD 15,100,000 bullet 24-months (Note 11 f).

On September 27, 2022, in accordance with Resolution DI-2022-50-APN-GE#CNV, the CNV authorized an increase of the maximum amount of the program, for the issuance of simple notes (not convertible into shares) from USD 100,000,000 to USD 285,000,000 (or its equivalent in other currencies).

On November 2, 2022 the Company issued class VI local unsecured Notes for USD 45,544,190 bullet 24-months (Note 11 g).

On January 2, 2023 the Company issued class VII local unsecured Notes for USD 15,100,000 bullet 24-months (Note 11 h).

3. Credit risk

The credit risk is defined as the possibility that a third party be unable to meet its contractual obligations, generating losses to MSU ENERGY.

MSU Energy S.A may face a credit risk related to the balances of trade receivables. Trade receivable balance comprises the value to be collected based on the agreements with CAMMESA for wholesale demand (Note 13). CAMMESA' payment period has improved compared to the previous year.

As of December 31, 2022, and December 31, 2021, there are no significant expected credit losses to be recognized following the impairment evaluation of financial assets carried at cost.

**NOTE 7 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION**

	<u>03/31/2023</u>	<u>12/31/2022</u>
(a) Other assets		
Non current		
Credit of compensatory agreement (Note 13 a)	3,638,618	3,982,892
Total	3,638,618	3,982,892
Current		
Advances to suppliers	418,565	451,501
Prepaid insurance	1,392,784	1,943,440
Expenses to recover	119,863	441,666
Parent company and other related parties (Note 9.1 and 9.3)	1,721,016	1,271,093
Loans to personnel	19,742	20,413
Credit of compensatory agreement (Note 13 a)	1,820,116	1,819,658
Others	258,010	250,000
Guarantees	240,713	158,889
Security deposits	22,105	21,714
Total	6,012,914	6,378,374

MSU ENERGY S.A.

**NOTES TO THE UNAUDITED CONDENSED
INTERIM FINANCIAL STATEMENTS**

as of March 31, 2023 (in USD)

**NOTE 7 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE CONDENSED INTERIM
STATEMENT OF FINANCIAL POSITION (cont.)**

	<u>03/31/2023</u>	<u>12/31/2022</u>
(b) Tax assets		
Non current		
Income tax net advances	2,983,477	2,036,389
Other taxes	<u>369</u>	<u>-</u>
Total	<u>2,983,846</u>	<u>2,036,389</u>
Current		
Valued added tax (1)	-	1,226,892
Extraordinary income tax advance payment (Note 5)	6,515,537	7,686,906
Custom tax	842,343	68,156
Other tax balances	<u>88,791</u>	<u>233,683</u>
Total	<u>7,446,671</u>	<u>9,215,637</u>
<p>(1) Value added tax (“VAT”) balances mainly relate to the purchase of Property, plant and equipment. These balances are to be used to offset VAT payable related to the generation capacity and the supply of power.</p>		
(c) Investments		
Investments	<u>2,885,780</u>	<u>3,010,671</u>
Total	<u>2,885,780</u>	<u>3,010,671</u>
(d) Cash and cash equivalents		
Cash	844	988
Temporary investments	17,269,369	54,987,458
Banks	<u>10,464,273</u>	<u>23,500,735</u>
Total	<u>27,734,486</u>	<u>78,489,181</u>
(e) Trade and other payables		
Suppliers (1)	23,432,233	19,323,030
Accrued expenses	<u>2,424,243</u>	<u>2,603,793</u>
Total	<u>25,856,476</u>	<u>21,926,823</u>
<p>(1) At March 31, 2023 and December 31, 2022 includes unpaid balances of PPE of 1,572,097 and \$ 1,689,966, respectively.</p>		
(f) Loans		
Non current		
Senior secured notes (Note 11 a, b, c, d, e, f, g and h) (3)	688,678,536	697,636,685
Loans (Note 11 j)	16,868,136	16,519,644
Finance lease	<u>-</u>	<u>7,970</u>
Total	<u>705,546,672</u>	<u>714,164,299</u>
Current		
Senior secured notes (Note 11 a, b, c, d, e, f, g and h) (3)	136,480,866	179,802,457
Finance lease	<u>24,253</u>	<u>26,326</u>
Total	<u>136,505,119</u>	<u>179,828,783</u>
(g) Other liabilities		
Parent company and other related parties (Note 9.1 and 9.3)	1,045,351	1,023,610
Other payables	<u>50,000</u>	<u>50,000</u>
Total	<u>1,095,351</u>	<u>1,073,610</u>
<p>(3) At March 31, 2023 and December 31, 2022 includes net transactions costs of \$ 7,743,908 and \$ 8,853,976, respectively.</p>		

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of March 31, 2023 (in USD)

NOTE 7 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (cont.)

(h) Property, plant and equipment

Main account	Balances as of March 31, 2023										
	Cost				Accumulated			Depreciations			Net as of
	At beginning of year	Additions	Transfer	At period end	at beginning of the period	Decreases	Rate %	Amount (Note 8 c)	Accumulated at period end	03/31/2023	
Land	2,142,790	-	-	2,142,790	-	-	-	-	-	2,142,790	
Spare parts	8,634,049	-	-	8,634,049	-	-	-	-	-	8,634,049	
<i>Thermoelectric power plants</i>											
Infrastructure	480,542,226	6,585	-	480,548,811	46,167,945	-	3.33%	3,119,592	49,287,537	431,261,274	
Plant and equipments (7)	508,774,691	5,975,006	-	514,749,697	56,572,330	-	(4)	5,889,235	62,461,565	452,288,132	
Facilities and other fixed assets	3,601,231	153,088	(36,028)	3,718,291	2,396,426	(36,028)	(5)	97,318	2,457,716	1,260,575 (6)	
Under construction	876,954	283,111	-	1,160,065	-	-	-	-	-	1,160,065	
Total	1,004,571,941	6,417,790	(36,028)	1,010,953,703	105,136,701	(36,028)		9,106,145	114,206,818	896,746,885	

Main account	Balances as of December 31, 2022										
	Cost				Accumulated			Depreciation			Net as of
	At beginning of year	Additions	Decreases	Transfers	At year-end	at beginning of year	Decreases	Rate %	Amount (Note 8.c)	Accumulated at year-end	12/31/2022
Land	2,142,790	-	-	-	2,142,790	-	-	-	-	-	2,142,790
<i>Thermoelectric power plants</i>											
Infrastructure	479,623,982	-	-	918,244	480,542,226	33,708,026	-	3.33%	12,459,919	46,167,945	434,374,281
Plant and equipments	508,774,691	-	-	-	508,774,691	46,418,778	-	(4)	10,153,552	56,572,330	452,202,361
Facilities and other fixed assets (6)	3,224,070	370,619	(1,246)	7,788	3,601,231	2,037,825	(187)	(5)	358,788	2,396,426	1,204,805
Spare parts	8,634,049	-	-	-	8,634,049	-	-	-	-	-	8,634,049
Under construction	1,156,971	646,015	-	(926,032)	876,954	-	-	-	-	-	876,954
Total as of December 31, 2022	1,003,556,553	1,016,634	(1,246)	-	1,004,571,941	82,164,629	(187)		22,972,259	105,136,701	899,435,240

(4) By units of production

(5) Tools, 10%. Vehicules, furnitures and other facilities, 20%. Computers, 33%.

(6) Includes \$ 38,183 and \$ 48,596 of right of use related to financial leasing, as of March 2022 and December 31, 2022, respectively.

(7) Includes \$ 3,022,149 of accelerated depreciation related to the replacement of parts due to the maintenance done on turbines of Villa María and Rojo.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Revenue

On June 13, 2017, December 29, 2017 and January 25, 2018 General Rojo, Villa Maria and Barker Plants, respectively, were authorized to conduct commercial operations with SADI, effectively triggering the Wholesale Demand Agreements (Simple Cycle PPAs) signed with CAMMESA on August 4, July 25 and December 29 of 2016, respectively.

On August 15, August 20 and October 31 of 2020, the Villa Maria, the General Rojo and the Barker plants expansion capacity was authorized for commercial operations in the SADI, activating the Wholesale Demand Agreements (Combined Cycle PPAs) for each plant signed with CAMMESA on April 6, 2018.

	<u>03/31/2023</u>	<u>03/31/2022</u>
Revenues from generation capacity	41,056,164	43,176,881
Revenues from supply of power	<u>6,425,972</u>	<u>7,622,610</u>
Total revenue	<u>47,482,136</u>	<u>50,799,491</u>

(b) Net finance costs

	<u>03/31/2023</u>	<u>03/31/2022</u>
<u>Financial income</u>		
Interest income	9,722,333	3,154,152
Gain on exchange differences	<u>3,688,451</u>	<u>707,490</u>
Total financial income	<u>13,410,784</u>	<u>3,861,642</u>
<u>Financial expenses</u>		
Interest expense	(21,405,724)	(22,022,272)
Change in fair value of financial assets	(99,338)	-
Loss in exchange differences	<u>(13,018,307)</u>	<u>(3,112,008)</u>
Total financial expenses	<u>34,523,369</u>	<u>(25,134,280)</u>

(c) Expense by nature

<u>Items</u>	<u>Cost of sales</u>	<u>General and administrative expenses</u>	<u>03/31/2023</u>	<u>Cost of sales</u>	<u>General and administrative expenses</u>	<u>03/31/2022</u>
Salaries and other personnel-related expenses	1,772,784	798,031	2,570,815	1,597,574	718,551	2,316,125
Depreciation (8)	9,066,578	39,567	9,106,145	6,285,878	32,046	6,317,924
Maintenance expenses	3,003,892	11,176	3,015,068	2,399,216	12,397	2,411,613
Taxes, rates and contributions	386,352	341,262	727,614	160,998	317,511	478,509
Insurance	594,035	5,480	599,515	619,038	8,310	627,348
Other expenses	<u>1,630,533</u>	<u>634,481</u>	<u>2,265,014</u>	<u>1,274,567</u>	<u>606,854</u>	<u>1,881,421</u>
Totals	<u>16,454,174</u>	<u>1,829,997</u>	<u>18,284,171</u>	<u>12,337,271</u>	<u>1,695,669</u>	<u>14,032,940</u>

(8) See note 7 g.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 9 - BALANCES AND TRANSACTIONS WITH PARENT COMPANY AND OTHER RELATED PARTIES

	<u>03/31/2023</u>	<u>12/31/2022</u>
1. Balances with parent company – MSU Energy Holding Ltd.		
Loans granted (Note 10)	39,506,785	39,008,199
Other liabilities	688,574	671,739
Other assets	112,190	-
2. Transactions with parent company – MSU Energy Holding Ltd.	<u>03/31/2023</u>	<u>03/31/2022</u>
Interest income	498,586	499,297
Management fee (8)	16,835	20,684
3. Balance with related parties	<u>03/31/2023</u>	<u>12/31/2022</u>
Loans granted	8,921,486	8,808,736
Other assets	1,608,826	1,271,093
Other liabilities	356,777	351,871
4. Transaction with related parties	<u>03/31/2023</u>	<u>03/31/2022</u>
Loan granted (Note 10)	-	112,750
Interest loss	22,844	4,898
Interest income	457,264	-
Expenses to be recovered	137,336	2,414

(8) It relates to management, administrative and corporate services, including management, supervision, financial, accounting, investment advice. The price was determined on an arm-length basis

5. Balances and transactions with key management (Board of Directors and senior management)

During the period ended March 31, 2023 and 2022, key management received compensations in the total amount of \$ 457,198 and \$ 364,861 respectively, which are considered short-term benefits and entail the only benefits granted to the Board of Directors and senior Management. MSU Energy S.A does not grant long-term benefits or share-based payments to its employees.

NOTE 10 - LOANS GRANTED

On January 31, 2018, the Company signed loans agreements with MSU Energy Holding Ltd. and MSU Energy Investment Ltd, in the amounts of \$ 29,050,000 and \$ 6,560,000, respectively at an annual fixed interest rate of 6.875%, which become due for payment in year 2025. In connection with such loans, as of March 31, 2023 and March 31, 2022, MSU Energy has principal and interest receivables equivalent to the amount of \$ 48,428,271 and \$ 47,816,935, respectively. This transaction was priced on an arm's length basis and the balances are not secured.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 11 - LOANS

(a) Senior Secured Notes

On February 1, 2018, MSU Energy S.A. issued Senior Secured Notes described as follows:

- Principal amount: \$ 600,000,000.
- Gross Proceeds: \$ 595,902,000.
- Maturity Date: February 1, 2025.
- Amortization: capital shall be amortized in one installment on the maturity date.
- Issue price: 99.317% of principal amount, plus accrued interest, from February 1, 2018.
- Interest rate: 6.875% fixed annual rate.
- Interest payment dates: February 1 and August 1 of each year, commencing on August 1, 2018.
- Guarantee: The notes are secured by:
 - Debt Service Reserve Account to cover 50% of one interest payment (found either with cash or Stand by Letters of Credit).
 - A first degree pledge on GE Sprint LM6000-PC turbines 01, 02 and 03 installed in each thermoelectric power plant. The net book value as of March 31, 2023 and December 31, 2022 is \$ 161,150,113 and \$ 162,018,539, respectively.

In connection with these Senior Secured Notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 602,618,137 and \$ 612,350,155 (Note 7 f) as of March 31, 2023 and December 31, 2022 respectively.

(b) Senior Secured Floating Rate Notes

On May 7, 2020, MSU Energy issued Senior Secured Floating Rate Notes described as follows:

- Principal amount: \$ 250,300,000.
- Gross Proceeds: \$ 250,300,000.
- Maturity Date: February 28, 2024.
- Issue price: 100% of principal amount.
- Interest rate: (i) LIBOR (three months) plus 11.95% for each day during the period commencing on (and including) the issue date and ending on (but excluding) February 28, 2021, (ii) for each day during the period commencing on (and including) the last day of the period referred to in (i) and ending on but excluding February 28, 2022, 12.50%, and (iii) for each day during the period commencing on (and including) the last day of the period referred to in (ii) and thereafter until all amounts due under the notes are repaid in full, 13.00%. If LIBOR rate is not available for any reason, the LIBOR shall be the Interpolated Rate and if such rate is below 2.00%, the LIBOR shall be deemed to be 2.00%.
- Amortization: capital shall be amortized in 10 quarterly equal and consecutive installments as of November 30, 2021.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 11 – LOANS (cont.)

(b) Senior Secured Floating Rate Notes (cont.)

On May 7, 2020, MSU Energy issued Senior Secured Floating Rate Notes described as follows: (cont.)

- Interest payment dates: to be paid quarterly on each February 28 and every 30th day of May, August and November, starting on August 30, 2020.
- Guarantee: The notes are secured by:
 - A first degree pledge on GE Sprint LM6000-PC turbine 4, the boilers, an electric transformer and the steam turbine BHGE MT MID-SIZED installed in each plant. The book value as of March 31, 2023 and December 31, 2022 is \$ 121,309,893 and \$ 122,129,225, respectively.
 - The amount of 465,982,166 common shares that account for 99.53% of MSU Energy capital is subject to a first-degree pledge for the benefit of Citibank NA as security agent.
 - The possibility of establishing a fiduciary assignment of the collection rights arising from the new PPA's related to combined cycle capacity. (Note 13)

The proceeds from the Senior Secured Floating Rate Notes were used for the repayment of the Private Senior Secured Notes issued in November 30, 2018 and for working capital.

In connection with these Senior Secured Floating Rate Notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 99,436,557 and \$ 124,224,271 (Note 7 f) as of March 31, 2023 and December 31, 2022 respectively.

(c) Class I and Class II local unsecured notes

On August 6, 2021, the Company issued the following local unsecured notes at fixed rate:

- Class I local unsecured notes denominated in USD becoming due after 18 months of the issue thereof (“Class I local unsecured notes”) with the following features:
 - Amount of the issue: USD 12,631,473.
 - Term: 18 months as from the issue date.
 - Issue price: 100% of nominal value.
 - Interest rate: 5.49%.
 - Date of issue: August 6, 2021.
 - Maturity date: February 6, 2023.
 - Amortization: principal shall be amortized in a lump sum at maturity.
 - Date for payment of interest: interest shall be paid on a quarterly basis, overdue, as from issue and settlement date, on the following dates: November 6, 2021; February 6, 2022; May 6, 2022; August 6, 2022; November 6, 2022 and on maturity date of Class I, February 6, 2023.

In connection with these Class I local unsecured notes, on maturity date February 6, 2023, MSU Energy paid in full the outstanding principal and due interest for the amount of \$ 12,806,265.

As of March 31, 2023 the entity has no outstanding amounts due related to this unsecured notes. As of December 31, 2022 had principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 12,726,487 (Note 7 f).

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 11 - LOANS (cont.)

(c) Class I and Class II local unsecured notes (cont.)

- Class II local unsecured notes denominated in UVA becoming due after 24 months of the issue thereof (“Class 2 local unsecured notes”) with the following features:
 - Amount of the issue: 20,901,579 UVAs (equivalent to \$ 1,750,089,210 at initial UVA value or USD 18,076,950).
 - Initial UVA value: \$ 83.73, corresponding to the UVA quoted price published by the Banco Central de la República Argentina by July 30, 2021.
 - Term: 24 months as from the issue date.
 - Issue price: 100% of nominal value.
 - Interest rate: 5.49%.
 - Date of issue: August 6, 2021.
 - Maturity date: August 6, 2023.
 - Amortization: principal shall be amortized in a lump sum at maturity.
 - Date for payment of interest: interest shall be paid on a quarterly basis, overdue, as from issue and settlement date, on the following dates: November 6, 2021; February 6, 2022; May 6, 2022, August 6, 2022; November 6, 2022; February 6, 2023; May 6, 2023 and on maturity date of Class II, August 6, 2023.

In connection with these Class II local unsecured notes MSU Energy executed the optional redemption of the total outstanding notes. On March 14, 2023 MSU Energy paid principal and due interest to the amount of AR\$ 4.407.965.321 equivalent to \$ 21,814,051 at the date of the transaction.

As of March 31, 2023 the entity has no outstanding amounts due related to these unsecured notes. As of December 31, 2022 had principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 21,738,171 (Note 7 f).

(d) Class III local unsecured notes (*)

On November 21, 2021, the Company issued the following local unsecured notes at fixed rate:

- Class III local unsecured notes denominated in USD becoming due after 24 months of the issue thereof (“Class III local unsecured notes”) with the following features:
 - Amount of the issue: USD 30,300,000.
 - Term: 24 months as from the issue date.
 - Issue price: 100% of nominal value.
 - Interest rate: 7.35%.
 - Date of issue: December 21, 2021.
 - Maturity date: December 21, 2023.
 - Amortization: principal shall be amortized in a lump sum at maturity.
 - Date for payment of interest: interest shall be paid every six months, overdue, as from issue and settlement date, on the following dates: June 21 and December 21, 2022, June 21 2023 and on maturity date of Class III, December 21, 2023.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 11 - LOANS (cont.)

(d) Class III local unsecured notes (*) (cont.)

In connection with these Class III local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 30,732,956 and \$ 30,122,718 as of March 31, 2023 and December 31, 2022, respectively (Note 7 f).

(e) Class IV local unsecured notes (*)

On May 20, 2022, the Company issued U.S. dollar-denominated local unsecured notes Class IV due on May 20, 2024 (the "Local Unsecured Notes Class IV") described as follows:

- Issue amount: USD 15,200,000.
- Term: 24-months.
- Issue price: 100% of nominal amount.
- Interest rate: 7.5%.
- Issue date: May 20, 2022.
- Maturity date: May 20, 2024.
- Amortization: capital shall be amortized in one installment on maturity date.
- Interest payment dates: interest will be paid on the following dates: December 20, 2022, May 20, 2023, November 20, 2023, and on the maturity date of Local Unsecured Notes Class IV, May 20, 2024.

In connection with these Class IV local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 15,414,113 and \$ 15,110,771 as of March 31, 2023 and December 31, 2022, respectively (Note 7 f)..

(f) Class V local unsecured notes (*)

On July 22, 2022, the Company issued U.S. dollar-denominated Local Unsecured Notes Class V due on July 22, 2024 (the "Local Unsecured Notes Class V") described as follows:

- Amount of the issue: USD 15,100,000.
- Term: 24 months as from the issue date.
- Issue price: 100% of nominal value.
- Interest rate: 8%
- Date of issue: July 22, 2022.
- Maturity date: July 22, 2024.
- Amortization: principal shall be amortized in a lump sum at maturity.
- Date for payment of interest: interest shall be paid on the following dates: January 22, 2023; July 22, 2023; January 22, 2024 and on maturity date of Class V, July 22, 2024.

In connection with these Class V local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 15,087,073 and \$ 15,353,460 as of March 31, 2023 and December 31, 2022, respectively (Note 7 f).

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 11 - LOANS (cont.)

(g) Class VI local unsecured notes (*) (cont.)

On November 2, 2022, the Company issued U.S. dollar-denominated Local Unsecured Notes Class VI due on November 2, 2024 (the "Local Unsecured Notes Class VI") described as follows: (cont.)

- Amount of the issue: USD 45,544,190.
- Term: 24 months as from the issue date.
- Issue price: 100% of nominal value.
- Interest rate: 9,00%
- Date of issue: November 2, 2022.
- Maturity date: November 2, 2024.
- Amortization: principal shall be amortized in a lump sum at maturity.
- Date for payment of interest: interest shall be paid on the following dates: November 2, 2023; May 16, 2024; and on maturity date of Class VI, November 2, 2024.

In connection with these Class VI local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 46,877,334 and \$ 45,813,109 as of March 31, 2023 and December 31, 2022, respectively (Note 7 f).

(h) Class VII local unsecured notes (*)

On January 12, 2023, the Company issued 24-month bullet local unsecured notes ("Class VII local unsecured notes") at fixed rate under the following terms:

- Issue Amount: USD 15,100,000.
- Term: 24 months as from the issue date.
- Issue price: 100% of nominal value.
- Interest rate: 7,5%
- Date of issue: January 12, 2023.
- Maturity date: January 12, 2025.
- Amortization: principal shall be amortized in a lump sum at maturity.
- Interest Payment Date: interest shall be paid on the following dates: November 30, 2023; June 21, 2024; and on maturity date of Class VII, January 12, 2025.

In connection with these Class VII local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 15,033,395 as of March 31, 2023 (Note 7 f).

(*) Issued in accordance with foreign currency regulations in force.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 11 – LOANS (cont.)

(j) Loans

Class	Entity	Type	Currency	Nominal interest rate	Maturity	03/31/2023	12/31/2022
Financial	Silver Pass	Loan	\$	8,5%	November 2028	15,937,229	15,608,789
	Silver Pass	Amendment	\$	8,5%	November 2028	930,907	910,855
Total						<u>16,868,136</u>	<u>16,519,644</u>

NOTE 12 – CAPITAL

	\$		Quantity of Shares	
	2023	2022	2023	2022
In issue at January 1	30,295,440	30,295,440	468,159,804	468,159,804
In issue at March 31 – fully paid	30,295,440	30,295,440	468,159,804	468,159,804

As of March 31, 2023 and 2022, the Company's capital amounted to \$ 30,295,440 (ARS 468,159,804), represented by 468,159,804 non endorsable, registered, common shares, with a nominal value of ARS 1 each, one vote per share.

NOTE 13 - CONTRACTUAL COMMITMENTS

Agreement with CAMMESA for wholesale demand:

a) General Rojo Plant

By virtue of the Wholesale Demand Agreement, the Company agreed to add 144.22 MW of nominal capacity to SADI, out of which, all its generation capacity from turbines 01, 02 and 03 will be sold subject to the regulatory scheme regulated by SEE Resolution No. 21, under the PPA entered into by and between the Company and CAMMESA on August 4, 2016, comprised of 144.22 MW contracted for a term of ten (10) years, at a price of \$ 20,900 (\$/MW-month). Price of electricity dispatched using gas or diesel oil will be \$ 8.5 per MWh and \$ 12.50 per MWh, respectively. Fuel is provided by CAMMESA.

On June 13, 2017, turbines 01, 02 and 03 of General Rojo Thermal Plant were authorized to operate in the SADI at a maximum capacity of approximately 50 MW each. As from such date, the Wholesale Demand Agreement signed with CAMMESA on August 4, 2016 became effective.

On June 6, 2018 and by means of the provisions of Resolution No. 262 of the Ministry of Energy and Mining ("MEyM"), it was resolved that the penalty for noncompliance with the date committed for the power plant completion, as stated in the Wholesale Demand Agreement signed within the framework of SEE Resolution No. 21/2016, would be discounted from the amount to be received by the Power Generating Agent (the Company). To such end, on June 11, 2018, CAMMESA notified the Company that, under the terms and conditions of the Wholesale Demand Agreement signed between the parties for the construction of thermoelectric power plant General Rojo, the penalty amounts to \$ 18,084,770, to be paid in 48 monthly settlements at a 1.7% interest annual nominal rate. The Company appeared before CAMMESA and applied for the proceedings for the resolution of disputes stated in the Agreement, as it considers that the delay arose out of force majeure events, as provided for by section 21 of the referred Wholesale Demand Agreement such proceedings have not been concluded to date.

As of March 31, 2023, and December 31, 2022, CAMMESA's penalty have been fully paid.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand (cont.)

a) General Rojo Plant (cont.)

Additionally, MSU Energy, as provided for by section 5.3.2 of “EPC-On- Shore Contract” under the Full EPC guarantees, was entitled to claim GE International Inc. (GEII) Sucursal Argentina for the damage suffered by the delay in the start of operations up to the total amount of \$ 22,464,640. On October 16, 2018, the Company agreed with GE II the payment of the claimed amount of \$ 22,239,882, the related income was recognized in the fiscal year ended December 31, 2019. As of March 31, 2023, and December 31, 2022, receivables in this regard amounts to \$ 5,458,734 (current portion \$ 1,820,116 and non-current portion \$ 3,638,618) and \$ 5,802,550 (current portion \$ 1,819,658 and non-current portion \$ 3,982,892), respectively (Note 7 a).

On August 20, 2020, MSU Energy completed the conversion of the General Rojo Thermal Plant from simple cycle to combined cycle and achieved commercial operation in accordance with the PPA signed between CAMMESA and the Company on April 6, 2018, pursuant to Resolution SEE 287/2018 and related regulations (the “General Rojo Combined Cycle PPA”). The average incremental capacity contracted for a term of fifteen (15) years adds to 105.37 MW and 100% of MSU Energy revenues operates under the terms and conditions of the General Rojo Combined Cycle PPA that has been awarded to MSU Energy under Resolution SEE 287/17. In accordance therewith, the Fixed Capacity Payment is equivalent to USD 18,900 per MW per month and the Variable Payment for electricity dispatched is equivalent to USD 10.40 per MWh with natural gas.

b) Barker Plant

By virtue of the wholesale demand agreement signed, the Company agreed to add 145.19 MW of nominal capacity to SADI, out of which, all its generation capacity from turbines 01, 02 and 03 will be sold subject to the regulatory scheme regulated by SEE Resolution No. 21, under the purchase power agreement (PPA) entered into by and between MSU Energy and CAMMESA on July 25, 2016, comprised of 145.19 MW contracted for a term of ten (10) years, at a price of \$ 19,900 (MW-month). Price of electricity dispatched using gas or diesel oil is \$ 8.5 per MWh and \$ 12.50 per MWh, respectively. Fuel is provided by CAMMESA.

On December 29, 2017 and in compliance with the committed date, turbines 01, 02 and 03 of Baker Thermal Plant were authorized to operate with SADI at a maximum capacity of approximately 50 MW each. As from such date, the Wholesale Demand Agreement signed with CAMMESA on July 25, 2016 became effective.

On October 31, 2020, MSU Energy completed the conversion of the Barker Thermal Plant from simple cycle to combined cycle and achieved commercial operation in accordance with the PPA signed between CAMMESA and the Company on April 6, 2018, pursuant to Resolution SEE 287/2018 and related regulations (the “Barker Combined Cycle PPA”). The average incremental capacity contracted for a term of fifteen (15) years arrives to 105.00 MW and 100% of MSU Energy revenues operates under the terms and conditions of the Barker Combined Cycle PPA that has been awarded to MSU Energy under Resolution SEE No. 287/17. In accordance therewith, the Fixed Capacity Payment is equivalent to USD 19,900 per MW per month and the Variable Payment for electricity dispatched is equivalent to USD 8.80 per MWh.

c) Villa María Plant

By virtue of the wholesale demand agreement signed, MSU Energy agreed to add 143.14 MW of nominal capacity to SADI. The Company agreed to sell installed capacity from turbines 01, 02 and 03 subject to the regulatory scheme created by Resolution SEE No. 21/2016 under the PPA entered into by and between MSU Energy and CAMMESA on December 29, 2016, comprised of 143.14 MW contracted for a term of ten (10) years, at a price of \$ 19,900 (MW-month). Price of electricity dispatched using gas or diesel oil will be \$ 8.5 per MWh and \$ 12.50 per MWh, respectively. Fuel is provided by CAMMESA.

On January 25, 2018 and in compliance with the committed date, turbines 01, 02 and 03 of Villa María Thermal Plant were authorized to operate with SADI at a maximum capacity of approximately 50 MW each. As from such date, the Wholesale Demand Agreement signed with CAMMESA on December 29, 2016 became effective.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand (cont.)

c) Villa María Plant (cont.)

On August 15, 2020, MSU Energy completed the conversion of the Villa María Thermal Plant from simple cycle to combined cycle and achieved commercial operation in accordance with the PPA signed between CAMMESA and the Company on April 6, 2018, pursuant to Resolution SEE No. 287/2018 and related regulations (the “Villa María Combined Cycle PPA”). The average incremental capacity contracted for a term of fifteen (15) years adds to 100.20 MW and 100% of MSU Energy revenues operates under the terms and conditions of the Villa María Combined Cycle PPA that has been awarded to MSU Energy under Resolution SEE N° 287/17. In accordance therewith, the Fixed Capacity Payment is equivalent to USD 19,900 per MW per month and the Variable Payment for electricity dispatched is equivalent to USD 12.70 per MWh.

The aforementioned expansions were initially agreed by March 23, 2020 for the General Rojo plant and May 23, 2020 for the Barker and Villa María plants. However, on September 2, 2019, Resolution SRRYME No. 25/2019 was published, which enabled generators that had been awarded the projects under Resolution SEE No. 287/2017 to extend their term of commercial authorization to operate. The Company has exercised the option granted by the Resolution and stated as a new commercial operation startup date May 29, 2020 for the General Rojo plant, July 30, 2020 for the Barker plant and June 30 for the Villa María plant. Furthermore, on June 10, 2020, the Department of Energy issued Note NO-2020-37458730-APN-SE # MDP by which it decided a 180-day suspension in the computation of terms for the performance of contracts under Resolution Ex SEE No. 287/2017. The suspension was based on the circumstances occurring due to the COVID-19 pandemic and the social, preventive and mandatory lockdown established by Decree (DNU) No. 297 on March 19, 2020. Subsequently, the Under-Department of Energy, through Note NO-2020-60366379-APN-SSEE#MEC issued on September 10, 2020, extended until November 15, 2020 the term provided by Note NO-2020-37458730- APN-SE# MDP issued on June 10, 2020. Consequently, the three projects for expansion and conversion to combined cycle achieved the date of commercial authorization to operate as agreed, subject to no penalties for delay.

Under the Combined Cycle PPAs, it is required that fuel be obtained by the Company from third parties, instead of being provided directly by CAMMESA; the cost incurred is offset by CAMMESA at the price determined by CAMMESA. Nevertheless, under Resolution SEE 354/2020, as from January 1, 2021, the Company transferred to CAMMESA the responsibility of obtaining the fuel, thus mitigating the risk of supply and pricing. The Company holds the option to reclaim fuel supply at any time in the future.

d) Service contract agreement with General Electric Packaged Power Inc. and GE International Inc.

The Company entered into a long term service contract (10 years) with General Electric Packaged Power Inc. (manufacturer of the turbines and equipment set up at the Plants) and GE International Inc. in order to guarantee availability and compliance with the Wholesale Demand Agreements mentioned above, by providing maintenance services, spare parts and remote monitoring system.

NOTE 14 - EBITDA RECONCILIATION WITH NET INCOME (LOSS)

Management has presented the performance measure EBITDA because it believes that this measure is relevant to an understanding of the financial performance. EBITDA is calculated by adding back to net profit for the period: (i) net finance costs, (ii) income tax expense or benefit and (iii) depreciation and amortization expense.

EBITDA is not a defined performance measure in IFRS Standards. The definitions of EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

MSU ENERGY S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2023 (in USD)

NOTE 14 - EBITDA RECONCILIATION WITH NET INCOME (LOSS) (cont.)

a) For the three-month period ended March 31, 2023 as follows:

Net profit for the period	6,480,852
Net finance costs	21,112,585
Income tax expense	1,655,331
Depreciation and amortization	<u>9,106,145</u>
EBITDA	<u>38,354,913</u>

b) For the three-month period ended March 31, 2022 as follows:

Net profit for the period	12,420,377
Net finance costs	21,272,638
Income tax expense	3,073,536
Depreciation and amortization	<u>6,317,924</u>
EBITDA	<u>43,084,475</u>

NOTE 15 - SUBSEQUENT EVENTS

No events or transactions, other than those mentioned in the notes to the condensed financial statements, have occurred from period-end to the date of issuance of these condensed interim financial statements that would have a material effect on the financial position of the Company or the results of its operations as of period-end March 31, 2023.