



# 2Q23 Results Conference Call

August 15, 2023



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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.

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## MSU Energy | 2Q23 Highlights & Recent Developments

- › **Operational performance**

Average availability factor reached 96.7% compared to a sector average of combined cycle plants of 81.7%.

- › **Financial performance**

EBITDA in 2Q23 reached USD 39.1 million.

- › **Ongoing deleveraging**

Despite Fx. restrictions, during May-23 we amortized USD 25 million of the 2024 Secured Floating Rate Note. (outstanding principal amount remains at USD 75 million)



# Operational performance

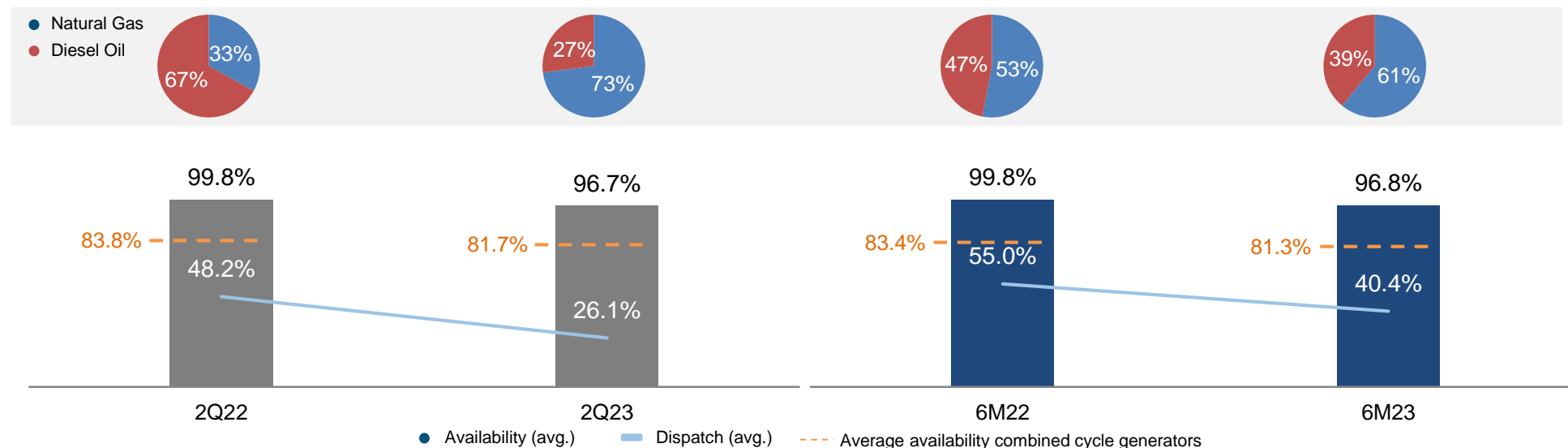
## Key Performance Indicators

### Argentina Power S&D

- Aggregate energy demand during 2Q23 decreased by 5.8% compared to the same period of 2022. Lower Demand was driven by a 9.9% decrease in Residential consumption coupled with a 2.4% lower demand in both the commercial and industrial segments. Temperature during the quarter was on average 2° Celsius or 15% higher compared to 2Q22.
- Power generation during 2Q23 decrease by 7.1% year-over-year, mainly explained by lower hydroelectric (12%) and thermal (8%) generation, partially offset by higher nuclear (3%) and renewable (1%) generation.
- Cammesa's electricity exchange with neighboring countries during 2Q23 resulted in a net import balance of 2,267 GWh while, during the same period of 2022 electricity trade had a net import balance of 2,008 GWh.

### MSU Energy Performance

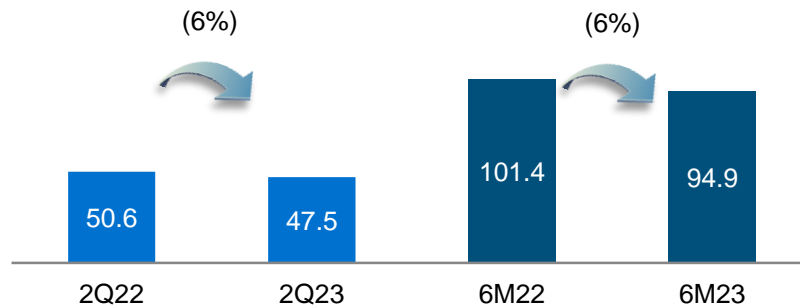
- Availability factor, averaged 96.7% during 2Q23 as a result of a new methodology applied by Cammesa to determine power output
- Our average dispatch rate in 2Q23 reached 26.1%. The decrease was mainly driven by lower demand and lower thermal generation.





## Stable and predictable dollar denominated revenues

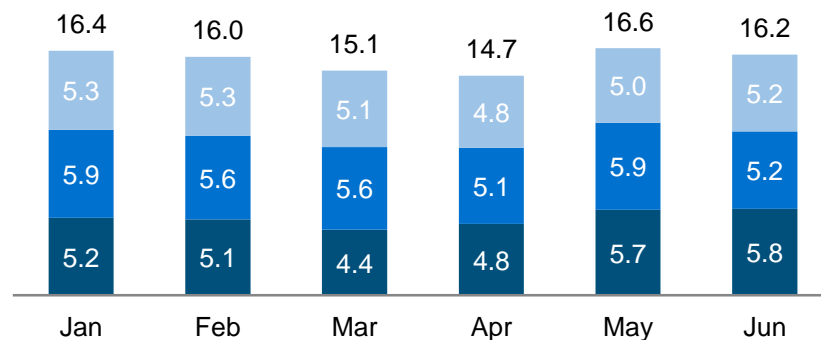
### Revenues – USD millions



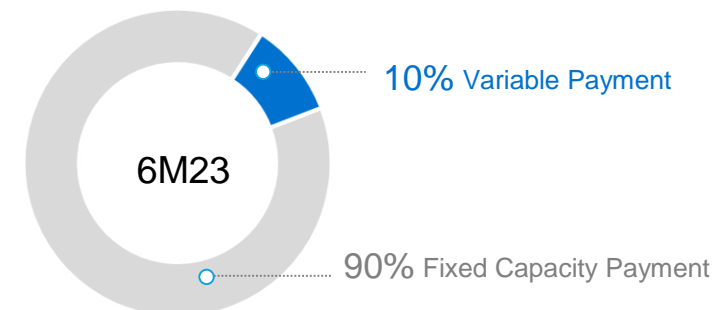
- > Revenues reached USD 47.5 million in 2Q23, 6% lower year-over-year mainly explained by lower availability and lower dispatch.
- > Fixed Capacity payments, driven by availability factor, represented 90% of total revenues in 2Q23.

### 6M23 Monthly revenues breakdown - USD millions

By Month/Plant



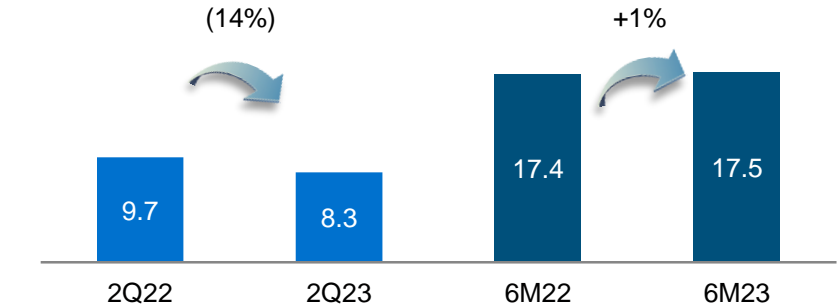
By type





# Efficient costs structure

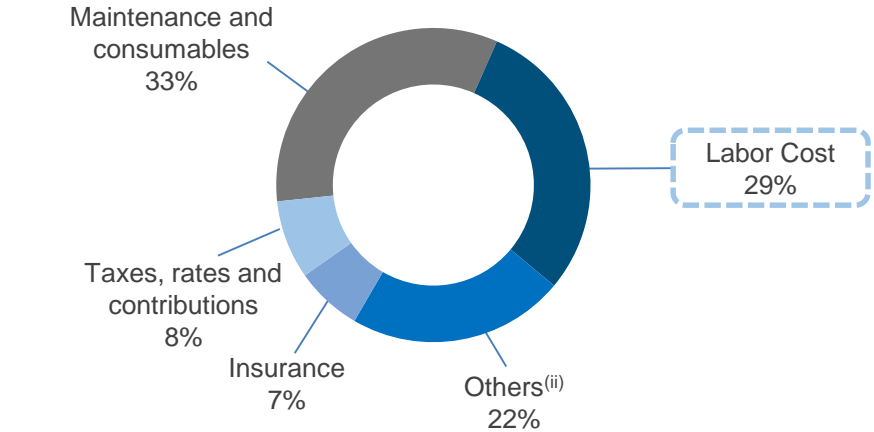
## Cash Costs <sup>(i)</sup> - USD millions



<sup>(i)</sup> Cost of Sales plus General and Administrative Expenses net of DD&A

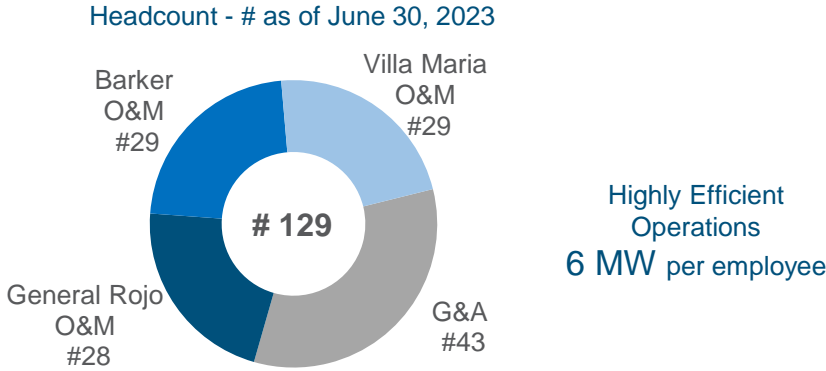
> Cash Costs<sup>(i)</sup> reached USD 8.3 million in 2Q23, 14% lower year-over-year as a result of lower CSA expenses and consumables in connection with lower dispatch and lower maintenance costs.

## 6M23 Costs Breakdown



<sup>(ii)</sup> Other expenses includes: selling expenses, professional fees, office, vehicles and travel

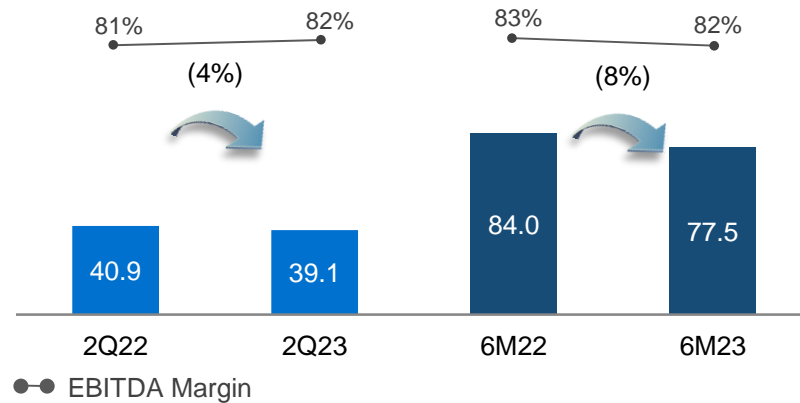
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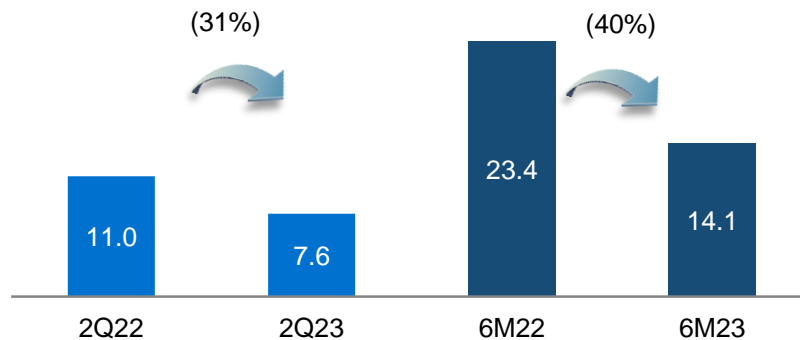


## Financial performance

### EBITDA - USD millions



### Net Income - USD millions



➤ EBITDA reached USD 39.1 million in 2Q23, 4% or USD 1.8 million lower year-over-year. The decrease is mainly explained by: (i) a USD 2.3 million decrease in variable revenues, and (ii) a USD 0.8 million decrease in fixed revenues, partially offset by (iii) a USD 1.4 million reduction in costs.

➤ 6M23 EBITDA, reached USD 77.5 million, 8% or USD 6.5 million lower year-over-year, as a result of (i) a USD 3.8 million decrease in variable revenues, and (ii) a USD 2.6 million decrease in fixed revenues.

➤ Net Income reached USD 7.6 million during 2Q23, USD 3.4 million lower year-over-year.

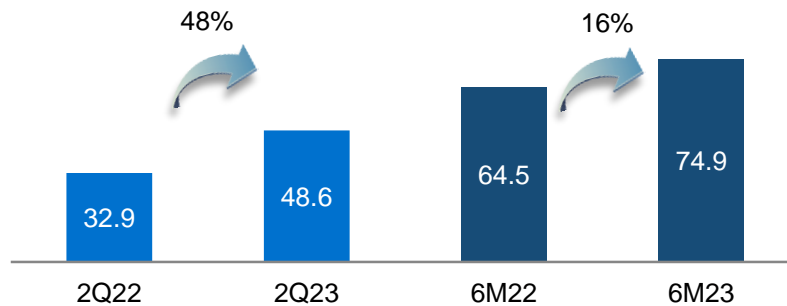
➤ The decrease in 2Q23 is mainly explained by: (i) a USD 1.8 million decrease in EBITDA, (ii) a USD 1.4 million increase in Net Financial Costs and (iii) a USD 0.8 million increase in D&A, partially offset by (iv) a USD 0.6 million decrease in income tax expense.

Net Finance Costs breakdown (USD mm)	2Q22	2Q23	6M22	6M23
Net interest expense	(15.7)	(9.4)	(34.6)	(21.1)
Foreign exchange (loss)	(5.9)	(13.6)	(8.3)	(23.1)
Net financial cost	(21.6)	(23.0)	(42.8)	(44.1)



## Cash Flow

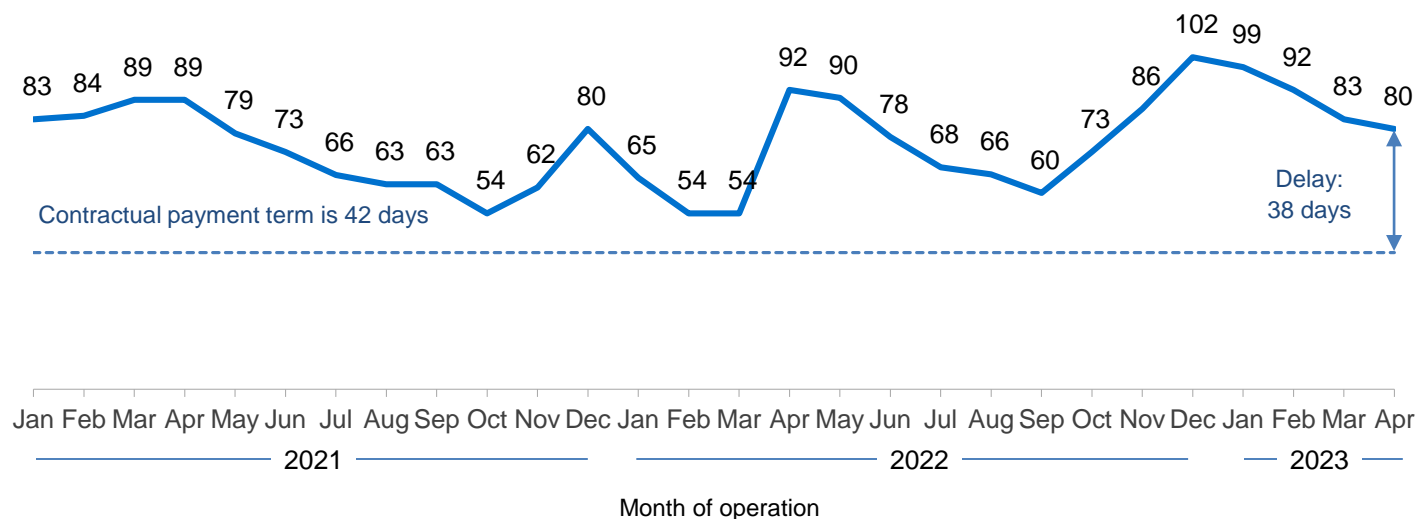
### Adjusted Operating Cash Flow <sup>(i)</sup> - USD millions



<sup>(i)</sup> 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<sup>(i)</sup> ("AOCF") reached USD 48.6 million during 2Q23 compared to USD 32.9 million in 2Q22. The increase is mainly explained by: (i) a USD 20 million positive delta in working capital due to higher collections from Cammesa, partially offset by (ii) a USD 1.8 million decrease in EBITDA and (iii) a decrease in tax assets year-over-year as a result of VAT credit reimbursements in 2Q22.
- As of June 30, 2023 overdue Cammesa receivables amounted to USD 18.8 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%	148%
Jun	73%	19%	130%
Jul	105%	50%	107%
Aug	146%	141%	76%(*)
Sep	148%	132%	
Oct	106%	97%	
Nov	46%	159%	
Dec	190%	20%	

(\*) As of the date of this presentation



# Balance Sheet highlights

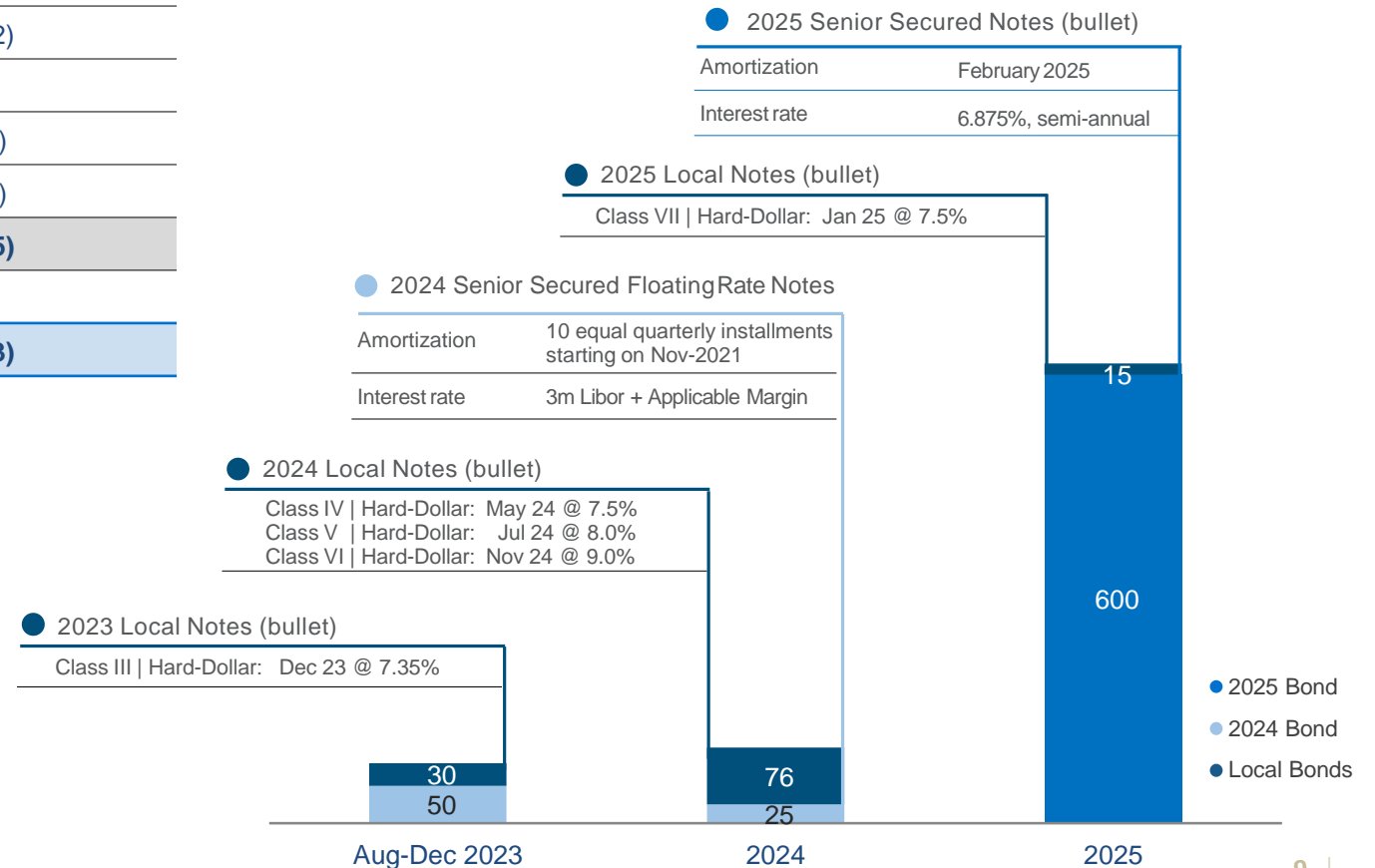
## Net debt - USD millions

Debt breakdown (USD MM)	As of June 30, 2023
2025 Senior secured notes	(600.0)
2024 Senior secured FRN	(75.1)
Local notes	(121.2)
Short term loans	(8.0)
Long term loans	(17.1)
Accrued interest, net <sup>(i)</sup>	(16.1)
<b>Total financial debt</b>	<b>(837.5)</b>
<b>Cash</b>	<b>49.2</b>
<b>Net financial debt</b>	<b>(788.3)</b>
Net leverage ratio (over LTM EBITDA)	4.9x

(i) Net of capitalized issuance expenses

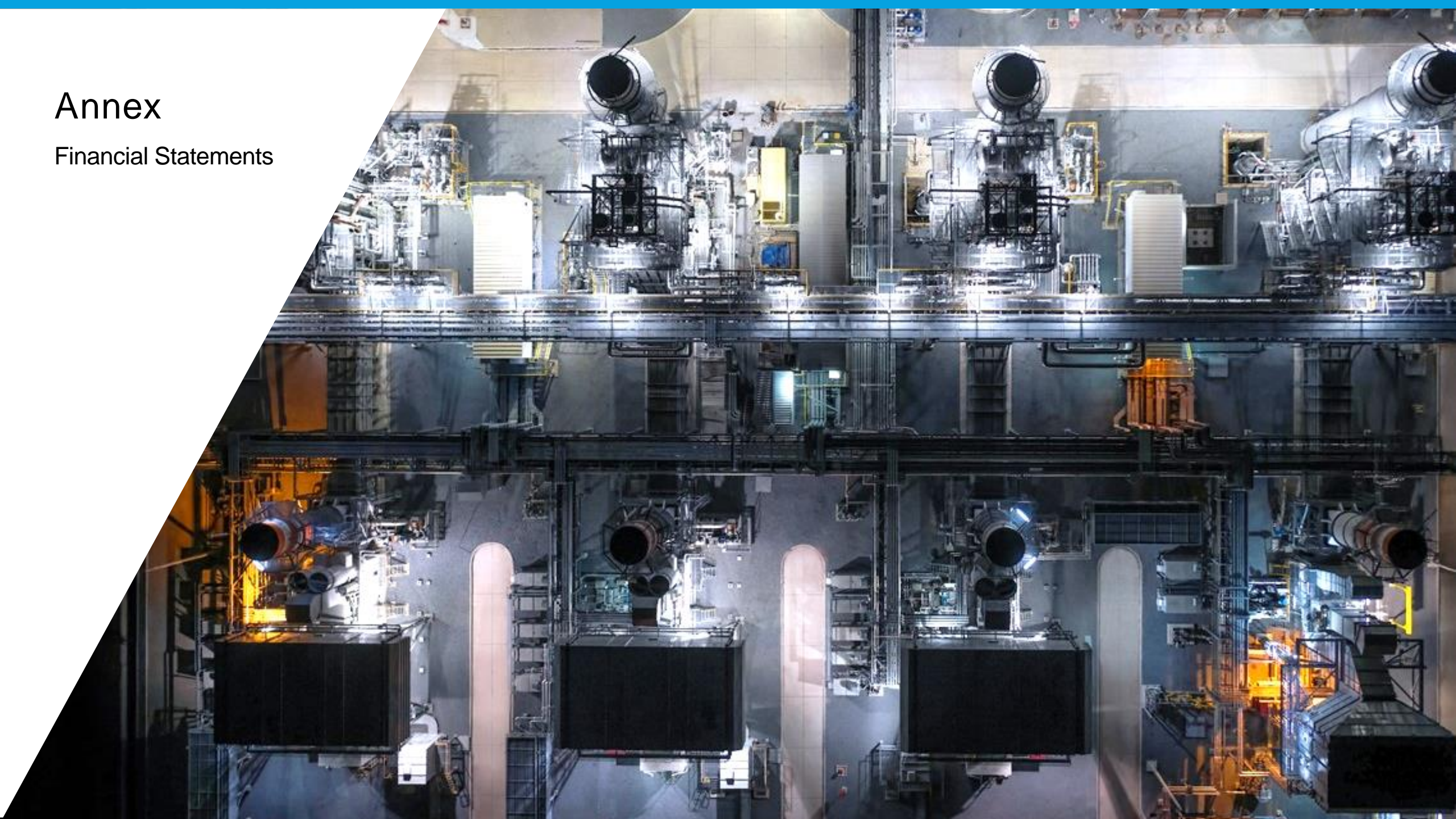
## Debt amortization of financial debt – USD millions

- > 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	2Q23	2Q22	6M23	6M22
Net revenue	47,462	50,580	94,944	101,379
Cost of sales	(12,879)	(13,517)	(29,333)	(25,854)
<b>Gross profit</b>	<b>34,582</b>	<b>37,063</b>	<b>65,610</b>	<b>75,525</b>
Other income	-	-	0,051	-
General and administrative expenses	(1,954)	(1,944)	(3,784)	(3,639)
<b>Operating profit</b>	<b>32,629</b>	<b>35,119</b>	<b>61,877</b>	<b>71,886</b>
Net finance costs	(23,037)	(21,568)	(44,149)	(42,841)
<b>Net income before income tax</b>	<b>9,592</b>	<b>13,551</b>	<b>17,728</b>	<b>29,045</b>
Income tax expenses	(1,952)	(2,528)	(3,608)	(5,602)
<b>Net income for the period</b>	<b>7,640</b>	<b>11,023</b>	<b>14,121</b>	<b>23,443</b>
Other comprehensive income	-	-	-	-
<b>Comprehensive income for the period</b>	<b>7,640</b>	<b>11,023</b>	<b>14,121</b>	<b>23,443</b>



# Financial Highlights - Cash Flows

In thousands of USD	As of June 30, 2023	As of June 30, 2022
<b>Cash Flow from operating activities</b>		
Profit for the period	14,121	23,443
<b>Adjustments for:</b>		
Income tax expense	3,608	5,602
Depreciation of property, plant and equipment	15,651	12,102
Foreign exchange, differences	23,027	8,266
Accrued interest, net	21,070	34,575
Change in fair value of financial assets	0.053	-
Other income	(0.051)	-
<b>Changes in operating assets and liabilities</b>		
Increase in trade receivables	(6,138)	(21,488)
Decrease in other assets	1,060	1,341
Increase in materials and spare parts	(1,944)	(2,325)
(Increase) decrease in tax assets	(0,277)	1,950
Increase (decrease) in trade and other payable	4,553	(0,989)
Increase (decrease) in other liabilities	0,034	(0,067)
Increase in taxes payables	0,086	2,127
<b>Net cash flows from operating activities</b>	<b>74,851</b>	<b>64,537</b>
<b>Cash flow from investing activities</b>		
Interest received and other financials receivables	8,120	3,142
Proceeds from disposal of fixed assets	0,051	-
Net Proceeds for sell and acquisition of Investments	0,054	-
Payments for acquisition of property, plant and equipment, net of capitalized interest	(9,479)	(0,434)
<b>Net cash flows (used in) from investing activities</b>	<b>(1,253)</b>	<b>2,709</b>
<b>Cash flow from financing activities</b>		
Proceeds from senior unsecured notes	15,100	15,200
Payments from senior secured floating rate notes	(84,412)	(50,060)
Payments of financial leasing	(0,010)	(0,013)
Loans received	8,052	0,857
Payments of interest and financing expenses	(36,569)	(43,528)
<b>Net cash flows used in financing activities</b>	<b>(97,839)</b>	<b>(77,543)</b>
Cash and cash equivalents at the beginning of year	78,489	62,819
Exchange rate difference	(7,946)	(3,843)
Cash and cash equivalents at the end of the period	46,302	48,678
<b>Net decrease in cash</b>	<b>(24,241)</b>	<b>(10,297)</b>



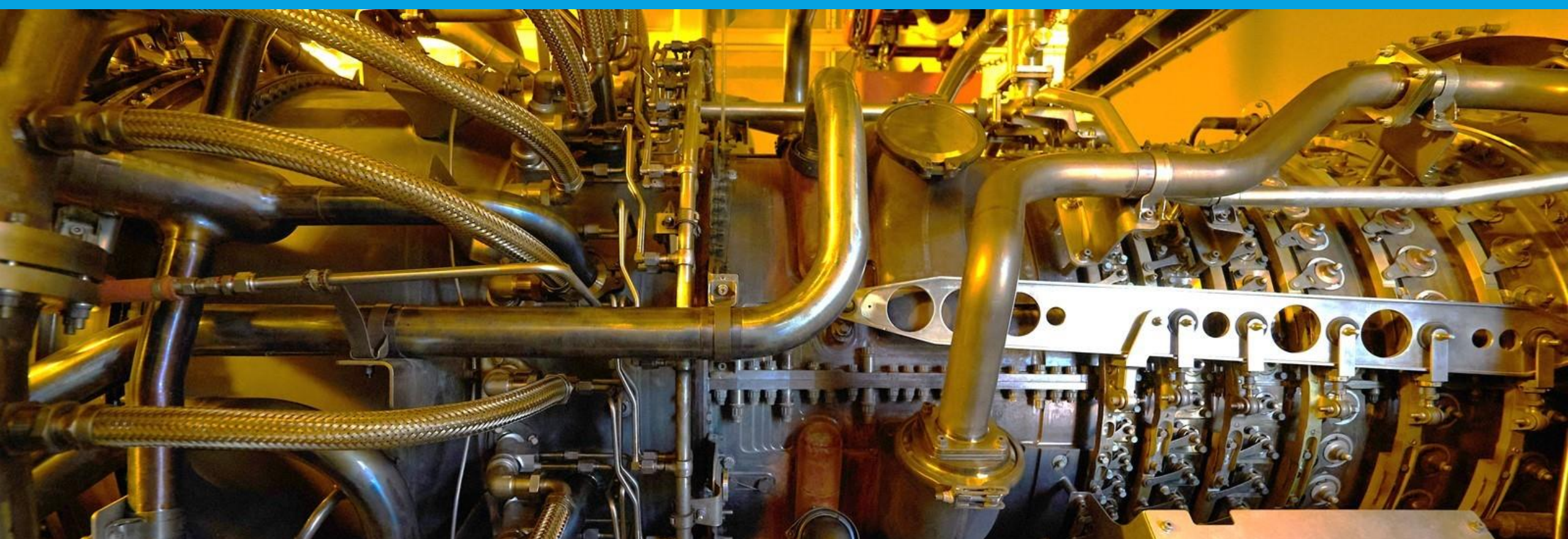
# Financial Highlights - Balance Sheet

	As of June 30, 2023	As of December 31, 2022
<b>Assets</b>		
Property, plant and equipment	893,633	899,435
Loans granted	49,045	47,817
Other assets	3,284	3,983
Tax assets	2,650	2,036
<b>Total non-current assets</b>	<b>948,612</b>	<b>953,271</b>
Other assets	5,954	6,378
Tax assets	5,123	9,216
Materials and spare parts	18,019	16,075
Trade receivables	70,238	65,149
Investments	2,878	3,011
Cash and cash equivalents	46,302	78,489
<b>Total current assets</b>	<b>148,515</b>	<b>178,319</b>
<b>Total assets</b>	<b>1,097,127</b>	<b>1,131,590</b>
<b>Shareholders' equity</b>		
Share capital	30,295	30,295
Merger premium	(20,162)	(20,162)
Legal reserve	2,027	1,251
Other reserves	158,381	116,737
Retained earnings	14,121	42,420
<b>Total equity</b>	<b>184,662</b>	<b>170,542</b>
<b>Liabilities</b>		
Deferred tax payable	42,755	39,148
Loans	706,573	714,164
Taxes payable	2,396	3,223
<b>Total non-current liabilities</b>	<b>751,724</b>	<b>756,535</b>
Loans	130,892	179,829
Other liabilities	1,118	1,073
Taxes payable	1,687	1,684
Trade and other payables	27,043	21,927
<b>Total current liabilities</b>	<b>160,740</b>	<b>204,513</b>
<b>Total liabilities</b>	<b>912,464</b>	<b>961,048</b>
<b>Total liabilities and equity</b>	<b>1,097,127</b>	<b>1,131,590</b>

# Financial Highlights - EBITDA Reconciliation



In thousands of USD	2Q23	2Q22	6M23	6M22
Net income for the period	7,640	11,023	14,121	23,443
Net finance costs	23,036	21,568	44,149	42,841
Income tax expense	1,953	2,528	3,608	5,602
Depreciation and amortization	6,545	5,784	15,651	12,102
<b>EBITDA</b>	<b>39,173</b>	<b>40,903</b>	<b>77,528</b>	<b>83,988</b>



#### **Investor Relations – Contact Information**

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