



3Q23 Results Conference Call

November 15, 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.

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MSU Energy | 3Q23 Highlights & Recent Developments

- › **Operational performance**

Average availability factor reached 98.8% compared to a sector average of combined cycle plants of 86%.

- › **Financial performance**

EBITDA in 3Q23 reached USD 40.1 million with an EBITDA margin of 85%.

- › **Ongoing deleveraging**

Despite Fx. restrictions, during Aug-23 we amortized USD 25 million of the 2024 Secured Floating Rate Note. (outstanding principal amount remains at USD 50 million)



Operational performance

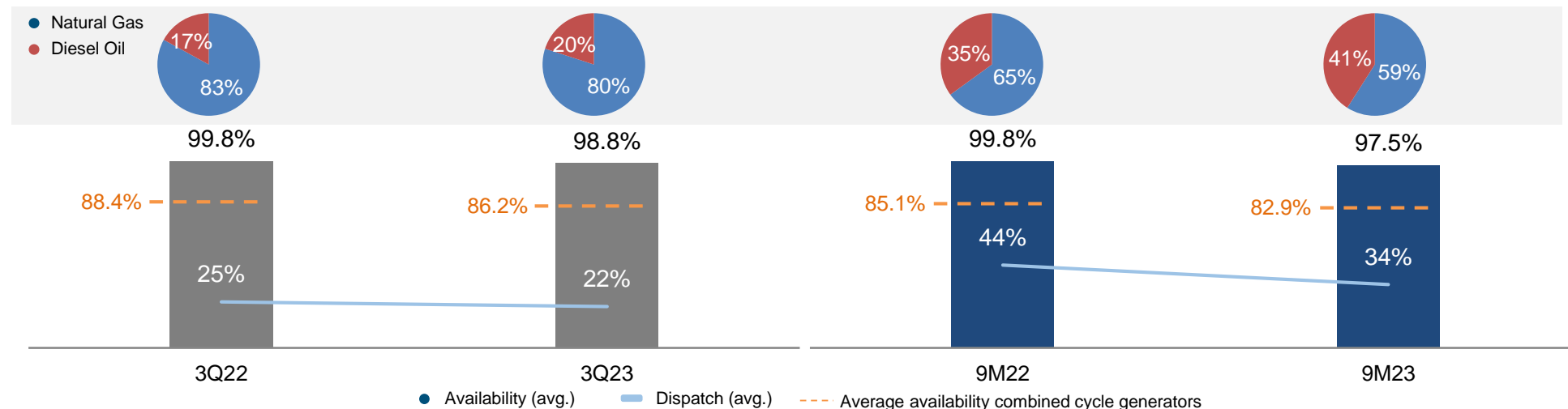
Key Performance Indicators

Argentina Power S&D

- Aggregate energy demand during 3Q23 increased by 1.3% compared to the same period of 2022. Higher demand was driven by 3.8% increase in Residential consumption partially offset by a decrease in both the commercial and industrial segments.
- Power generation during 3Q23 increased by 7.2% year-over-year, mainly explained higher hydroelectric (63%) and renewable (6%) generation, partially offset by lower nuclear (6%) and thermal (13%) generation.
- Cammesa's electricity exchange with neighboring countries during 3Q23 resulted in a net import balance of 1,239 GWh while, during the same period of 2022 electricity trade had a net import balance of 2,822 GWh.

MSU Energy Performance

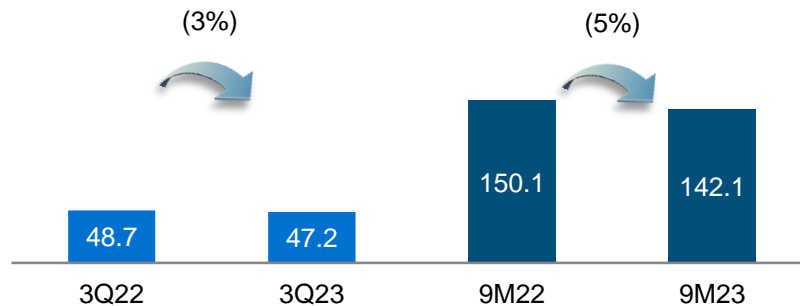
- Availability factor, averaged 98.8% during 3Q23. Availability factor continues to be affected by Cammesa's new methodology to determine power output.
- Our average dispatch rate in 3Q23 reached 22%. The decrease was mainly driven by lower thermal generation and bottlenecks in gas transport and logistics.





Stable and predictable dollar denominated revenues

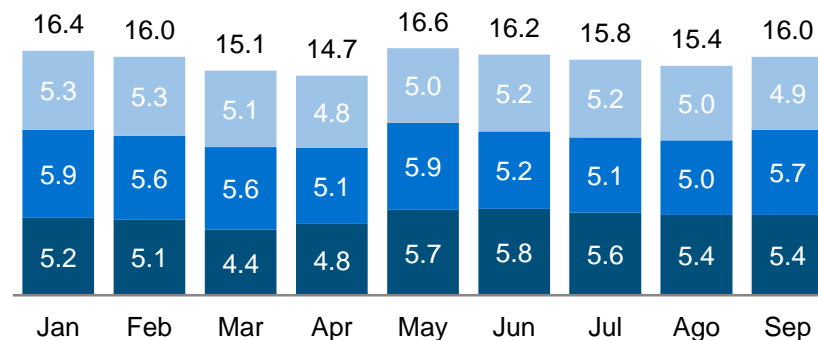
Revenues – USD millions



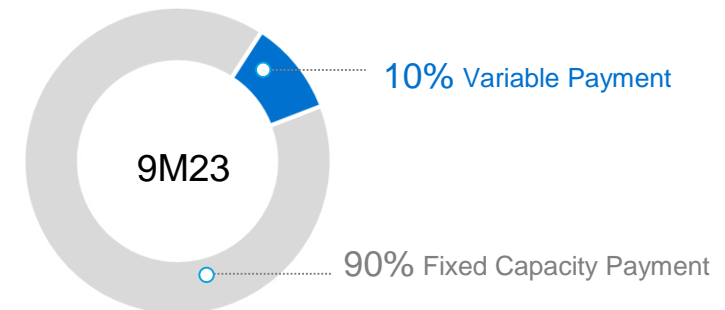
- > Revenues reached USD 47.2 million in 3Q23, 3% lower year-over-year mainly explained by lower availability and lower dispatch.
- > Fixed Capacity payments, driven by availability factor, represented 90% of total revenues in 9Q23.

9M23 Monthly revenues breakdown - USD millions

By Month/Plant



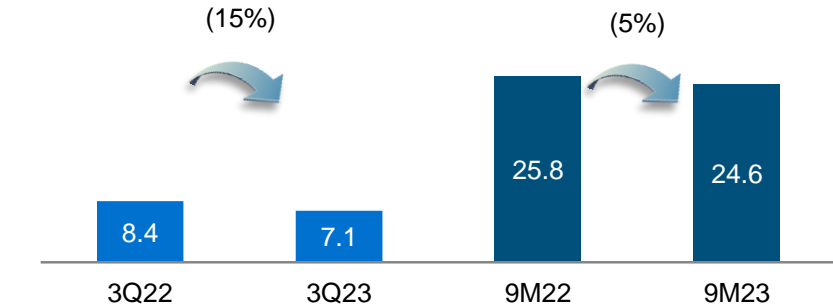
By type





Efficient costs structure

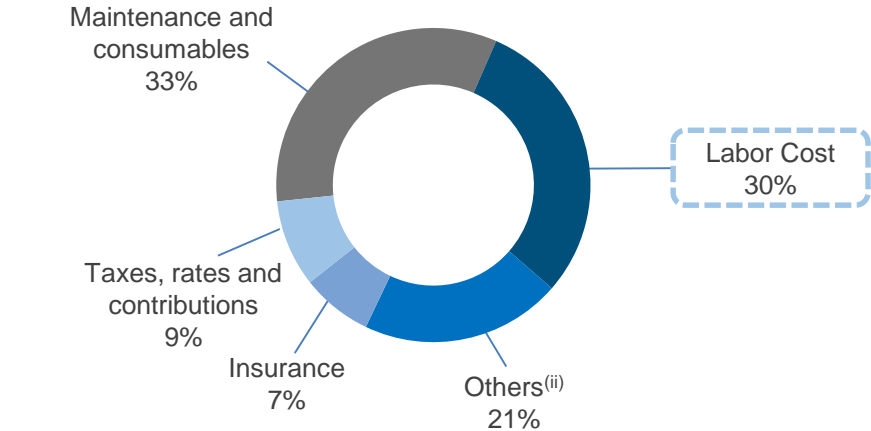
Cash Costs ⁽ⁱ⁾ - USD millions



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

> Cash Costs⁽ⁱ⁾ reached USD 7.1 million in 3Q23 and USD 24.6 million in 9M23, 15% and 5% lower year-over-year, respectively. The decrease is mainly driven by: (i) lower CSA expenses and consumables in connection with lower dispatch, (ii) lower maintenance costs, and (iii) lower professional fees.

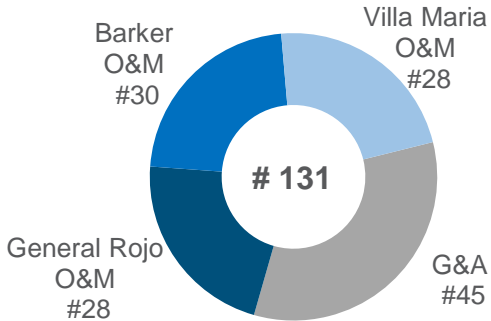
9M23 Costs Breakdown



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

Headcount - # as of September 30, 2023

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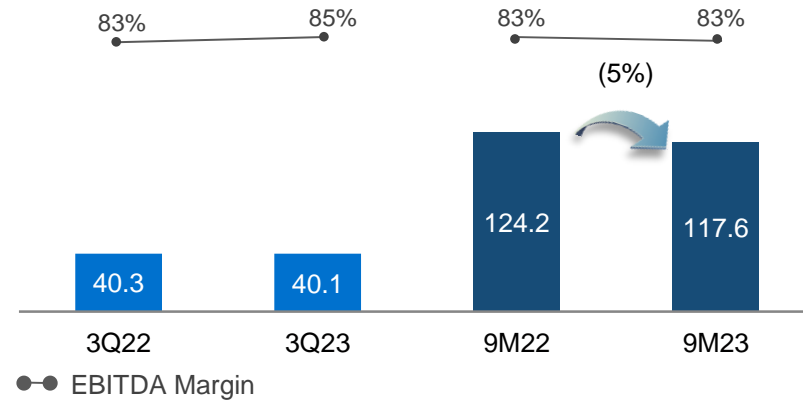


Highly Efficient
Operations
6 MW per employee

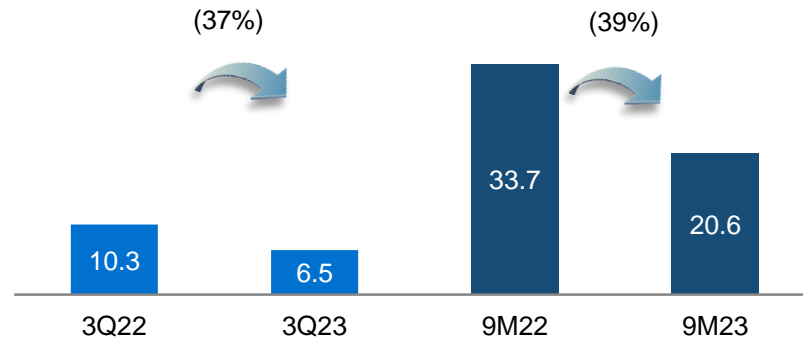


Financial performance

EBITDA - USD millions



Net Income - USD millions



> EBITDA reached USD 40.1 million in 3Q23 in line with 3Q22

> 9M23 EBITDA, reached USD 117.6 million, 5% or USD 6.7 million lower year-over-year, as a result of (i) a USD 4.1 million decrease in variable revenues, and (ii) a USD 3.5 million decrease in fixed revenues, partially offset by (iii) a USD 1.2 million reduction in costs.

> Net Income reached USD 6.5 million during 3Q23, USD 3.8 million lower year-over-year.

> The decrease in 3Q23 is mainly explained by: (i) a USD 3.9 million increase in Net Financial Costs, (ii) a USD 0.2 million decrease in EBITDA; partially offset by (iii) a USD 0.6 million decrease in income tax expense and, (iii) a USD 0.3 million decrease in D&A.

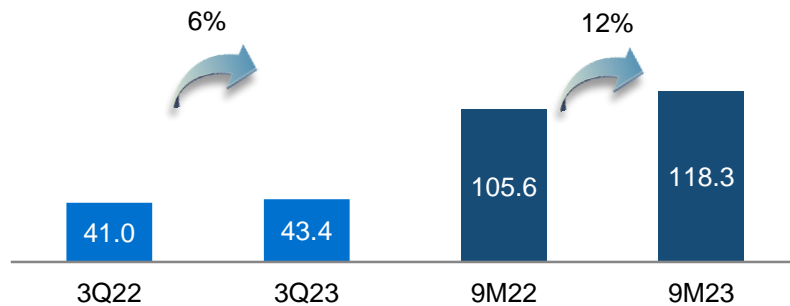
Net Finance Costs breakdown (USD mm)

	3Q22	3Q23	9M22	9M23
Net interest expense	(14.6)	(7.9)	(49.2)	(29.0)
Foreign exchange (loss)	(7.3)	(17.8)	(15.6)	(40.9)
Net financial cost	(21.9)	(25.8)	(64.7)	(69.9)



Cash Flow

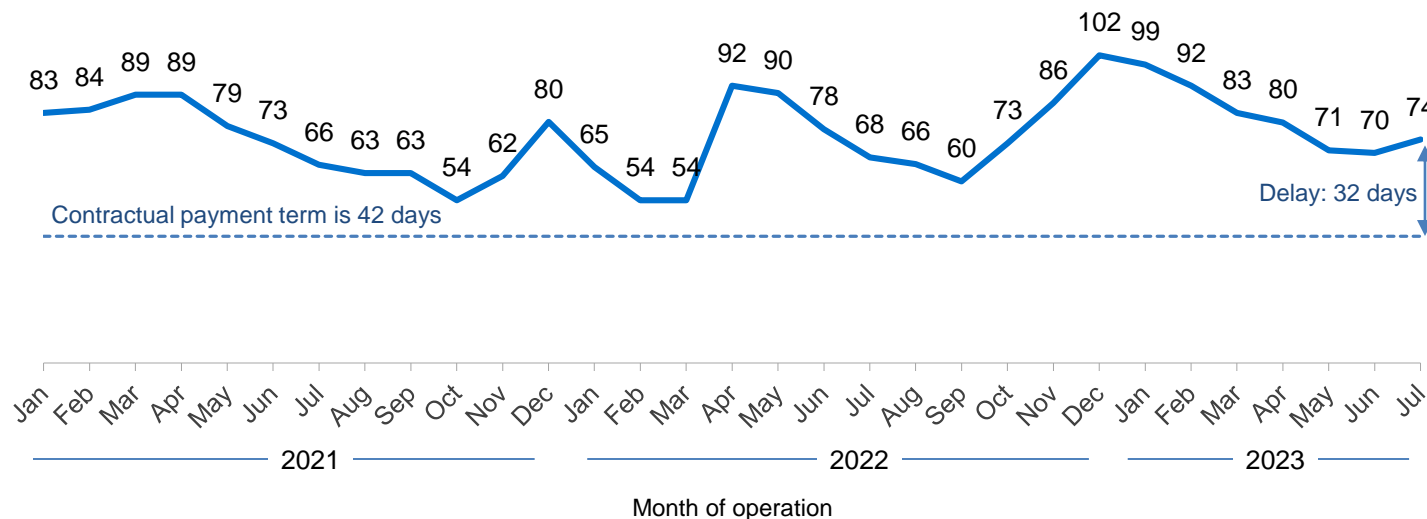
Adjusted Operating Cash Flow ⁽ⁱ⁾ - USD millions



⁽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 43.4 million during 3Q23 compared to USD 41.0 million in 3Q22. The increase is explained by: (i) a USD 2.6 million positive delta in working capital mainly due to VAT credit reimbursements in 3Q23, partially offset by (ii) a USD 0.2 million decrease in EBITDA.
- As of September 30, 2023 overdue Cammesa receivables amounted to USD 19.3 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%	133%
Sep	148%	132%	67%
Oct	106%	97%	113%
Nov	46%	159%	
Dec	190%	20%	

YTD average
101.25%



Balance Sheet highlights

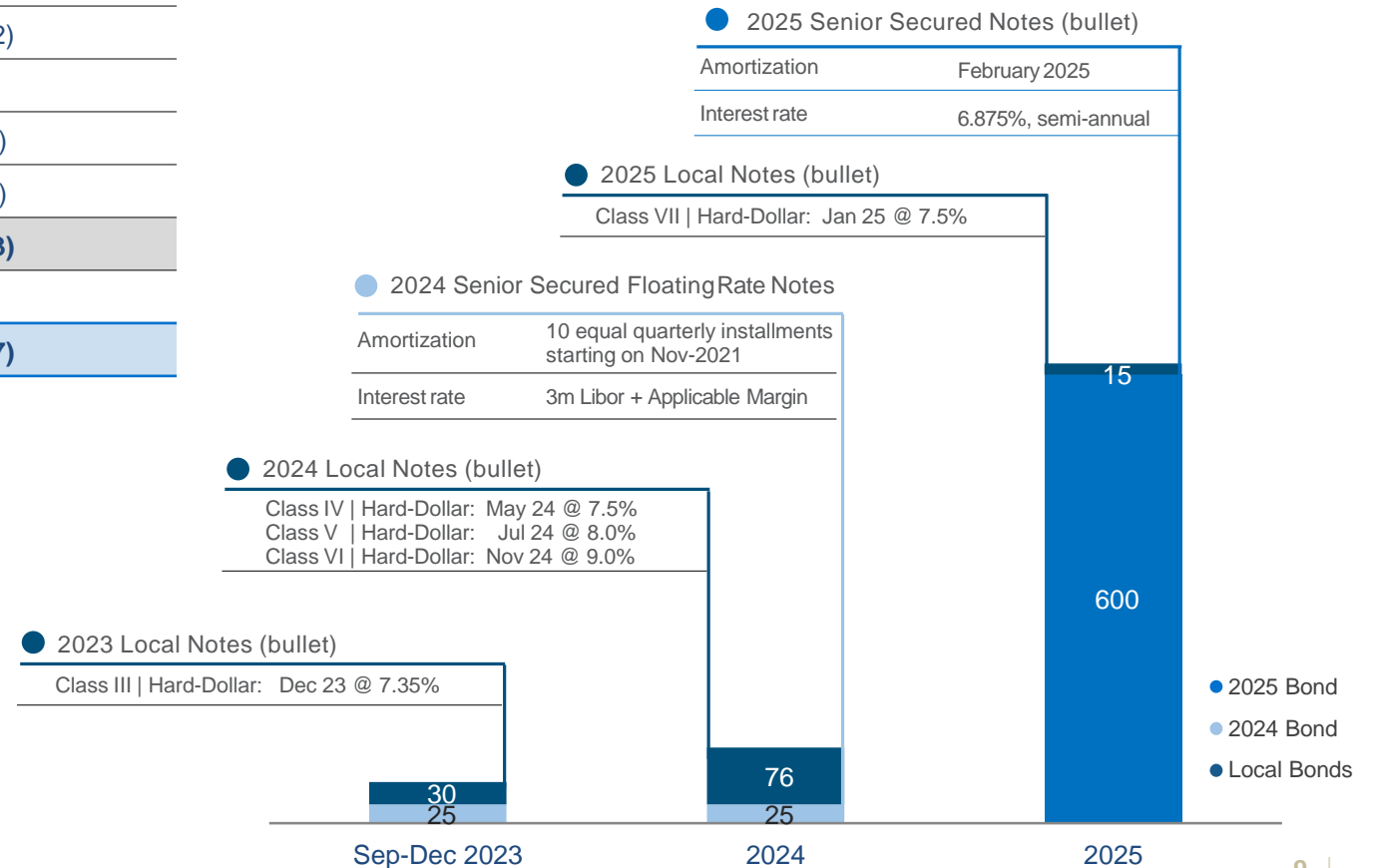
Net debt - USD millions

Debt breakdown (USD MM)	As of September 30, 2023
2025 Senior secured notes	(600.0)
2024 Senior secured FRN	(50.1)
Local notes	(121.2)
Short term loans	(5.1)
Long term loans	(17.4)
Accrued interest, net ⁽ⁱ⁾	(10.5)
Total financial debt	(804.3)
Cash	39.6
Net financial debt	(764.7)
Net leverage ratio (over LTM EBITDA)	4.8x

(i) Net of capitalized issuance expenses

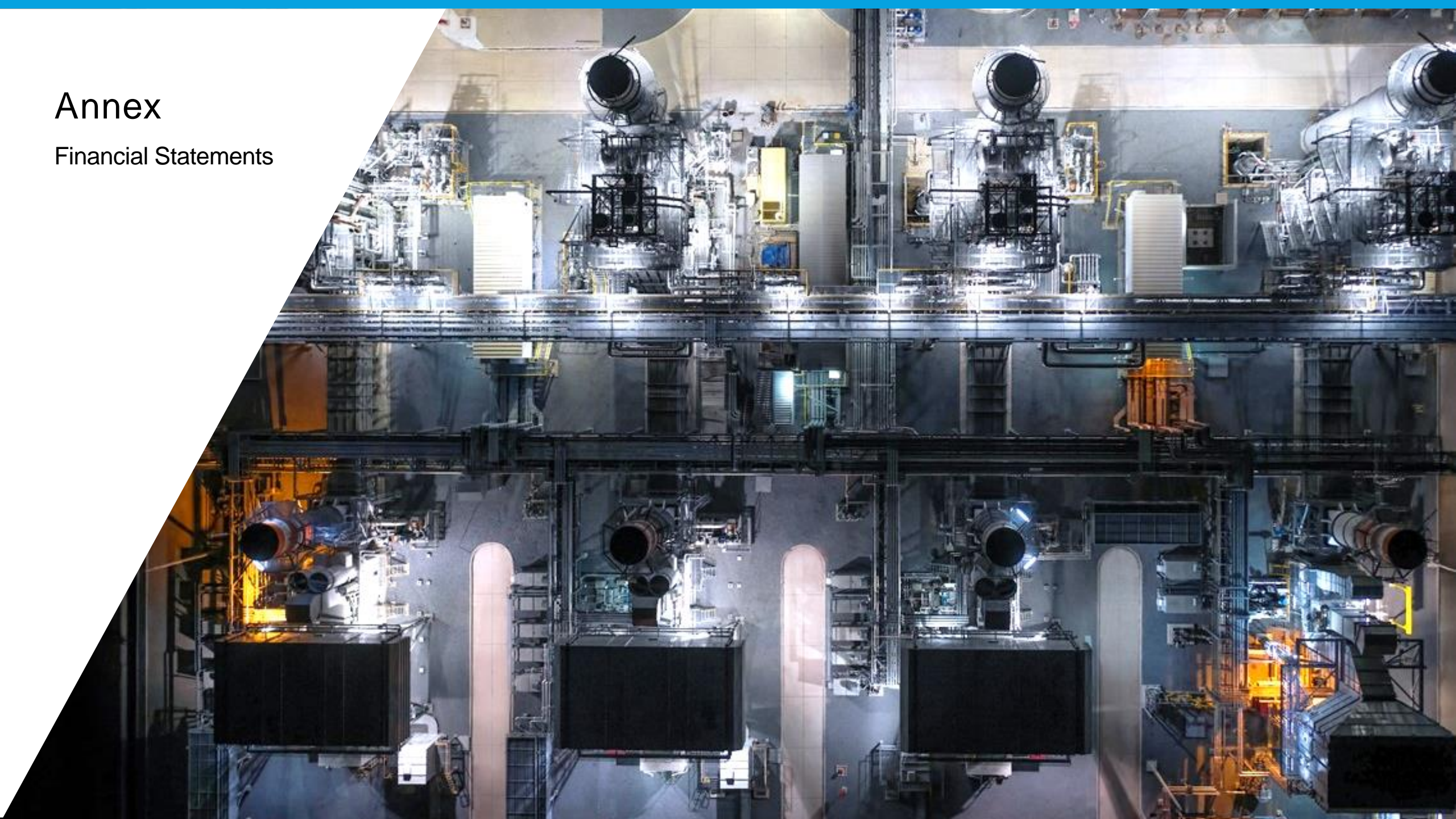
Debt amortization of financial debt – USD millions

- > 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	3Q23	3Q22	9M23	9M22
Net revenue	47,171	48,695	142,115	150,074
Cost of sales	(10,512)	(10,937)	(39,845)	(36,791)
Gross profit	36,660	37,758	102,270	113,283
General and administrative expenses	(1,657)	(2,251)	(5,441)	(5,890)
Other income	38	-	89	-
Operating profit	35,040	35,507	96,918	107,393
Net finance costs	(25,756)	(21,903)	(69,905)	(64,744)
Net income before income tax	9,284	13,604	27,012	42,649
Income tax expenses	(2,760)	(3,329)	(6,368)	(8,931)
Net income for the period	6,524	10,275	20,645	33,718



Financial Highlights - Cash Flows

In thousands of USD	As of September 30, 2023	As of September 30, 2022
Cash Flow from operating activities		
Profit for the period	20,645	33,718
Adjustments for:		
Income tax expense	6,368	8,931
Depreciation of property, plant and equipment	20,678	16,857
Foreign exchange, differences	42,876	15,557
Accrued interest, net	28,983	49,187
Other income	(89)	-
Change in fair value of derivative instruments	(1,318)	-
Change in fair value of financial assets	(636)	-
Changes in operating assets and liabilities		
Increase in trade receivables	(4,342)	(18,419)
(Increase) decrease in other assets	(632)	2,824
increase in materials and spare parts	(2,749)	(3,168)
Decrease in tax assets	2,482	373
Increase (decrease) in trade and other payable	4,734	(1,545)
Increase in taxes payable	1,232	1,322
Increase (decrease) in other liabilities	51	(52)
Net cash flows from operating activities	118,282	105,586
Cash flow from investing activities		
Interest and financial results received	14,841	4,775
Proceeds from investments	95	-
Proceeds from derivative financial instruments	2,690	-
Proceeds from fixed assets	89	-
Payments for the acquisition of property, plant and equipment	(10,015)	(1,277)
Net cash flows from investing activities	7,701	3,498
Cash flow from financing activities		
Payments of senior secured floating rate notes	(75,090)	(75,090)
Payments of senior unsecured local notes	(34,352)	-
Proceeds from senior unsecured local notes	15,100	30,300
Loans received	8,052	857
Payments of financial leasing	(14)	(19)
Payments of interest and financing expenses	(62,712)	(73,353)
Net cash flows used in financing activities	(149,016)	(117,305)
Cash and cash equivalents at the beginning of year	78,489	62,819
Exchange rate difference	(19,361)	(5,851)
Cash and cash equivalents at the end of the period	36,095	48,747
Net decrease in cash	(23,034)	(8,221)



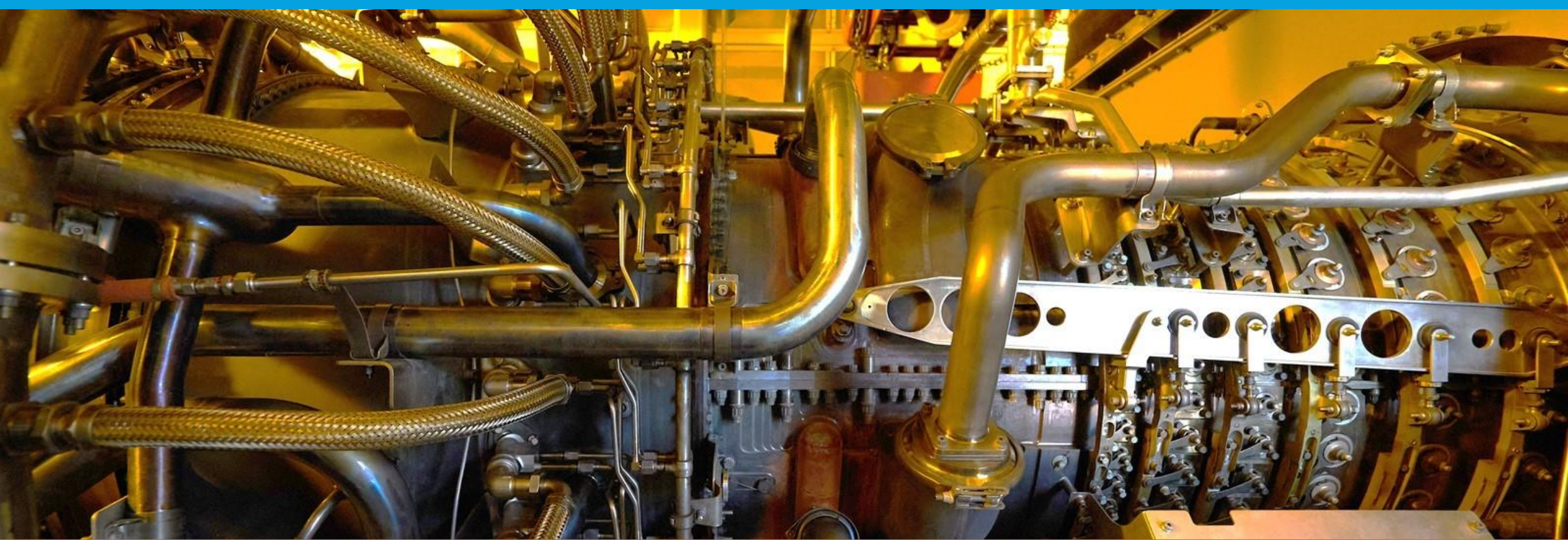
Financial Highlights - Balance Sheet

	As of September 30, 2023	As of December 31, 2022
Assets		
Property, plant and equipment	889,171	899,435
Loans granted	49,677	47,817
Tax assets	1,140	2,036
Other assets	2,892	3,983
Total non-current assets	942,881	953,271
Materials and spare parts	18,825	16,075
Tax assets	749	9,216
Other assets	7,751	6,378
Trade receivables	64,854	65,149
Investments	3,525	3,011
Cash and cash equivalents	36,095	78,489
Total current assets	131,798	178,319
Total assets	1,074,679	1,131,590
Shareholders' equity		
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	20,645	42,420
Total equity	191,187	170,542
Liabilities		
Loans	677,247	714,164
Taxes payable	1,833	3,223
Deferred tax payable	45,515	39,148
Total non-current liabilities	724,595	756,535
Loans	127,108	179,829
Derivative financial instruments	1,372	
Other liabilities	1,139	1,073
Taxes payable	2,760	1,684
Trade and other payables	26,518	21,927
Total current liabilities	158,897	204,513
Total liabilities	883,492	961,048
Total liabilities and equity	1,074,679	1,131,590

Financial Highlights - EBITDA Reconciliation



In thousands of USD	3Q23	3Q22	9M23	9M22
Net income for the period	6,524	10,275	20,645	33,718
Net finance costs	25,756	21,903	69,905	64,744
Income tax expense	2,760	3,329	6,368	8,931
Depreciation and amortization	5,027	4,755	20,678	16,857
EBITDA	40,068	40,262	117,596	124,250



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



Energy moves us