MSU ENERGY S.A.

Financial statements as of and for the year ended
December 31, 2023, 2022 and 2021

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To the Board of Directors of
MSU ENERGY S.A.
Cerrito 1294 - 2nd Floor
Buenos Aires, Argentina

Opinion

We have audited the financial statements of MSU ENERGY S.A. (hereinafter, “the Company”), which comprise the statement of financial position as of December 31, 2023, the statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, the results of its operations, the changes in shareholders’ equity and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants (including the International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the requirements applicable to audits of financial statements in Argentina. We have also fulfilled other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to the disclosures in note 14 to the financial statements, which indicate that the Company’s financial debt in the form of Senior Secured Notes with a principal in the amount of $ 600,000,000 will become due in February 2025. Management is evaluating different alternatives for the refinancing and/or settlement of such debt at maturity, but understands that these circumstances are highly dependent on the occurrence of certain events or conditions that are not under the Company's control. These events or conditions indicate the existence of a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Purpose of these financial statements

We draw attention to Note 1.2 to the financial statements, which discloses the basis of preparation, including the approach and the purposes for preparing them. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The key audit matter described below has been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter: Recoverability of tax losses recorded as items of deferred tax assets

See notes 2.3.5, 3 and 5 to the accompanying financial statements: Income tax

Key audit matter	How the matter was addressed in our audit
As of December 31, 2023, the Company recognized in Deferred tax assets a carryforward tax loss in the amount of $ 188,698,126 (measured at the tax rate expected to be effective when such asset is realized). The Company's Management assesses whether is probable that taxable profit will be available against which the deductible temporary difference can be utilized. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. To estimate the recoverable value, Management makes projections based on the best information available at the date of calculation and prepares a set of tax projections including different scenarios involving revenues, expenses, availability and dispatch indicators and future investments (and, consequently, the potential use of tax losses), considering the past relevant events and the expectations for changes in the business and market. As the process for the preparation of estimates is complex and, then, it requires a high level of professional judgment from the Company's Management, and it is affected by uncertain future events derived from the economic and political context, changes in the exchange rate and the projected inflation, among others, the analysis of the likelihood of recovery of deferred tax assets arising from the recognition of tax losses was considered as a key audit matter.	Our audit procedures included, among others: • evaluation of the accounting policies adopted by the Company in connection with the recognition of deferred tax assets arising from accumulated tax loss carryforwards; • understanding the process for estimating the likelihood of recovery and the recoverable value of the deferred tax asset in order to determine the audit risks associated with such accounting estimate; • validation of the main assumptions used by the Company's Management in the projection of taxable profit, involving our Tax Specialist in the review of assumptions related with projected tax hyperinflation and tax depreciation assumption; • sensitivity analysis about the main assumptions used by Management in the preparation of such estimates; • evaluation of the conclusion of the Company's Management that the amount recognized as deferred tax assets arising from tax losses is recoverable, and • evaluation of whether the information disclosed in the accompanying financial statements meets the requirements of the financial reporting framework.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determined those matters that were of most significance in the audit of the financial statements for the fiscal year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

City of Buenos Aires (Argentina), March 11, 2024

KPMG

Damián A. Balderian
Partner

MSU ENERGY S.A.

Financial statements as of and for the year ended December 31, 2023, 2022 and 2021

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%

Ultimate Parent company's information:

Name: Safenyl S.A.

Main business: Investments

Ownership interest and voting stock: 50.12%

MSU ENERGY S.A.

STATEMENT OF FINANCIAL POSITION
as of December 31, 2023 (in USD)

	Notes	12/31/2023	12/31/2022	12/31/2021
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	7 (i)	887,427,177	899,435,240	921,391,924
Loans granted	10	50,299,125	47,816,935	45,334,744
Tax assets	7 (b)	973,875	2,036,389	2,097,065
Other assets	7 (a)	4,169,604	3,982,892	4,903,032
Total non-current assets		942,869,781	953,271,456	973,726,765
CURRENT ASSETS				
Materials and spare parts	7 (c)	18,000,031	16,075,335	12,567,785
Tax assets	7 (b)	2,293,811	9,215,637	2,648,997
Other assets	7 (a)	7,042,682	6,378,374	6,459,064
Trade receivables		51,496,456	65,149,305	43,039,748
Investments	7 (d)	1,429,219	3,010,671	-
Cash and cash equivalents	7 (e)	15,294,836	78,489,181	62,818,989
Total current assets		95,557,035	178,318,503	127,534,583
Total assets		1,038,426,816	1,131,589,959	1,101,261,348
SHAREHOLDERS’ EQUITY				
Share capital	12	30,295,440	30,295,440	30,295,440
Merger Premium	12	(20,161,526)	(20,161,526)	(20,161,526)
Legal reserve		2,026,783	1,250,092	2,547,167
Other reserves		158,381,137	116,737,360	40,253,636
Retained earnings		56,729,631	42,420,468	75,186,649
Total equity		227,271,465	170,541,834	128,121,366
LIABILITIES				
NON CURRENT LIABILITIES				
Loans	7 (g)	632,720,271	714,164,299	796,294,568
Taxes payable		840,840	3,223,348	4,790,115
Deferred tax liabilities	5	3,156,807	39,147,553	28,312,567
Total non-current liabilities		636,717,918	756,535,200	829,397,250
CURRENT LIABILITIES				
Loans	7 (g)	147,638,300	179,828,783	116,959,863
Other liabilities	7 (h)	1,165,238	1,073,610	1,087,095
Taxes payable		486,137	1,683,709	1,934,910
Trade and other payables	7 (f)	25,147,758	21,926,823	23,760,864
Total current liabilities		174,437,433	204,512,925	143,742,732
Total liabilities		811,155,351	961,048,125	973,139,982
Total liabilities and equity		1,038,426,816	1,131,589,959	1,101,261,348

The accompanying notes are part of these financial statements.

MSU ENERGY S.A.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2023 (in USD)

	Notes	2023	2022	2021
Net revenues	8 (a)	189,277,380	200,690,328	209,968,352
Cost of sales	8 (c)	(52,461,724)	(50,516,325)	(49,211,830)
Gross profit		136,815,656	150,174,003	160,756,522
General and administrative expenses	8 (c)	(7,498,450)	(7,105,817)	(6,896,043)
Other income		89,055	-	88,495
Operating profit		129,406,261	143,068,186	153,948,974
Financial income	8 (b)	74,559,240	38,457,913	19,770,117
Financial expenses	8 (b)	(183,226,616)	(128,270,645)	(107,963,169)
Net finance costs		(108,667,376)	(89,812,732)	(88,193,052)
Net income before income tax		20,738,885	53,255,454	65,755,922
Income tax benefit (expense)	5	35,990,746	(10,834,986)	(13,044,038)
Profit for the year		56,729,631	42,420,468	52,711,884
Other comprehensive income		-	-	-
Comprehensive income for the year		56,729,631	42,420,468	52,711,884

The accompanying notes are part of these financial statements.

MSU ENERGY S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the year ended December 31, 2023 (in USD)

Items	Share capital	Merger Premium (Note 12)	Legal reserve	Other reserves	Retained earnings	Total
Balances as of December 31, 2020	30,295,440	(20,161,526)	1,475,657	2,157,498	61,642,413	75,409,482
Appropriation to legal reserves (1)	-	-	1,071,510	38,096,138	(39,167,648)	-
Profit for the year	-	-	-	-	52,711,884	52,711,884
Balances as of December 31, 2021	30,295,440	(20,161,526)	2,547,167	40,253,636	75,186,649	128,121,366
Appropriation to legal reserves (2)	-	-	(1,297,075)	76,483,724	(75,186,649)	-
Profit for the year	-	-	-	-	42,420,468	42,420,468
Balances as of December 31, 2022	30,295,440	(20,161,526)	1,250,092	116,737,360	42,420,468	170,541,834
Appropriation to legal reserves (3)	-	-	776,691	41,643,777	(42,420,468)	-
Profit for the year	-	-	-	-	56,729,631	56,729,631
Balances as of December 31, 2023	30,295,440	(20,161,526)	2,026,783	158,381,137	56,729,631	227,271,465

(1) As voted at the MSU ENERGY Sociedad Anónima Ordinary Shareholder's Meeting on April 27, 2021.
(2) As voted at the MSU ENERGY Sociedad Anónima Ordinary Shareholder's Meeting on April 26, 2022.
(3) As voted at the MSU ENERGY Sociedad Anónima Ordinary Shareholder's Meeting on April 19, 2023.

The accompanying notes are part of these financial statements.

MSU ENERGY S.A.

STATEMENT OF CASH FLOWS
for the year ended December 31, 2023 (in USD)

	Notes	2023	2022	2021
Cash flow from operating activities				
Profit for the year		56,729,631	42,420,468	52,711,884
Adjustments for:				
Income tax (benefit) expense	5	(35,990,746)	10,834,986	13,044,038
Depreciation of property, plant and equipment	8 (c)	28,673,880	22,972,259	26,117,186
Foreign exchange, differences	8 (b)	65,435,473	24,860,038	11,266,232
Accrued interest, net	8 (b)	35,337,171	64,971,865	76,926,820
Other income		(89,055)	-	-
Change in fair value of derivative instruments	8 (b)	11,906,809	-	-
Change in fair value of financial assets	8 (b)	(4,012,077)	19,171	-
Changes in operating assets and liabilities:				
(Increase) decrease in trade receivables		(6,906,634)	(25,835,894)	51,647,545
(Increase) decrease in other assets		(1,575,420)	1,090,605	672,869
Increase in materials and spare parts		(1,924,696)	(3,507,550)	(4,379,882)
Increase in tax assets		(4,453,701)	(7,387,028)	11,998,492
Increase (decrease) in trade and other payable		5,461,805	(1,075,914)	(29,045,945)
(Decrease) increase in taxes payable		(974,780)	122,665	216,813
Increase (decrease) in other liabilities		71,492	(35,321)	167,712
Increase in tax assets due to recoverable taxes related to property, plant and equipment		-	-	(10,936,319)
Net cash flows from operating activities		147,689,152	129,450,350	200,407,445
Cash flow from investing activities				
Interest and financial results received		20,618,634	9,189,940	5,739,678
Proceeds (payments) from sales (disposals) of investments		5,567,976	(3,029,842)	-
Payments of derivative financial instruments		(11,906,809)	-	-
Disposal of fixed assets		89,055	1,246	-
Payments for acquisition of property, plant and equipment		(13,545,083)	(1,496,124)	(128,029,541)
Net cash flows from (used in) investing activities		823,773	4,665,220	(122,289,863)
Cash flow from financing activities				
Payments of senior secured floating rate notes	11 (j)	(100,120,000)	(100,120,000)	(25,030,000)
Payments of senior unsecured notes	11 (j)	(64,651,771)	-	-
Proceeds from senior unsecured notes	11 (j)	15,100,000	75,844,190	61,008,423
Loans received	11 (j)	45,403,834	857,448	24,873,757
Lease payments	11 (j)	(17,955)	(25,603)	(79,780)
Payments of loans	11 (j)	(5,217,041)	-	(15,747,791)
Payments of interest and financing expenses	11 (j)	(75,769,687)	(85,094,004)	(93,098,984)
Net cash flows used in financing activities		(185,272,620)	(108,537,969)	(48,074,375)
Net (decrease) increase in cash and cash equivalents		(36,759,695)	25,577,601	30,043,207
Cash and cash equivalents at the beginning of year		78,489,181	62,818,989	35,398,506
Effect of exchange rate changes on cash and cash equivalents		(26,434,650)	(9,907,409)	(2,622,724)
Cash and cash equivalents at the end of the year		15,294,836	78,489,181	62,818,989
Net (decrease) increase in cash and cash equivalents		(36,759,695)	25,577,601	30,043,207

The accompanying notes are part of these financial statements.

NOTE 1 - GENERAL INFORMATION

1.1) Description of the business

MSU Energy S.A.´s ("the Company" or "MSU Energy") main business is the generation of electrical power through its three thermal plants (the "Plants"): General Rojo (Province of Buenos Aires), Barker (Province of Buenos Aires), and Villa María (Province of Cordoba). All the thermal plants are in Argentina.

The Company's profit comes from long-term power supply and provision agreements entered into with Compañía Administradora del Mercado Mayorista Eléctrico S.A. ("Cammesa") for the total installed capacity, as specified below:

- 450MW originally installed with three gas turbines in each Plant, awarded under Resolution of the Secretary of Energy ("SEE") No. 21/2016 (hereinafter, "Simple Cycle PPAs"),
- 300MW added pursuant to the expansion and conversion to combined cycle of the Plants, adding a fourth gas turbine and a steam turbine in each Plant, which were awarded under Resolution SEE No. 287/2017 (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 each date of commercial operation (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 of them. The combined cycle PPAs are effective for 15 years as from startup (Note 13).

On June 13, 2017, 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 Maria 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 Maria, General Rojo and Barker power plants was completed, respectively. Since that date, the Plants have been authorized to initiate commercial operations with SADI.

1.2) Purpose of these financial statements

Management prepared these non-statutory financial statements to provide it to the financial creditors of the Company and other interested parties pursuant to requirements of the debt issuance made in February 2018 (Note 11 a) and also to support the financial information included in the Offering Memorandum that will be part of the debt refinancing process (Note 14).

NOTE 2 - BASIS OF ACCOUNTING

2.1) Statements of compliance

These financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These financial statements ended December 31, 2023, were authorized for issue by the Board of Directors of the Company on March 11, 2024.

2.2) Changes in material accounting policies

The accounting policies applied to the preparation of these financial statements are consistent with those applied to the preparation of the financial statements for the fiscal year ended December 31, 2022, and December 31, 2021.

In addition, the Company adopted Disclosure of accounting polices ("Amendments to IAS 1 – Presentation of Financial Statements" and "IFRS Practice Statement 2: Making Materiality Judgements") as from January 1, 2023. The amendments require the disclosure of "material" rather than "significant", accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 2.3).

Amendments to IAS 8 – "Definition of Accounting estimates" and IAS 12 – "International Tax Reform Pillar Two Model Rules" have no impact to the Company.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.3) Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

2.3.1) Foreign currency

(a) Functional and presentation currency

These financial statements are presented in United States of America dollars ("USD" or "$"), which is the functional currency of the Company. All amounts have been rounded to the nearest USD, unless otherwise indicated.

(b) Transactions and balances

The assets and liabilities (balances) of foreign transactions are translated into USD at the exchange rates at the reporting date. Transactions denominated in foreign currencies (all currencies other than the functional currency) are translated into USD by applying the exchange rates prevailing at the dates of the transactions or the fair value measurement, as the case may be.

The statement of profit or loss includes foreign exchange gains or losses derived from the settlement of these transactions and the translation at exchange rates prevailing at year-end of monetary assets and liabilities denominated in a currency other than the USD. Foreign exchange differences are presented in the statement of profit or loss and other comprehensive income in the financial income or financial expenses line.

2.3.2) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. MSU Energy S.A. recognizes revenue when it transfers control over a service rendered to a customer.

As mentioned on Notes 1.1 and 13, MSU Energy S.A. has entered into Wholesale Demand Agreements with CAMMESA for a term of ten and fifteen years. Based on those agreements, MSU Energy S.A. will provide two components:

- Generation capacity; and
- Supply of power.

Generation capacity

Persuant to the terms of the Wholesale Demand Agreements, MSU ENERGY makes available to CAMMESA the contracted capacity with the turbines committed. Consequently, MSU Energy recognizes revenue from generation capacity applying the straight-line method over the term of the agreements.

Supply of power

Regarding the second component, which is providing CAMMESA with the service of generating electric power, revenues are recognized as services are performed during the year.

2.3.3) Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.3) Material accounting policies (cont.)

2.3.3) Employee benefits (cont.)

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted to present value.

2.3.4) Finance income and expense

The Company's finance income and expense include:

- Interest income;
- Interest expense;
- The net gain or loss on financial assets at fair value through profit or loss ("FVTPL");
- The change in fair value derivatives instruments;
- The foreign currency gain or loss on financial assets and financial liabilities;
- Less borrowing costs capitalized in Property, plant and equipment.

Interest income or expense is recognized using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

Exchange gains/losses results from the translation of monetary assets and liabilities denominated in currency other than USD by applying the exchange rate prevailing at year-end.

2.3.5) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable profit of the year of the Company. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.3) Material accounting policies (cont.)

2.3.5) Income tax (cont.)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.3.6) Property, plant and equipment

The items of property, plant and equipment are recognized at acquisition cost less accumulated depreciation, if applicable, and impairment losses (note 2.3.8), if any. The cost includes the spot purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as expected by management. The cost includes capitalized borrowing costs amounting to $ 81,940,601 that were capitalized until 2020.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Under construction line includes construction in progress of the plants and/or combined cycle plants. They are stated at cost (including eligible borrowing costs) incurred to the date on which the plant is granted an authorization to operate.

Spare parts line includes the spot purchase price and expenses directly attributable to bringing the spare part to the location and condition necessary for it to be capable of operating as expected by management. Spare parts included in Property, plant and equipment (PPE) corresponds to spare turbines. They are measured at cost less impairment, if any.

The disbursements arising from feasibility studies before deciding whether to invest in an asset or deciding which asset to acquire were recorded as expenses as they were incurred.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

MSU Energy S.A. applies the units of production method to recognize the depreciation of turbines, machinery and equipment composing the Plants, referred to in Note 1, as it considers that this method provides a better measurement of the profits that these assets are expected to bring to the Company. Based on this method, the related depreciation expense is charged to profit or loss for the year based on the use of the Plants. This method provides for a depreciation charge based on the use of the Thermal Station, which might be null if the generation activity were discontinued. MSU Energy S.A. has considered 22% of the cost of each thermal power plant as residual value, which is not subject to depreciation.

Land is not depreciated. The buildings that are part of the Plants are depreciated over 30 years by applying the straight-line method.

The useful life of items of depreciable property, plant and equipment other than the plants has been estimated at 3 years (computers); at 5 years (vehicles) and 10 years (tools, furniture and other facilities).

2.3.7) Financial instruments

(1) Recognition and initial measurement

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes party of the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or a financial liability is initially measured at fair value, plus, for an item not a FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.3) Material accounting policies (cont.)

2.3.7) Financial instruments (cont.)

(2) Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, Fair Value through Other Comprehensive Income (“FVOCI”) or Fair Value through profit or loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the asset; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

The Company makes an assessment of the objective of the business model in which a financial asset is held at instrument level. The information considered includes:

- Policies in practice, including whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the asset is evaluated and reported to the Company management
- The risk that affects the performance of the business model and how those risks are managed.
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company continuing recognition of the assets.

For the purpose of assessment whether contractual cash flows are solely payments of principal and interests, “principal” is defined as the fair value of the financial assets on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

For the purpose of assessment, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that is would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company claim to cash flows from specified assets.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.3) Material accounting policies (cont.)

2.3.7) Financial instruments (cont.)

(3) Impairment

The Company recognizes loss allowances for Expected Credit Loses ("ECL") on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI;
- Contract assets;
- Lease receivable.

The Company measures loss allowances at the amount equal to lifetime ECLs, except for the other debt securities and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of the ECLs that result from default events that are possible within the 12 months after the reporting date, or a shorter period if the expected life of the instrument is less than 12 months.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(4) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. Financial liabilities at FVTPL (including derivatives) are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(5) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.3) Material accounting policies (cont.)

2.3.7) Financial instruments (cont.)

(5) Derecognition (cont.)

The Company derecognizes a financial liability when the contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

(6) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

2.3.8) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGU"). The recoverable amount of an asset or CGU is greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

2.3.9) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with maturity dates of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

2.3.10) Leases

The Company assesses whether a contract is or contains a lease considering whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.3) Material accounting policies (cont.)

2.3.10) Leases (cont.)

As a lessee (cont.)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term.

2.3.11) Material and spare parts

Material and spare parts are measured at the lower of cost and net realizable value. The cost of material and spare parts is based in its weight average price. The book value is also reduced when appropriate, according to an analysis carried out for this purpose, by a provision for obsolescence of those goods.

2.3.12) Non-financial assets

Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Those cost are considered regardless of whether the contract is obtained.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.3) Material accounting policies (cont.)

2.3.12) Non-financial assets (cont.)

Incremental costs of obtaining a contract (cont.)

Incremental costs are comprised of amounts paid at CAMMESA when a new contract is awarded. They are capitalized when the Company expects to recover those costs.

Those costs are amortized on a systematic basis that is consistent with the dispatch of energy, as ruled by the respective contract.

2.4) Accounting standards issued but not yet effective

A number of new standards are effective for annual periods beginning after January 1, 2024 and earlier application is permitted. However, MSU ENERGY has not early adopted the new or amended accounting standards in preparing these financial statements.

New accounting standard or amendment	Effective date	Potential impact for the entity
Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	The Company does not expect to have a significant impact on the Financial Statements due to this amendment.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024	The Company does not expect to have a significant impact on the Financial Statements due to this amendment.
Lease liability on a sale and Leaseback (Amendments to IFRS 16)	1 January 2024	The Company does not expect to have a significant impact on the Financial Statements due to this amendment.
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025	The Company is in the process of assessing the potential impact of the amendments

NOTE 3 - USE OF JUDGMENT AND ESTIMATES

Management has made judgements and estimates about the future that affect the application of the Company´s accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on ongoing basis and are consistent with the Company´s risk management. Revisions to estimates are recognised prospectively.

a. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2.3.5 – Current income tax and deferred income tax determination.
- Note 2.3.6 – Calculation of depreciation and amortization.
- Note 5 (c) – Uncertainty over income tax treatments.

b. Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date have a significant risk of resulting in a material adjustment to the carrying amounts of assets withing the next financial year is included in the following note:

- Note 14 – Relevant events.
- Note 5 (d) – Deferred tax assets.

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 since MSU Energy has only one customer - CAMMESA (Note 13 a), b) and c)), to whom provides with the availability of contractual capacity and the supply of power.

All MSU Energy non-current assets are in Argentina as of December 31, 2023, December 31, 2022, and December 31, 2021.

NOTE 5 - INCOME TAX

(a) Income tax rate

As from fiscal year 2021, taxable profit is levied at a variable rate of 25%, 30 % or 35% based on the taxable profit of the year. The amount of each range is annually indexed up by the tax authority, based on the variation of the Consumer Price Index.

The thresholds as of December 31, 2023, are: Taxable profit up to AR$ 14 million ($ 17,000) are levied at 25%, up to AR$ 143 million ($ 176,800) at 30% and more than such amount at 35%.

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 December 31, 2023, the current tax was measured by applying the progressive tax rates on taxable profit 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 profit estimated in the year in which the temporary differences are reversed.

(b) 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 was 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, and 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.

(c) Uncertainty over income tax treatments

As of December 31, 2023, 2022 and 2021, carryforward tax losses were measured at the rate of the year on which it is expected to be compensated (35%), determined by applying the tax inflation adjustment procedures mentioned in Note 2.3.5. Based on the guidelines of IFRIC 23 "Uncertainty over income tax treatments" and in accordance with the Company's legal and tax advisors opinions, management assessed that it is more likely than not that the tax authority will accept the fiscal treatment, and as a consequence, has proceeded to apply the tax inflation adjustment to the carryforward tax losses using the wholesale domestic price index, as indicated in article 19 of the mentioned income tax law. The Company recognizes the related deferred tax asset only to the extent that it is probable there is sufficient future taxable profit to allow its consumption.

(d) The breakdown of the main components of deferred tax assets and liabilities is as follows:

	12/31/2023	12/31/2022	12/31/2021
Deferred tax assets and (liabilities)			
Accumulated tax losses carried forward	188,698,126	106,751,436	160,712,045
Property, plant and equipment	(189,032,050)	(118,102,334)	(120,516,336)
Others	937,718	435,962	(720,864)
Tax inflation adjustment (Years prior to 2021)	(3,760,601)	(28,232,617)	(67,787,412)
Total deferred tax liabilities	(3,156,807)	(39,147,553)	(28,312,567)

NOTE 5 - INCOME TAX (cont.)

(d) The breakdown of the main components of deferred tax assets and liabilities is as follows: (cont.)

As of December 31, 2023, carryforward tax losses estimated in relation to the income tax are broken down as follows, according to their date of origin:

Year	Amount at tax rate – 35%	Expires in
2019	75,308,978	2024
2020	62,230,466	2025
2023	51,158,682	2028
Total	188,698,126	

For the fiscal year ended December 31, 2022 and 2021, the Company generated taxable profit. No cash outflows where required since, those payment balances were offset against unused tax loss carryforwards and income tax credits.

For the fiscal year ended December 31, 2023, 2022 and 2021, unrecognized accumulated tax losses carried forward amounted to $ 14,057,250, $ 97,792,893 and $ 78,195,744, respectively.

For the fiscal year ended December 31, 2023, inflation rate rose 211% while devaluation of the peso against USD rose 356%. Considering the procedures to determinate the inflation adjustment for income tax purposes, the above-mentioned difference between inflation and devaluation caused a new carryforward tax losses for fiscal year 2023 (expiring in 2028) which was recognized by the Company. Management determinate probable that future taxable profits will be available against which they can be used, main assumptions for considering 2024 future taxable income is i) inflation for the fiscal year 24 by 222% and iii) devaluation of the peso against USD by 110%.

For tax purposes, items of Property, plant and equipment are stated at cost less depreciation measured in pesos, while for accounting purposes, they are stated in USD. Deferred tax liability is recognized for the tax effect of the impact of the devaluation of pesos on tax basis of Property, plant and equipment.

The changes in deferred tax liabilities (net) are as follow:

	2023	2022	2021
At the beginning of the year	(39,147,553)	(28,312,567)	(15,268,529)
Deferred income tax benefit (expense)	35,990,746	(10,834,986)	(13,044,038)
At the end of the year	(3,156,807)	(39,147,553)	(28,312,567)

The actual income tax benefit (expense) differs from the theoretical amount to be obtained in case of using tax rate applicable to income tax, as follows:

	2023	2022	2021
Income before income tax	20,738,885	53,255,454	65,755,922
Income tax for the year at the tax rate of 35%	(7,258,610)	(18,639,409)	(23,014,573)
Non-deductible expenses	21,194	(57,484)	(37,176)
Tax inflation and others related with wholesale domestic price index adjustment (Note 5.b)	43,228,162	7,861,907	16,115,123
Increase in tax rate	-	-	(6,107,412)
Total income tax benefit (expense)	35,990,746	(10,834,986)	(13,044,038)

NOTE 5 - INCOME TAX (cont.)

(e) Extraordinary income tax advance payment

On August 12, 2022, the Administacion Federal de Ingresos Públicos ("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 profit 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 profit, without considering tax carrying forward losses from previous years if point ii) is met. The aforementioned payment must be paid in cash, the companies cannot cancel the advance payment through the tax credits 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 7,686,906 (Note 7 (b)) in three consecutive monthly instalments of AR$ 453,937,422 (equivalent to USD 2,562,302) 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 December 31, 2022. As of December 31, 2023 the Extraordinary income tax advance payment was fully compensated against VAT payable.

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.

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

		Balances as of December 31, 2023		
Item	Note	Fair value	Financial assets at amortized cost	Other financial liabilities (2)
Financial assets				
Other financial receivables (3)		-	2,153,291	-
Loans granted	10	-	50,299,125	-
Trade receivables		-	51,496,456	-
Investments	7 (d)	1,429,219 (1)	-	-
Cash and cash equivalents	7 (e)	3,956,379 (1)	11,338,457	-
Total financial assets		5,385,598	115,287,329	-
Financial liabilities				
Loans	7 (g)	-	-	780,358,571
Trade and other payables	7 (f)	-	-	22,864,330
Other liabilities	7 (h)	-	-	1,165,238
Total financial liabilities		-	-	804,388,139

(1) Level 1
(2) Other financial liabilities are recognized at amortized cost.
(3) Include from Note 7a) Other assets, the following items - i) Related companies, ii) Loans to personnel and iii) others.

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

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

		Balances as of December 31, 2022		
Item	Note	Fair value	Financial assets at amortized cost	Other financial liabilities (2)
Financial assets				
Other financial receivables (3)		-	1,541,506	-
Loans granted	10	-	47,816,935	-
Trade receivables		-	65,149,305	-
Investments	7 (d)	3,010,671 (1)	-	-
Cash and cash equivalents	7 (e)	54,987,458 (1)	23,501,723	-
Total financial assets		57,998,129	138,009,469	-
Financial liabilities				
Loans	7 (g)	-	-	893,993,082
Trade and other payables	7 (f)	-	-	19,323,030
Other liabilities	7 (h)	-	-	1,073,610
Total financial liabilities		-	-	914,389,722

(1) Level 1
(2) Other financial liabilities are recognized at amortized cost.
(3) Include from Note 7a) Other assets, the following items - i) Related companies, ii) Loans to personnel and iii) others.

		Balances as of December 31, 2021		
Item	Note	Fair value	Financial assets at amortized cost	Other financial liabilities (2)
Financial assets				
Other financial receivables (3)		-	1,406,730	-
Loans granted	10	-	45,334,744	-
Trade receivables		-	43,039,748	-
Cash and cash equivalents	7 (e)	62,818,989 (1)	-	-
Total financial assets		62,818,989	89,781,222	-
Financial liabilities				
Loans	7 (g)	-	-	913,254,431
Trade and other payables	7 (f)	-	-	21,806,272
Other liabilities	7 (h)	-	-	1,087,095
Total financial liabilities		-	-	936,147,798

(1) Level 1
(2) Other financial liabilities are recognized at amortized cost.
(3) Include from Note 7a) Other assets, the following items - i) Related companies, ii) Loans to personnel and iii) others.

As of December 31, 2023, December 31, 2022, and December 31, 2021, the carrying balances of financial instruments are a reasonable estimate of their related fair values except in loans (liability) for which the fair value is $ 744,632,607, $ 676,929,243 and $ 790,274,183, respectively.

As of December 31, 2023, December 31, 2022, and December 31, 2021, there are no significant expected credit losses ("ELC") to be recognized following the impairment evaluation of financial assets carried at amortized cost.

(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

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

(b) Financial risk management (cont.)

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.

1. 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 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.

As mentioned before, the Company has entered long-term supply contracts with CAMMESA which are denominated in USD and mainly driven by fixed capacity availability payments. CAMMESA payments are settled in pesos, but the Company has the possibility hedge any foreign exchange net exposure in the local futures and forwards market which has sufficient liquidity to meet its USD commitments and intends to use this as required.

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

Net monetary position	Functional currency (USD) 12/31/2023	Functional currency (USD) 12/31/2022	Functional currency (USD) 12/31/2021
Pesos (net assets)	11,117,182	53,506,631	19,144,469
Total	11,117,182	53,506,631	19,144,469

Based on the table above, the MSU Energy S.A analysis considers the exposure of local currency in relation to the USD (functional currency), also considering the existing risk of devaluation of peso against USD in cash and cash equivalents. MSU Energy S.A estimates that, for each year, should other factors remain constant, a 20% increase or decrease 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):

	December 31, 2023		December 31, 2022		December 31, 2021	
	+20%	-20%	+10%	-10%	+10%	-10%
Pesos	(1,852,864)	2,779,295	(4,864,239)	2,127,163	(1,740,406)	2,127,163
Total	(1,852,864)	2,779,295	(4,864,239)	2,127,163	(1,740,406)	2,127,163

The 20% increase or decrease as of December 31, 2023 is based on the gap range between the electronic payment market (MEP) and legal exchange rate.

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

(b) Financial risk management (cont.)

1. 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.

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:

	December 31, 2023 *		December 31, 2022		December 31, 2021	
	+1%	-1%	+1%	-1%	+1%	-1%
USD	(-)	(-)	(329,279)	330,533	(1,002,114)	1,008,051
Total	(-)	(-)	(329,279)	330,533	(1,002,114)	1,008,051

The 1% increase or decrease is based on the variable interest risk calculated only over the issued Senior Secured Floating Rate Notes as of December 31, 2023, of $25,030,000 paid on February 24 (Note 11 b), which represents the 3.42% of the total loans. The interest rate for this debt was, from the issuance date to August 30, 2023, LIBOR (three months) + applicable margin, and after that, adjusted term SOFR + applicable margin. Management considers the reasonable expected variance for those types of rates in the sensibility analysis.

* As of December 31, 2023, the interest rate for the final installment outstanding related to this Note due on February 28, 2024, has been fixed at the beginning of the interest period, consequently, the risk in changes in the interest rates does no longer exists. .

- Exchange rate risk

On September 1, 2019, the Executive Branch issued the Decree No. 609/2019, 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, 2023:

- Any funds from new external financial debts disbursed as from September 1, 2019 are to 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.

Since then, the BCRA has issued some modifications and an update of the mentioned communications, the main impact on Companies that had to cancel debt abroad, is that the BCRA published guidelines that allow access to the exchange market for 40% of the maturity and the rest of the capital should be acquire through the issuance of new debt with an average life of 2 years (See Note 11 c to e).

Besides these restrictions, the mentioned measures did not affect normal operations and compliance with commitments on time during the fiscal years 2023, 2022 and 2021.

2. Liquidity risk

The liquidity risk is related to 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 the maturity profile of loans.

MSU Energy has credit facilities for $ 26,8 million (refer to Note 16) and holds, mainly,cash and investments for an amount of $ 5 million that can be easily converted into cash known beforehand.

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

(b) Financial risk management (cont.)

2. Liquidity risk (cont.)

In addition, on May 5, 2023, the Argentina Security and Exchange Commission ("CNV"), in accordance with Resolution DI-2023-28-APN-GE#CNV, authorized to the Company to increase the amount of its Global Notes Program (not convertible into shares) ("Obligaciones Negociables" or "ON") to a maximum outstanding amount of up to $ 900,000,000 (or its equivalent in other currencies or units of measurement or value).

As of December 31, 2023, the Company has local notes outstanding, issued under the Global Program, for an aggregate principal amount of $ 90,944,190 (Note 11 c, d, f, g and h).

The Company meets its day-to-day working capital requirements mainly by the cash generated by its operating activities and complemented, with short-term credit facilities as required or access to debt capital markets.

As of December 31, 2023, the Company has negative working capital in the amount of $ 78,880,398. The initiatives to be implemented by Company's Management are described in Note 14.

The table below includes an analysis of assets and liabilities of MSU Energy S.A by maturity. The amounts in the table are undiscounted contractual cash flows:

	Balances as of December 31, 2023					
	0-3 months	3-6 months	6-9 months	9-12 months	Over 1 year	Total
As of 12/31/2023						
Trade receivables	51,496,456	-	-	-	-	51,496,456
Loans granted	-	-	-	-	50,299,125	50,299,125
Other assets	736,166	472,375	472,375	472,375	-	2,153,291
Total assets	52,232,622	472,375	472,375	472,375	50,299,125	103,948,872
Other liabilities	557,625	557,615	-	49,998	-	1,165,238
Taxes payable	151,168	109,057	119,367	106,545	840,840	1,326,977
Loans	48,710,341	19,845,438	14,396,409	64,686,112	632,720,271	780,358,571
Trade and other payables	5,716,081	5,716,083	5,716,083	5,716,083	-	22,864,330
Total liabilities	55,135,215	26,228,193	20,231,859	70,558,738	633,561,111	805,715,116

	Balances as of December 31, 2022					
	0-3 months	3-6 months	6-9 months	9-12 months	Over 1 year	Total
As of 12/31/2022						
Trade receivables	65,149,305	-	-	-	-	65,149,305
Loans granted	-	-	-	-	47,816,935	47,816,935
Other financial assets	588,187	317,773	317,773	317,773	-	1,541,506
Total assets	65,737,492	317,773	317,773	317,773	47,816,935	114,507,746
Other liabilities	511,805	511,805	-	50,000	-	1,073,610
Taxes payable	661,810	340,633	340,633	340,633	3,223,348	4,907,057
Loans	60,781,314	40,819,965	23,632,465	54,595,039	714,164,299	893,993,082
Trade and other payables	4,830,756	4,830,758	4,830,758	4,830,758	-	19,323,030
Total liabilities	66,785,685	46,503,161	28,803,856	59,816,430	717,387,647	919,296,779

	Balances as of December 31, 2021					
	0-3 months	3-6 months	6-9 months	9-12 months	Over 1 year	Total
As of 12/31/2021						
Trade receivables	43,039,748	-	-	-	-	43,039,748
Loans granted	-	-	-	-	45,334,744	45,334,744
Tax assets	688,157	613,063	613,063	734,714	2,097,065	4,746,062
Other financial assets	556,413	283,439	283,439	283,439	-	1,406,730
Total assets	44,284,318	896,502	896,502	1,018,153	47,431,809	94,527,284
Other liabilities	518,547	518,548	-	50,000	-	1,087,095
Loans	41,683,923	24,160,864	26,954,212	24,160,864	796,294,568	913,254,431
Taxes payable	534,632	458,094	540,522	401,662	4,790,115	6,725,025
Trade and other payables	5,451,565	5,451,569	5,451,569	5,451,569	-	21,806,272
Total liabilities	48,188,667	30,589,075	32,946,303	30,064,095	801,084,683	942,872,823

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

(b) Financial risk management (cont.)

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 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 not suffered significant delays compared to the previous year.

As of December 31, 2023, 2022 and 2021 there are no and there were 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 STATEMENT OF FINANCIAL POSITION

	12/31/2023	12/31/2022	12/31/2021
(a) Other assets			
Non current			
Credit of compensatory agreement (Note 13 a)	2,517,104	3,982,892	4,903,032
Non-financial assets (*)	1,652,500	-	-
Total	4,169,604	3,982,892	4,903,032
Current			
Advances to suppliers	352,135	451,501	797,234
Prepaid insurance	1,883,804	1,943,440	2,017,741
Expenses to recover	84,578	441,666	38,984
Related companies (Note 9.3)	1,889,499	1,271,093	1,133,757
Loans to personnel	5,871	20,413	22,973
Credit of compensatory agreement (Note 13 a)	1,818,691	1,819,658	1,803,773
Others	257,921	250,000	250,000
Guarantees	730,256	158,889	372,631
Security deposits	19,927	21,714	21,971
Total	7,042,682	6,378,374	6,459,064

(*) During November 2023, the Company was awarded with three new projects with the SEE which reserves the quota for the Company to be able to dispatch 661 MW of energy and will allow it to enter into PPA contracts. The amounts capitalized corresponds to the related binding costs.

	12/31/2023	12/31/2022	12/31/2021
(b) Tax assets			
Non current			
Income tax net advances	973,875	2,036,389	2,097,065
Total	973,875	2,036,389	2,097,065
Current			
Valued added tax	1,858,848	1,226,892	2,452,250
Extraordinary income tax advance payments	-	7,686,906	-
Income tax credit	202,630	-	-
Custom tax	14,935	68,156	121,651
Other tax balances	217,398	233,683	75,096
Total	2,293,811	9,215,637	2,648,997

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.

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

	12/31/2023	12/31/2022	12/31/2021
(c) Materials and spare parts			
Materials	16,305,041	15,046,805	11,638,937
Spare parts	1,694,990	1,028,530	928,848
Total	18,000,031	16,075,335	12,567,785
(d) Investments			
Investments	1,429,219	3,010,671	-
Total	1,429,219	3,010,671	-
(e) Cash and cash equivalents			
Cash	467	988	1,916
Mutual funds	3,956,379	54,987,458	20,467,607
Banks (*)	11,337,990	23,500,735	42,349,466
Total	15,294,836	78,489,181	62,818,989

(*) USD 10,343,111 restricted. See more information in guarantee 11.a).

	12/31/2023	12/31/2022	12/31/2021
(f) Trade and other payables			
Suppliers (1)	22,864,330	19,323,030	18,415,378
Accrued expenses	2,283,428	2,603,793	1,954,592
Fines imposed by Cammesa (Note 13)	-	-	3,390,894
Total	25,147,758	21,926,823	23,760,864

(1) At December 31, 2023, December 31, 2022 and December 31, 2021 includes unpaid balances of PPE of $ 4,828,655 $ 1,689,966, and $ 2,143,666, respectively.

	12/31/2023	12/31/2022	12/31/2021
(g) Loans			
Non current			
Senior secured notes (Note 11 a and b) (2)	599,806,506	622,108,034	719,371,804
Local unsecured notes (Note 11 c, d, e, f, g, and h) (2)	15,094,138	75,528,651	62,386,861
Loans (Note 11 i)	17,819,627	16,519,644	14,476,756
Lease liability	-	7,970	59,147
Total	632,720,271	714,164,299	796,294,568
Current			
Senior secured notes (Note 11 a and b) (2)	39,902,382	114,466,392	116,803,162
Local unsecured notes (Note 11 c, d, e, f, g, and h) (2)	76,402,621	65,336,065	119,191
Other financial liabilities (Note 11 i)	19,800,000	-	-
Loans (Note 11 i)	11,531,550	-	6,836
Lease liability	1,747	26,326	30,674
Total	147,638,300	179,828,783	116,959,863
(h) Other liabilities			
Parent company and other related parties (Note 9.1 and 9.3)	1,115,238	1,023,610	1,037,095
Other payables	50,000	50,000	50,000
Total	1,165,238	1,073,610	1,087,095

(2) At December 31, 2023, December 31, 2022 and December 31, 2021 includes net transactions costs of $ 3,477,920, $ 8,853,976 and $ 9,559,556, respectively.

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

(i) Property, plant and equipment

Balances as of December 31, 2023

	Cost					Depreciation					Net as of
Main account	At beginning of year	Additions	Decreases	Transfers	At year-end	Accumulated at beginning of year	Decreases	Rate %	Amount (Note 8.c)	Accumulated at year-end	12/31/2023
Land	2,142,790	-	-	-	2,142,790	-	-	-	-	-	2,142,790
Spare parts	8,634,049	-	-	-	8,634,049	-	-	-	-	-	8,634,049
Thermoelectric power plants											
Infraestructure	480,542,226	98,797	-	295,582	480,936,605	46,167,945	-	3.33%	12,497,484	58,665,429	422,271,176
Plant and equipments (7)	508,774,691	14,895,442	-	53,818	523,723,951	56,572,330	-	(4)	15,751,108	72,323,438	451,400,513
Facilities and other fixed assets (6)	3,601,231	822,547	(36,028)	-	4,387,750	2,396,426	(36,028)	(5)	425,288	2,785,686	1,602,064
Under construction	876,954	849,031	-	(349,400)	1,376,585	-	-	-	-	-	1,376,585
Total as of December 31, 2023	1,004,571,941	16,665,817	(36,028)	-	1,021,201,730	105,136,701	(36,028)		28,673,880	133,774,553	887,427,177

Balances as of December 31, 2022

	Cost					Depreciation					Net as of
Main account	At beginning of year	Additions	Decreases	Transfers	At year-end	Accumulated 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
Thermoelectric power plants											
Infraestructure	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

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

(i) Property, plant and equipment (cont.)

Balances as of December 31, 2021								
	Cost			Depreciation				Net as of
Main account	At beginning of year	Additions	At year-end	Accumulated at beginning of year	Rate %	Amount (Note 8.c)	Accumulated at year-end	12/31/2021
Land	2,142,790	-	2,142,790	-	-	-	-	2,142,790
Thermoelectric power plants								
Infraestructure	478,982,215	641,767	479,623,982	21,359,207	3.33%	12,348,819	33,708,026	445,915,956
Plant and equipments	508,774,691	-	508,774,691	32,966,826	(4)	13,451,952	46,418,778	462,355,913
Facilities and other fixed assets (6)	2,598,148	625,922	3,224,070	1,721,410	(5)	316,415	2,037,825	1,186,245
Spare parts	8,521,602	112,447	8,634,049	-	-	-	-	8,634,049
Under construction	34,772	1,122,199	1,156,971	-	-	-	-	1,156,971
Total as of December 31, 2021	1,001,054,218	2,502,335	1,003,556,553	56,047,443		26,117,186	82,164,629	921,391,924

(4) By units of production.
(5) Tools, 10%. Vehicles, furnitures and other facilities, 20%. Computers, 33%.
(6) Includes $ 6,942, $ 48,596 and $ 90,250 of right of use related to financial lease, as of December 31, 2023, December 31, 2022, and December 31,2021, respectively.
(7) Includes$ 7,663,111 of accelerated depreciation related to the replacement of parts due to the maintenance done on turbines of Villa María and Rojo.

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

(a) Revenue

On June 13, 2017, December 29, 2017 and January 25, 2018 turbines 01, 02, and 03 of General Rojo, Villa Maria and Barker Plants, respectively, were authorized to conduct commercial operations with SADI. As from the date the plants achieved commercial operation, the Wholesale Demand Agreements (Simple Cycle PPAs) signed with CAMMESA on August 4, 2016, July 25, 2016 and December 29, 2016, respectively, became effective.

On August 15, August 20 and October 31, 2020, the expansion and conversion projects of the Villa Maria, the General Rojo and the Barker plants were completed. Since that date, the three plants have been authorized for commercial operations in the SADI, effectively triggering the Wholesale Demand Agreements (Combined Cycle PPAs) for each plant signed with CAMMESA on April 6, 2018.

	2023	2022	2021
Revenues from generation capacity	173,210,438	177,619,499	175,290,274
Revenues from supply of power	16,066,942	23,070,829	34,678,078
Total revenue	189,277,380	200,690,328	209,968,352

(b) Net finance costs

	2023	2022	2021
Financial income			
Interest income	48,246,865	22,724,760	18,760,010
Change in fair value of financial assets	4,012,077	19,171	-
Gain on exchange differences	22,300,298	15,713,982	1,010,107
Total financial income	74,559,240	38,457,913	19,770,117
Financial expenses			
Interest expense	(83,584,036)	(87,696,625)	(95,686,830)
Change in fair value derivatives instruments	(11,906,809)	-	-
Loss in exchange differences	(87,735,771)	(40,574,020)	(12,276,339)
Total financial expenses	(183,226,616)	(128,270,645)	(107,963,169)

The exchange rate derivatives were entered during the year with banks and financial institutions counterparties, which are rated A+. The Company did not apply hedge accounting.

(c) Expenses by nature

Items	Cost of sales	General and administrative expenses	2023	Cost of sales	General and administrative expenses	2022	Cost of sales	General and administrative expenses	2021
Salaries and other personnel-related expenses	6,458,258	3,386,141	9,844,399	6,316,565	3,176,186	9,492,751	4,717,563	2,508,474	7,226,037
Depreciation (Note 7 i)	28,507,166	166,714	28,673,880	22,826,661	145,598	22,972,259	25,985,235	131,951	26,117,186
Maintenance expenses	9,829,827	11,999	9,841,826	12,058,874	39,291	12,098,165	12,017,500	26,766	12,044,266
Taxes, rates and contributions	1,404,058	1,542,089	2,946,147	1,501,487	1,159,770	2,661,257	364,670	1,837,330	2,202,000
Insurance	2,363,615	20,371	2,383,986	2,511,801	42,604	2,554,405	2,358,039	26,036	2,384,075
Other expenses	3,898,800	2,371,136	6,269,936	5,300,937	2,542,368	7,843,305	3,768,823	2,365,486	6,134,309
Total	52,461,724	7,498,450	59,960,174	50,516,325	7,105,817	57,622,142	49,211,830	6,896,043	56,107,873

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

	12/31/2023	12/31/2022	12/31/2021
1. Balances with parent company – MSU Energy Holding Ltd.			
Loans granted (Note 10)	41,033,125	39,008,199	36,983,272
Other liabilities (Note 7 h) (8)	743,513	671,739	708,060
2. Transactions with parent company – MSU Energy Holding Ltd.			
Interest income	2,024,927	2,024,927	2,024,926
Management fee (8)	71,482	36,321	167,712
3. Balance with related parties			
Loans granted (Note 10)	9,266,000	8,808,736	8,351,472
Other assets (Note 7 a) (9)	1,889,499	1,271,093	1,133,757
Other liabilities (Note 7 h)	371,725	351,871	329,035
4. Transaction with related parties			
Interest loss	(19,895)	(22,836)	(19,974)
Interest income	457,264	457,264	457,263
Expenses to be recovered	380,531	137,336	102,302

(8) It relates to management, administrative and corporate services, including management, supervision, financial, accounting, investment advice. The price was determined on market conditions.
(9) Included mainly expenses to be recovered.

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

During the year ended December 31, 2023, December 31, 2022, and December 31, 2021, key management received compensations in the total amount of $ 1,974,069, $ 1,955,668 and $ 1,571,263 respectively, which are considered short-term benefits and entail the only benefits granted to the Board of Directors and Senior Management. MSU Energy 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 December 31, 2023, December 31, 2022 and December 31, 2021 MSU Energy has principal and interest receivables equivalent to the amount of $ 50,299,125, $ 47,816,935 and $ 45,334,744, respectively. The price was determined on market conditions.

NOTE 11 - LOANS

(a) Senior Secured Notes

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

- Principal amount: $ 600,000,000.
- Net Proceeds: $ 595,902,000.
- Maturity Date: February 1, 2025.
- Amortization: principal 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.

NOTE 11 - LOANS (cont.)

a) Senior Secured Notes (cont.)

- Guarantee: The notes are secured by:

  - Debt Service Reserve Account to cover one interest payment (either with cash or with an 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 December 31, 2023, December 31, 2022 and December 31, 2021 is $ 153,798,720, $ 162,018,539 and $ 165,175,467, 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 $ 614,672,081, $ 612,350,155 and $ 610,028,230 (Note 7 g) as of December 31, 2023, 2022 and 2021, respectively.

- Covenants: The notes include covenants and events of default that, among other things, restrict the ability to incur additional indebtedness above a certain allowed limit, make restricted payments, sell certain assets, create certain liens, enter into certain sale and leaseback transactions, merge, consolidate or sell all or substantially all of the company´s assets, or enter into certain transactions with affiliates. These covenants are subject to a number of exceptions and qualifications, including the fall away or revision of certain of these covenants upon the Senior Secured Notes due 2025 receiving investment grade credit ratings.

(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: From Issue Date to (but excluding) August 30, 2023, LIBOR (three months) + Applicable Margin. From August 30, 2023, to Maturity Date, Adjusted Term SOFR + Applicable Margin.

- Amortization: 10 quarterly equal and consecutive installments as of November 30, 2021.

- 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 December 31, 2023, December 31, 2022 and December 31, 2021 is $ 120,302,201, $ 122,129,225 and $ 124,910,349, respectively.

  - The quantity 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)

NOTE 11 - LOANS (cont.)

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

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 $ 25,036,807, $ 124,224,271 and $ 226,460,571 (Note 7 g) as of December 31, 2023, 2022 and 2021, respectively.

- Covenants: The notes include also similar covenants related with limitation of indebtedness, permitted lies and restricted payments.

(c) ON ("Negotiable obligations") Class I and ON Class II local unsecured notes

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

- ON Class I local unsecured notes denominated in USD becoming due after 18 months of the issue thereof ("ON Class I") with the following features:

- Amount of the issue: $ 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 completely amortized 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 ON Class I, February 6, 2023.

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

As of December 31, 2023 the company has no outstanding amounts due related to this unsecured notes. As of December 31, 2022 and 2021 had principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 12,726,487 and $ 12,612,906, respectively (Note 7 g).

- ON Class II local unsecured notes denominated "Unidad de Valor Adquisitivo" (Unit amount indexed up by CPI variation) or "UVA" becoming due after 24 months of the issue thereof ("ON Class 2") with the following features:

- Amount of the issue: $ 18,076,950.
- 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.

NOTE 11 - LOANS (cont.)

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

- Amortization: principal completed amortizable at maturity.
- Date for payment of interest: interest payable 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 ON Class II, August 6, 2023.

In connection with these ON 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 interest to the amount of $ 21,814,051 at the date of the transaction.

As of December 31, 2023 the Company has no outstanding amounts due related to these unsecured notes. As of December 31, 2022 and 2021 the Company had principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 21,738,171 and $ 19,701,970, respectively (Note 7 g).

(d) ON Class III local unsecured notes

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

- ON Class III local unsecured notes denominated in USD becoming due after 24 months of the issue thereof ("ON Class III") with the following features:

- Amount of the issue: $ 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 amortizable in a lump sum at maturity.
- Date for payment of interest: interest payable 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 ON Class III, December 21, 2023.

In connection with these ON Class III local unsecured notes, on maturity date December 21, 2023, MSU Energy paid in full the outstanding principal and interest for the amount of $ 31,416,576.

As of December 31, 2023 the Company has no outstanding amounts due related to these unsecured notes. As of December 31, 2022 and 2021 the Company had outstanding principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 30,122,718 and $ 29,877,341, respectively. (Note 7 g).

(e) ON Class IV local unsecured notes

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

- Issue amount: $ 15,200,000.
- Term: 2 years from issue date.
- Issue price: 100% of nominal amount.
- Interest rate: 7.5%.

NOTE 11 - LOANS (cont.)

(e) ON Class IV local unsecured notes (cont.)

- Issue date: May 20, 2022.
- Maturity date: May 20, 2024.
- Amortization: principal shall be amortized in one installment on maturity date.
- Interest payment dates: interest payable on the following dates: December 20, 2022, May 20, 2023, November 20, 2023, and on the maturity date of Local Unsecured Notes ON Class IV, May 20, 2024.

In connection with these ON Class IV local unsecured notes MSU Energy has outstanding principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 15,293,450 and $ 15,110,771 as of December 31, 2023 and 2022, respectively (Note 7 g).

(f) ON Class V local unsecured notes

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

- Amount of the issue: $ 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 payable on the following dates: January 22, 2023; July 22, 2023; January 22, 2024 and on maturity date of ON Class V, July 22, 2024.

In connection with these ON Class V local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 15,534,801 and $ 15,353,460 as of December 31, 2023 and December 31, 2022, respectively (Note 7 g).

(g) ON Class VI local unsecured notes

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

- Amount of the issue: $ 45,544,190.
- Term: 24 months as from the issue date.
- Issue price: 100% of nominal value.
- Interest rate: 9%
- Date of issue: November 2, 2022.

NOTE 11 - LOANS (cont.)

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

- Maturity date: November 2, 2024.
- Amortization: principal shall be amortized in a lump sum at maturity.
- Date for payment of interest: interest payable on the following dates: November 2, 2023; May 16, 2024; and on maturity date of ON Class VI, November 2, 2024.

In connection with these ON Class VI local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 45,712,739 and $ 45,813,109 as of December 31, 2023 and 2022, respectively (Note 7 g).

(h) ON Class VII local unsecured notes

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

- Issue Amount: $ 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 payable on the following dates: November 30, 2023; June 21, 2024; and on maturity date of ON Class VII, January 12, 2025.

In connection with these ON Class VII local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 14,955,769 as of December 31, 2023 (Note 7 g).

(i) Loans and other financial liabilities

The breakdown of loans with their related rate and maturity, comparative with the prior year is as follows:

Type of instrument	Currency	Interest	Rate	Maturity	12/31/2023	12/31/2022	12/31/2021
Financial Loan	USD	Fixed	8.5%	November 2028	17,819,627	16,519,644	14,483,592
Other financial Loans	USD	Dollar Linked	-	December 2024	19,800,000	-	-
Banks Financial Loans	AR$	Fixed	87% to 146%	Between Jan-24 and jun-24	11,531,550	-	-
Total					49,151,177	16,519,644	14,483,592

NOTE 11 - LOANS (cont.)

(j) Reconciliation required by IAS 7 to cash flows

Changes from financing cash flows and from non-cash items:

	2023	2022	2021
Loans at beginning of the year	893,993,082	913,254,431	865,681,340
Cash flows from financing activities:			
Payments of senior secured floating rate notes	(100,120,000)	(100,120,000)	(25,030,000)
Payments of senior unsecured notes	(64,651,771)	-	-
Payments of loans	(5,217,041)	-	(15,747,791)
Proceeds from senior unsecured notes	15,100,000	75,844,190	61,008,423
Lease payments	(17,955)	(25,603)	(79,780)
Proceeds from new loans	45,403,834	857,448	24,873,757
Payments of interest and financing expenses	(75,769,687)	(85,094,004)	(93,098,984)
Non-cash items changes:			
Exchange differences	(10,785,192)	1,834,841	1,486,287
Interest accrued on lease liability	17,955	25,603	125,748
Interest and other financial costs accrued	82,405,346	87,416,176	94,035,431
Loans at year-end	780,358,571	893,993,082	913,254,431

NOTE 12 – CAPITAL AND MERGER PREMIUM

Capital

As of December 31, 2023, 2022 and 2021, the Company's capital amounted to $ 30,295,440, represented by 468,159,804 non endorsable, registered, common shares, with a nominal value of AR$ 1 each ($ 0,0014), each, one vote per share. Refer to 11.b) Senior Secured Floating Rate Notes (Guarantee).

Merger Premium

MSU ENERGY S.A. (former RIO ENERGY S.A.), UGEN S.A. and UENSA S.A. were part of the MSU group of companies. These three entities operated under common control and had the same management and board of directors since their incorporation. On October 31, 2018, their shareholders, in their extraordinary meeting decided, among other matters, to approve the merger between MSU ENERGY S.A., UGEN S.A. and UENSA S.A. in MSU ENERGY S.A., effective as from January 1, 2019. This merger sought to centralize the business activities in one organization.

The transaction was recognized by MSU ENERGY S.A. at book value, considering that it is a common control transaction. The net assets of UGEN S.A. and UENSA S.A. were combined with MSU ENERGY S.A.'s net assets to form the merged entity.

MSU ENERGY S.A. share capital was increased by $ 15,358,837. Considering that as of December 31, 2018, the share capital of UGEN S.A. and UENSA S.A. was $ 12,364,494 the merger resulted on a capital increase of $ 2,994,343.

As of December 31, 2018, the accumulated losses of UGEN S.A. and UENSA S.A. amounted to $ 17,167,183. As a result, a negative merger premium reserve of $ 20,161,526 was recorded. As of December 31, 2023, 2022 and 2021 there were no changes.

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, the generation capacity was contracted for a term of ten (10) years, at a price of $ 20,900 per MW per 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.

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand (cont.)

a) General Rojo Plant (cont.)

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. 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, being paid in 48 monthly settlements at a 1.7% interest annual nominal rate.

As of December 31, 2023, and December 31, 2022, CAMMESA's penalty have been fully paid. As of December 31, 2021, liability in this regard amounted to $ 3,390,894.

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 December 31, 2023, and December 31, 2022, receivables in this regard amounts to $ 4,335,795 (current portion $ 1,818,691 and non-current portion $ 2,517,104) and $ 5,802,550 (current portion $ 1,819,658 and non-current portion $ 3,982,892), respectively (Note 7 a). As of December 31, 2021, receivables in this regard amounts to $ 6,706,805 (current portion $ 1,803,773 and non-current portion $ 4,903,032) (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 287/2017 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 287/2017. 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.

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 per MW per 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 287/2017 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. 287/2017. 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.

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand: (cont.)

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 per MW per 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.

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. 287/2017 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° 287/2017. 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. MSU Energy S.A. 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 Maria 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 - RELEVANT EVENTS – UNCERTAINTY RELATED TO GOING CONCERN

i) Working Capital

As of December 31, 2023, the Company presents a negative working capital (current assets minus current liabilities) of $ 78,880,398 (compared to a negative working capital of $ 26,194,422 and $ 16,208,149, as of December 31, 2022, and 2021, respectively) mainly driven by financial obligations incurred that are expected to be paid mainly with the cash generated by its operating activities and supplemented with either short-term credit facilities as required or access to debt capital markets.

The Company's installed capacity is fully contracted under long-term power purchase agreements (PPAs) with Cammesa (Note 13). The remuneration scheme consists of a fixed capacity payment coupled with a variable payment derive from the generation operation. The fixed capacity payment is the key economic driver of the business since it represents more than 88% of total revenues -in average during the three last years.

Beyond the maturity of the Senior Secured Notes (see below *Senior Secured Notes expiration in February 2025*) the current debt profile over the next 12 months, considering that: i) the Company has access to short-term facilities to cover any unforeseen event or ii) is able to issue debt in the local capital markets as the Company has already done in 2021 , 2022, 2023 and March 2024 (Refer to Note 15), is aligned with projected cash flow inflows.

In consequence, Management has prepared a baseline cash flow forecast including the following:

Inflows assumptions considered in baseline cash flow projections

(a) Availability factor (which impacts on fixed revenue which is main revenue stream representing almost 88% of total revenues), is projected at 98%, in line with actual average availability factor 98% achieved in 2023 (99% in 2022 and 2021). As mentioned in note 11, pursuant to a long-term service contract, GE provides maintenance services of all turbines and main equipment of the plants and guarantees a minimum performance, which supports availability.

(b) Dispatch factor at 50% which is in line with actual dispatch levels of recent months. Under the combined cycle EPC turn-key contracts, the efficiency ratios of the combined cycle operation are fully guaranteed by General Electric.

Outflow assumptions considered in baseline cash flow projections

(a) Operating and maintenance expenses amounting to an average of $ 2.4 million per month, slightly lower than 2023 mainly due to exchange rate impact seen in December 2023.

(b) Interest and principal repayments related to the Company's long-term senior secured notes as well as short-term debt drawn after year end, on or before maturity described in Note 11.

ii) Senior Secured Notes expiration in February 2025

Regarding the maturity of the financial debt for the Senior Secured Notes (Note 11 a) for $ 600,000,000 in February 2025, Company´s Management is working on different alternatives for the refinancing and/or settlement of such debt at maturity.

Company's Management has considered that the following factors will counter the effects of the adverse circumstances in the process:

i) the Company has reduced compared to previous years, its ratio of net financial debt to Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), as can be seen from the information included in these Financial Statements; and

ii) the Company had access to the international (Note 11 a) and b)) and local capital markets (Note 11 c), d), e), f), g) and h)).

Management understands that these circumstances are highly dependable on the occurrence of certain events o conditions that are not under Company's control, and consequently indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

NOTE 15 - ADJUSTED EBITDA RECONCILIATION WITH NET INCOME

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

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

a) For the year ended December 31, 2023, as follows:

Profit for the year	56,729,631
Net finance costs	108,667,376
Income tax benefit	(35,990,746)
Depreciation	28,673,880
Adjusted EBITDA	158,080,141

b) For the year ended December 31, 2022, as follows:

Profit for the year	42,420,468
Net finance costs	89,812,732
Income tax expense	10,834,986
Depreciation	22,972,259
Adjusted EBITDA	166,040,445

c) For the year ended December 31, 2021, as follows:

Profit for the year	52,711,884
Net finance costs	88,193,052
Income tax expense	13,044,038
Depreciation	26,117,186
Adjusted EBITDA	180,066,160

NOTE 16 - SUBSEQUENT EVENTS

In January 2024, the Company made interest payments of USD 608,964 on the Class V Negotiable Obligations (Note 11 f). In February 2024, the Company made payments of interest for $ 20,625,000 (Senior Secured Notes, Note 11 a), for $ 25,030,000 of principal (last amortization settlement) and $ 1,163,034 of interests from Senior Secured Floating Rate Notes (Note 11 b) at maturity date, among others, complying with their commitments.

Also, during January and February 2024, the Company has received short-term credit facilities for $ 26,800,000.

NOTE 16 - SUBSEQUENT EVENTS (cont.)

On March 8, 2024, the company has priced a local offering of $ 23.236,396 aggregate principal amount:

- ON Class VIII Local Unsecured Note for ARS 7.831.109.206 (equivalent to $ 9,248,431) with a floating rate of Badlar + 3% maturing on January 12, 2025, and

- ON Class X Local Unsecured Note for $ 13,987,965 with a fixed rate of 8.25% maturing on March 12, 2026, the integration of the ON will consist on the exchanging of notes from ON Class IV Local Unsecured Note for $ 5,925,043 (Note 11 e) and ON Class V Local Unsecured Note for $ 2,542,383 (Note 11 f), and cash for $ 5,520,539.

No events or transactions, other than those mentioned above, have occurred from period-end to the date of issuance of these financial statements that would have a material effect on the financial position of the Company or the results of its operations as of and for the year-end December 31, 2023.