



# 2023 Results Conference Call

Marzo 12, 2024



# Disclaimer

This presentation contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about us and our industry. These forward-looking statements can be identified by words or phrases such as “anticipate,” “forecast,” “believe,” “continue,” “estimate,” “expect,” “intend,” “is/are likely to,” “may,” “plan,” “should,” “would,” or other similar expressions.

The forward-looking statements included in this presentation relate to, among others: (i) our business prospects and future results of operations; (ii) the implementation of our combined cycle expansion project; (iii) the implementation of our financing strategy and the cost and availability of such financing; (iv) the competitive nature of the industries in which we operate; (v) future demand and supply for energy and natural gas; (vi) the relative value of the Argentine Peso compared to other currencies; (vii) weather and other natural phenomena; (viii) the performance of the South American and world economies; and (ix) developments in, or changes to, the laws, regulations and governmental policies governing our business, including environmental laws and regulations.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may turn out to be incorrect. Our actual results could be materially different from our expectations. In light of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this release might not occur, and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, inclusive, but not limited to, the factors mentioned above. Because of these uncertainties, you should not make any investment decision based on these estimates and forward-looking statements.

The forward-looking statements made in this earnings release relate only to events or information as of the date on which the statements are made in this report. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

This presentation does not constitute or form any part of any offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any senior notes or other securities of the Company.



## MSU Energy | 2023 Highlights & Recent Developments

- › **Operational performance**

Average availability factor reached 99.0% during 4Q23 and 97.9% in 2023 compared to a full-year sector average of combined cycle plants of 82.4%.

- › **Financial performance**

EBITDA in 2023 reached USD 158.1 million with an EBITDA margin of 84%.

- › **2024 Secured Floating Rate Note fully amortized**

On February we paid the last amortization completing the full pay-off of USD 250 million.

- › **Gas turbine 25,000 hour overhaul in progress**

Maintenance of five gas-turbines successfully completed. We expect to overhaul the rest of the GTs fleet throughout 2024 and 2025.



# Operational performance

## Key Performance Indicators

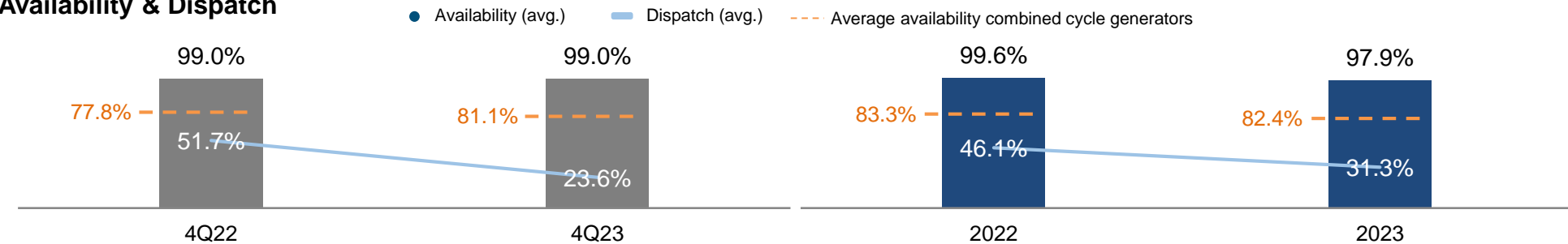
### Argentina Power S&D

- > Aggregate energy demand during 2023 increased by 1.5% compared to the same period of 2022. Higher demand was driven by 3.3% and 1.0% increase in residential and commercial consumption, respectively, partially offset by a 1.1% decrease in industrial segment.
- > Power generation during 2023 increased by 1.9% year-over-year, mainly explained higher hydroelectric (30.3%), nuclear (20.0%) and renewable (3.9%) generation, partially offset by lower thermal (10.7%) generation.
- > Cammesa's electricity exchange with neighboring countries during 2023 resulted in a net import balance of 6,143 GWh while, during the same period of 2022 electricity trade had a net import balance of 6,279 GWh.

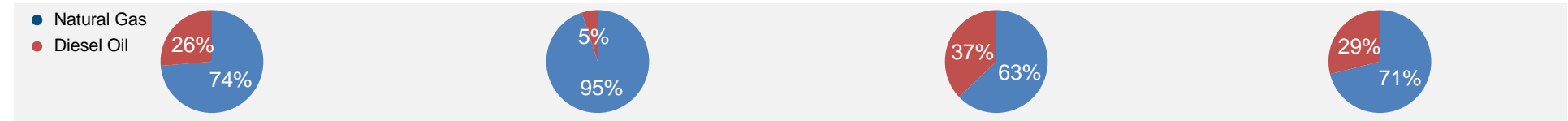
### MSU Energy Performance

- > Availability factor, averaged 97.9% during 2023, mainly affected by GE's leased unit failure.
- > Our average dispatch rate in 2023 reached 31.3%. The decrease was mainly driven by lower thermal generation and bottlenecks in gas transport and logistics.
- > During 2023, 29% of the times our plants were called for dispatch was with diesel oil.

### Availability & Dispatch



### Fuel Mix

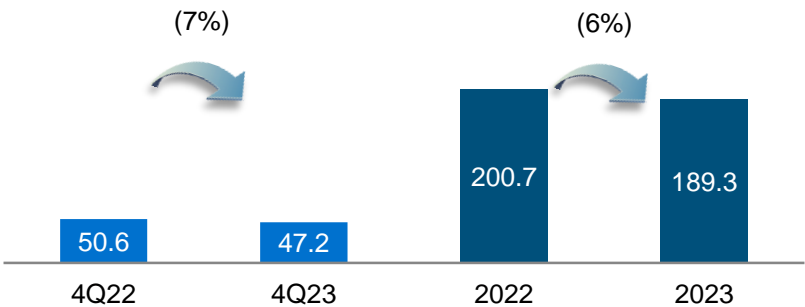






# Stable and predictable dollar denominated revenues

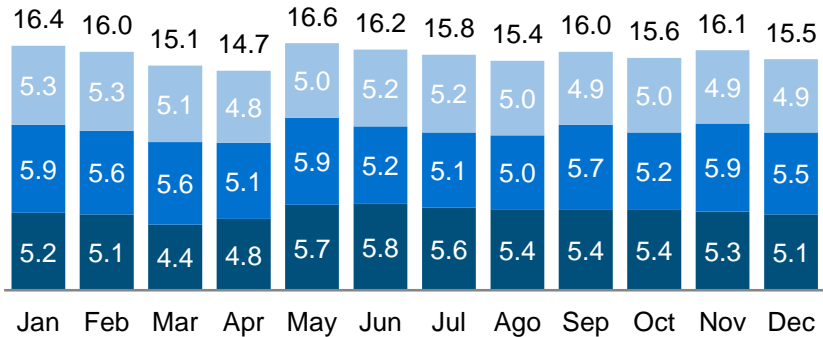
## Revenues – USD millions



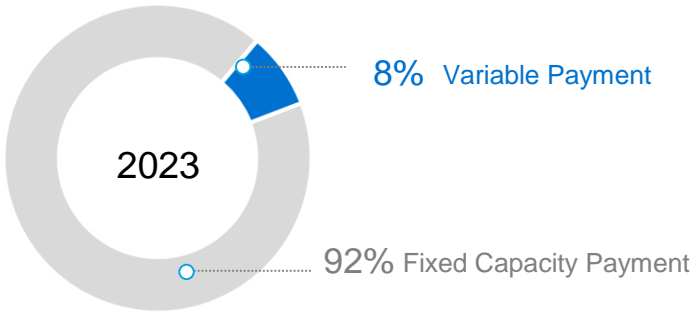
- > Revenues reached USD 47.2 million in 4Q23, 7% lower year-over-year mainly explained by lower dispatch.
- > 2023 full year revenues reached USD 189.3 million, 6% lower than 2022, mainly explained by lower availability and lower dispatch.
- > Fixed Capacity payments, driven by availability factor, represented 92% of total revenues in 2023.

## 9M23 Monthly revenues breakdown - USD millions

By Month/Plant



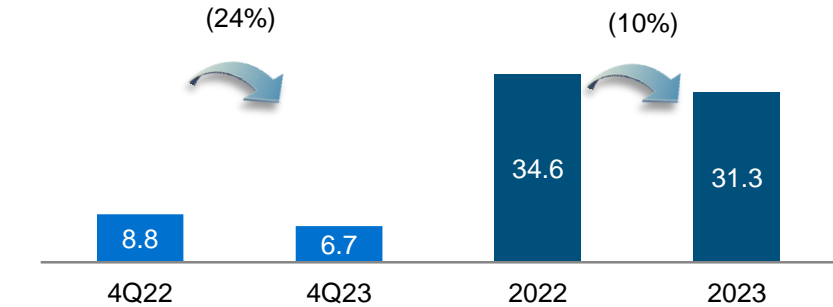
By type





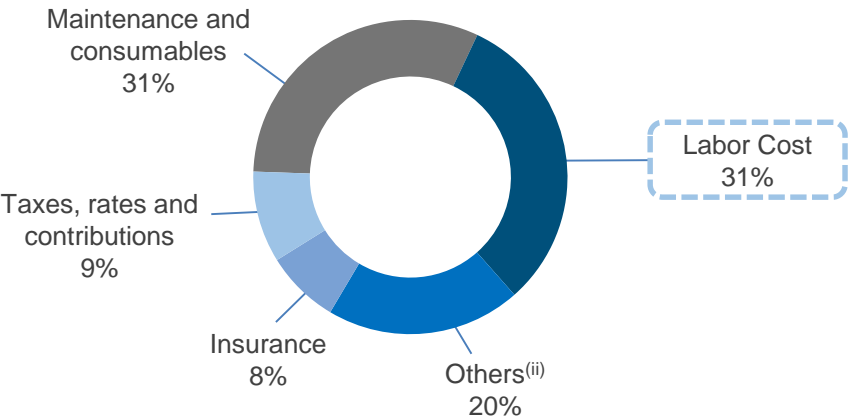
# Efficient costs structure

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



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

## 2023 Costs Breakdown



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

> Cash Costs<sup>(i)</sup> reached USD 31.3 million in 2023, USD 3.4 million lower year-over-year. The decrease is mainly explained by:

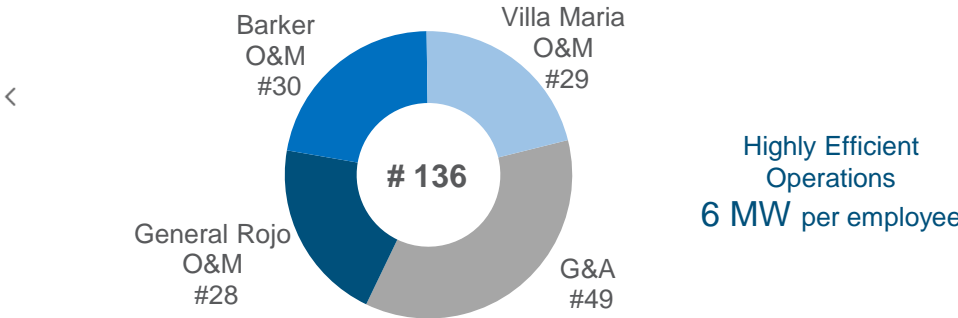
(i) lower variable costs and consumables in connection with lower dispatch;

(ii) lower annual recurring maintenance costs; and partially offset by:

(iii) higher labor costs as a result of the appreciation of the ARS peso in real terms from January to November; and

(iv) an increase in GE CSA service expenses driven by the increase in US labor inflation, industrial and metals commodities.

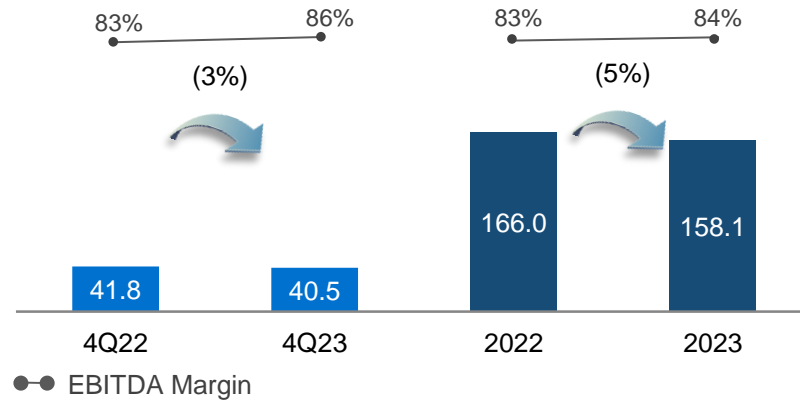
## Headcount - # as of December 31, 2023



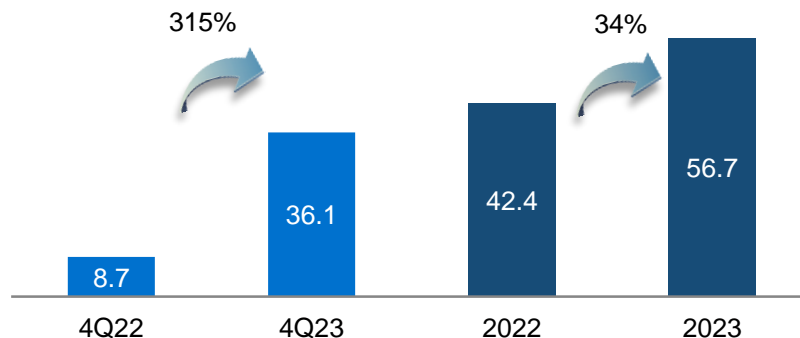


## Financial performance

### EBITDA - USD millions



### Net Income - USD millions



EBITDA reached USD 40.5 million in 4Q23, 3% or USD 1.3 million lower as a result of lower variable revenues partially compensated by lower costs. Nonetheless, EBITDA Margin increased to 86% in the quarter.

2023 EBITDA, reached USD 158.1 million, 5% or USD 8.0 million lower year-over-year, as a result of (i) a USD 7.0 million decrease in variable revenues, and (ii) a USD 4.4 million decrease in fixed revenues, partially offset by (iii) a USD 3.4 million reduction in costs.

2023 EBITDA Margin reached 84%, slightly above 2022.

Net Income reached USD 36.1 million during 4Q23 and 56.7 million in 2023, USD 27.4 million and USD 14.3 million higher year-over-year, respectively.

The increase in 2023 is mainly explained by (i) a USD 46.8 million increase in income tax expense; partially offset by: (ii) a USD 18.9 million increase in Net Financial Costs, (iii) a USD 8.0 million decrease in EBITDA, and (iv) a USD 5.7 million increase in D&A.

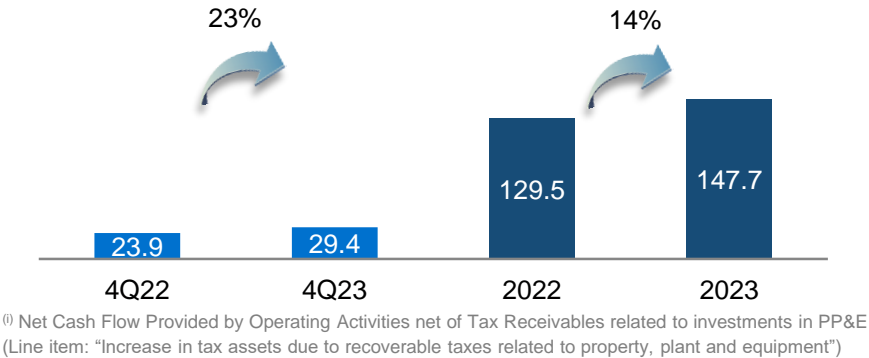
#### Net Finance Costs breakdown (USD mm)

	4Q22	4Q23	2022	2023
Net interest expense	(15.8)	(6.3)	(65.0)	(35.3)
Foreign exchange (loss)	(9.2)	(32.4)	(24.8)	(73.3)
Net financial cost	(25.1)	(38.8)	(89.8)	(108.7)



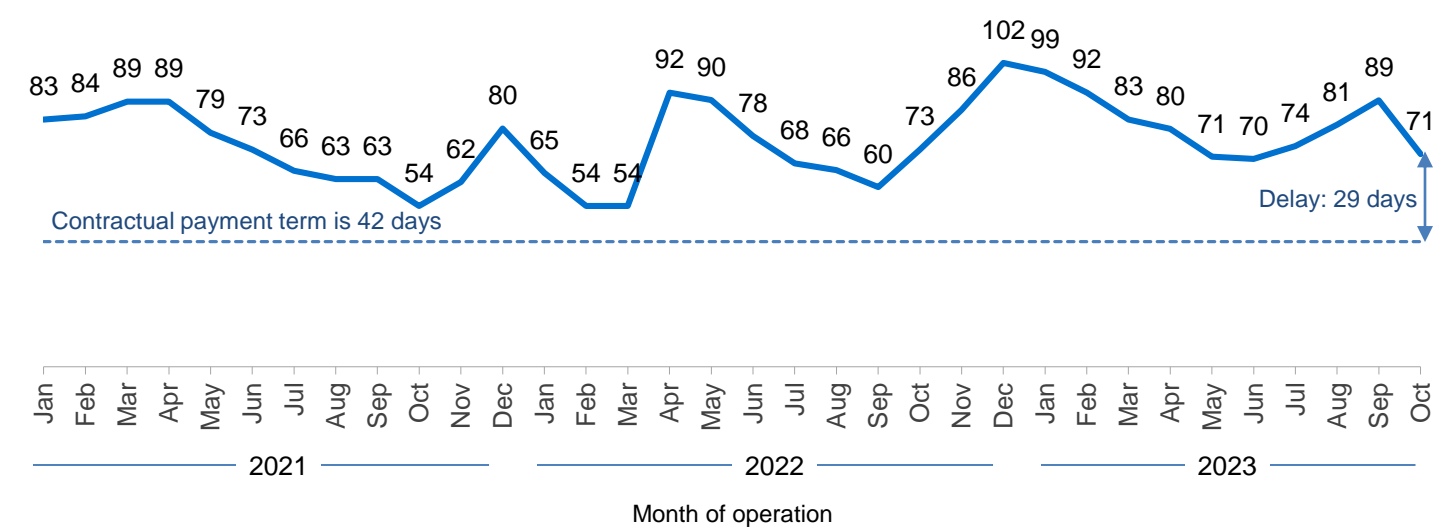
# Cash Flow

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



- Adjusted Operating Cash Flow<sup>(i)</sup> ("AOCF") reached USD 29.4 million during 4Q23 and USD 147.7 million in 2023, 23% and 14% higher year-over-year, respectively.
- Adjusted Operating Cash Flow in 2023 is composed of EBITDA of USD 158.1 million, offset by: : (i) a USD 6.9 million increase in trade receivables as a result of an increase in Cammesa's payment terms, (ii) a USD 4.4 million increase in VAT, (iii) a USD 1.9 million spare parts inventory build-up, and (iv) a USD 5.5 million increase in trade payables.
- As of December 31, 2023 overdue Cammesa receivables amounted to USD 18.8 million. October invoice which matured on December was paid during January at a weighted average of 71 days

## Cammesa payment days – weighted average



Average monthly collections from Cammesa				
	2021	2022	2023	2024
Jan	100%	58%	90%	100%
Feb	100%	52%	82%	50%
Mar	100%	153%	53%	
Apr	69%	147%	90%	
May	107%	81%	148%	
Jun	73%	19%	130%	
Jul	105%	50%	107%	
Aug	146%	141%	133%	
Sep	148%	132%	67%	
Oct	106%	97%	113%	
Nov	46%	159%	46%	
Dec	190%	20%	142%	





## Balance Sheet highlights

### Net debt - USD millions

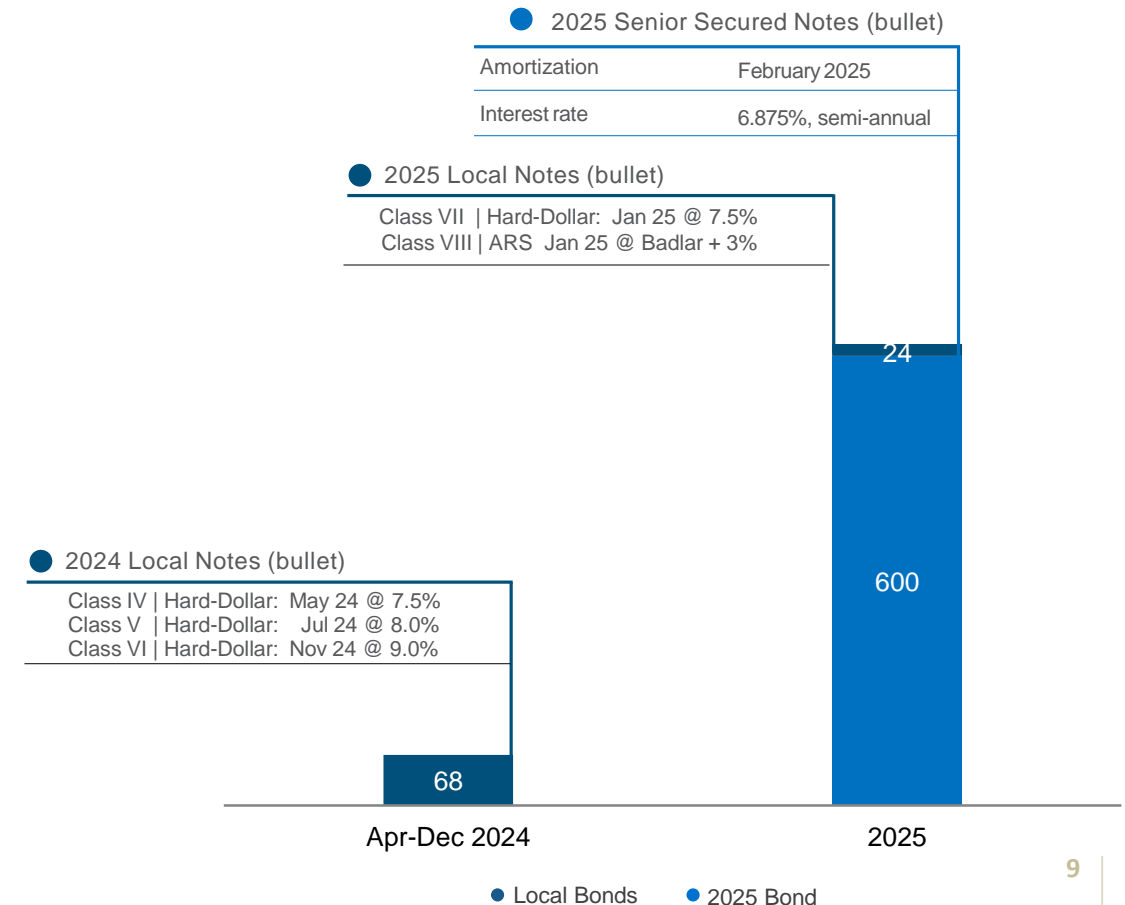
Debt breakdown (USD MM)	As of December 31, 2023
2025 Senior secured notes	(600.0)
2024 Senior secured FRN	(25.0)
Local notes	(90.9)
Short term loans	(31.3)
Long term loans	(17.8)
Accrued interest, net <sup>(i)</sup>	(15.4)
<b>Total financial debt</b>	<b>(780.4)</b>
<b>Cash</b>	<b>15.3</b>
<b>Net financial debt</b>	<b>(765.1)</b>
Net leverage ratio (over LTM EBITDA)	4.7x

(i) Net of capitalized issuance expenses

> On March 8, the company has priced a local offering of USD 23.2 million aggregate principal amount. As part of the issuing, USD 5.9 million and USD 2.5 million of Class IV and Class V notes, respectively, have been exchanged with maturity March 12, 2026.

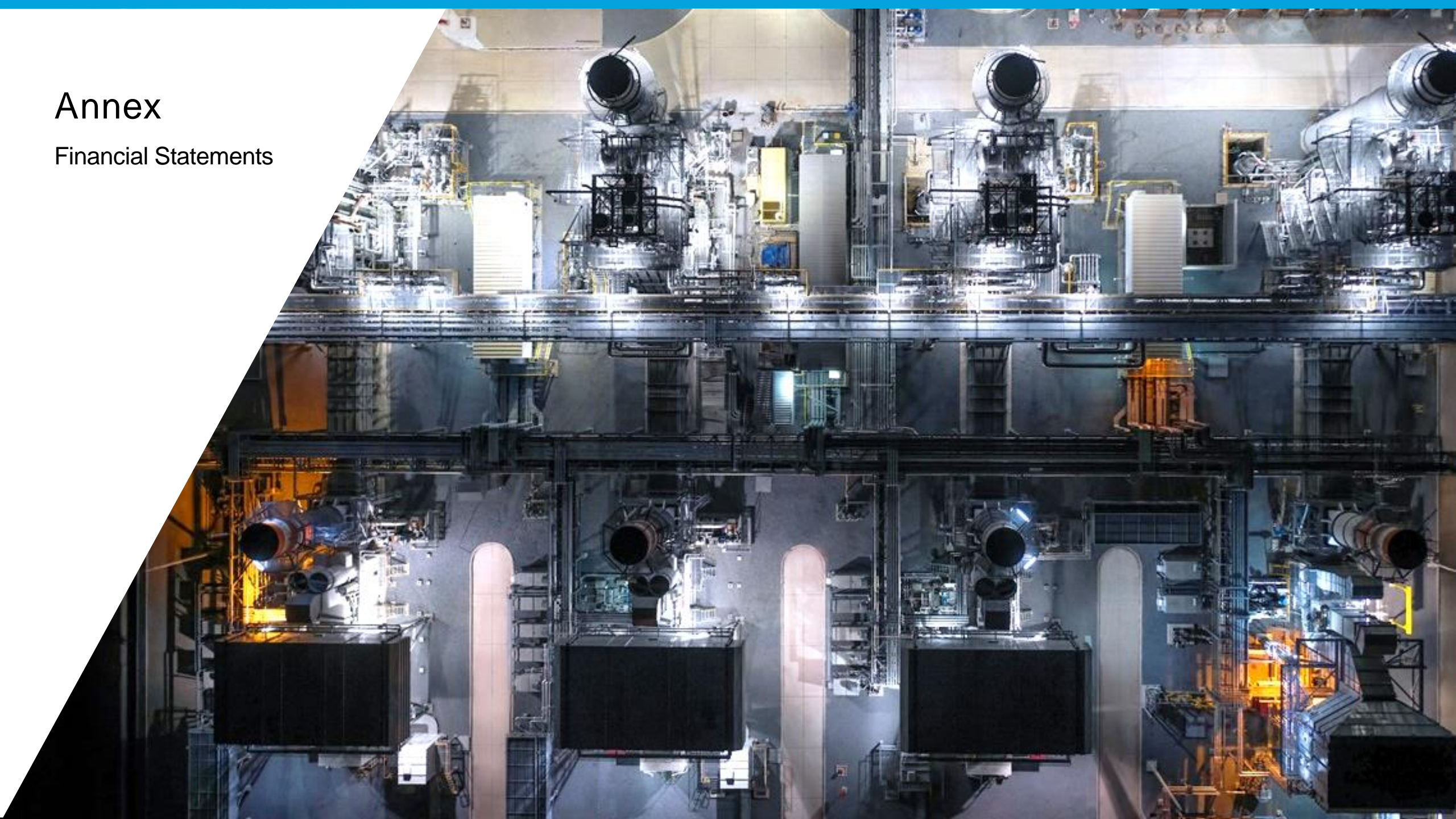
### Debt amortization of financial debt – USD millions

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



# Annex

## Financial Statements



# Financial Highlights - Income Statement



In thousands of USD	4Q23	4Q22	2023	2022
Net revenue	47,162	50,616	189,277	200,690
Cost of sales	(12,617)	(13,725)	(52,462)	(50,516)
<b>Gross profit</b>	<b>34,546</b>	<b>36,891</b>	<b>136,816</b>	<b>150,174</b>
General and administrative expenses	(2,057)	5,890	(7,498)	-
Other income	0	(7,106)	89	(7,106)
<b>Operating profit</b>	<b>32,488</b>	<b>35,675</b>	<b>129,406</b>	<b>143,068</b>
Net finance costs	(38,762)	(25,069)	(108,667)	(89,813)
<b>Net income before income tax</b>	<b>(6,273)</b>	<b>10,606</b>	<b>20,739</b>	<b>53,255</b>
Income tax expenses	42,359	(1,904)	35,991	(10,835)
<b>Net income for the period</b>	<b>36,085</b>	<b>8,702</b>	<b>56,730</b>	<b>42,420</b>





# Financial Highlights - Cash Flows

In thousands of USD	As of December 31, 2023	As of December 31, 2022
<b>Cash Flow from operating activities</b>		
Profit for the period	56,730	42,420
<b>Adjustments for:</b>		
Income tax expense	(35,991)	10,835
Depreciation of property, plant and equipment	28,674	22,972
Foreign exchange, differences	65,435	24,860
Accrued interest, net	35,337	64,972
Other income	(89)	-
Change in fair value of derivative instruments	11,907	-
Change in fair value of financial assets	(4,012)	19
<b>Changes in operating assets and liabilities</b>		
(Increase) decrease in trade receivables	(6,907)	(25,836)
(Increase) decrease in other assets	(1,575)	1,090
increase in materials and spare parts	(1,925)	(3,508)
Increase in tax assets	(4,454)	(7,387)
Increase (decrease) in trade and other payable	5,462	(1,076)
(Decrease) increase in taxes payable	(975)	123
Increase (decrease) in other liabilities	71	(35)
<b>Net cash flows from operating activities</b>	<b>147,689</b>	<b>129,450</b>
<b>Cash flow from investing activities</b>		
Interest and financial results received	20,619	9,190
Proceeds (payments) from sales (disposals) of investments	5,568	(3,030)
Payments of derivative financial instruments	(11,907)	-
Disposal of fixed assets	89	1
Payments for the acquisition of property, plant and equipment	(13,545)	(1,496)
<b>Net cash flows from investing activities</b>	<b>824</b>	<b>4,665</b>
<b>Cash flow from financing activities</b>		
Payments of senior secured floating rate notes	(100,120)	(100,120)
Payments of senior unsecured local notes	(64,652)	75,844
Proceeds from senior unsecured local notes	15,100	857
Loans received	45,404	-
Lease payments	(17)	(26)
Payments of loans	(5,217)	-
Payments of interest and financing expenses	(75,770)	(85,094)
<b>Net cash flows used in financing activities</b>	<b>(185,273)</b>	<b>(108,538)</b>
Cash and cash equivalents at the beginning of year	78,489	62,819
Exchange rate difference	(26,435)	(9,907)
Cash and cash equivalents at the end of the period	15,295	78,489
<b>Net (decrease) increase in cash</b>	<b>(36,760)</b>	<b>25,578</b>



# Financial Highlights - Balance Sheet

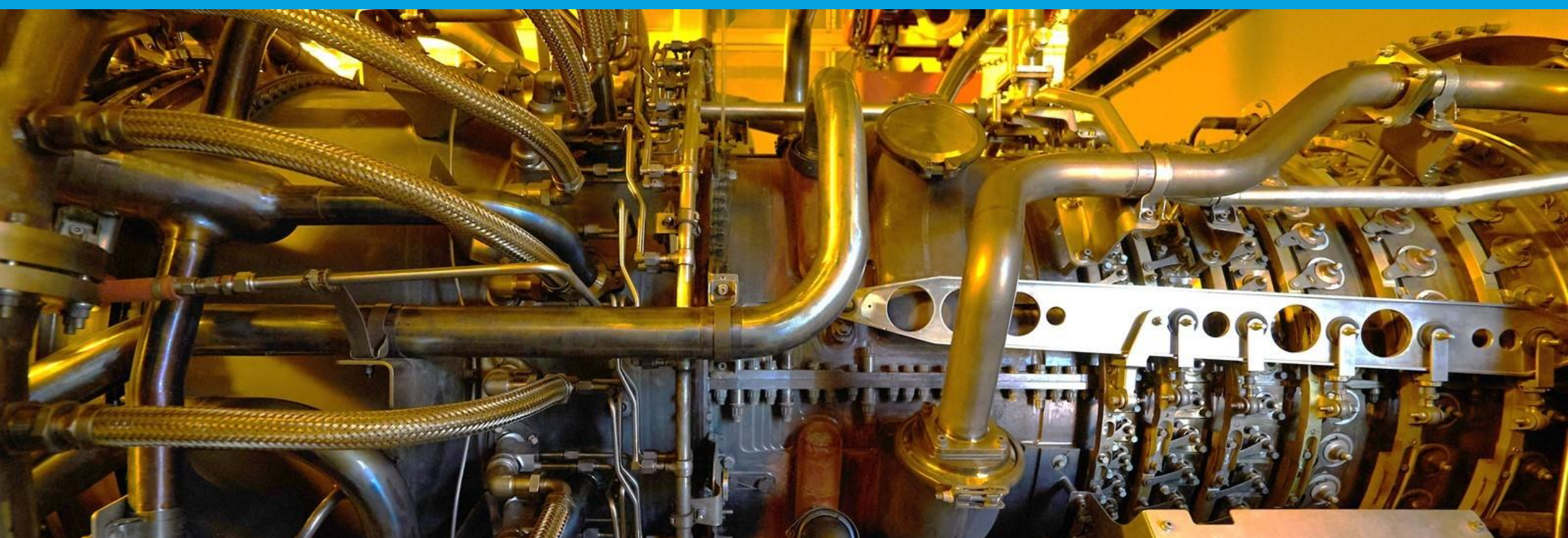
	As of December 31, 2023	As of December 31, 2022
<b>Assets</b>		
Property, plant and equipment	887,427	899,435
Loans granted	50,299	47,817
Tax assets	973	2,036
Other assets	4,170	3,983
<b>Total non-current assets</b>	<b>942,870</b>	<b>953,271</b>
Materials and spare parts	18,000	16,075
Tax assets	2,294	9,216
Other assets	7,043	6,378
Trade receivables	51,496	65,149
Investments	1,429	3,011
Cash and cash equivalents	15,295	78,489
<b>Total current assets</b>	<b>95,557</b>	<b>178,319</b>
<b>Total assets</b>	<b>1,038,427</b>	<b>1,131,590</b>
<b>Shareholders' equity</b>		
Share capital	30,295	30,295
Merger premium	(20,162)	(20,162)
Legal reserve	2,027	1,251
Other reserves	158,381	116,737
Retained earnings	56,730	42,420
<b>Total equity</b>	<b>227,271</b>	<b>170,542</b>
<b>Liabilities</b>		
Loans	632,720	714,164
Taxes payable	840	3,223
Deferred tax payable	3,157	39,148
<b>Total non-current liabilities</b>	<b>636,718</b>	<b>756,535</b>
Loans	147,638	179,829
Other liabilities	1,165	1,073
Taxes payable	486	1,684
Trade and other payables	25,148	21,927
<b>Total current liabilities</b>	<b>174,437</b>	<b>204,513</b>
<b>Total liabilities</b>	<b>811,155</b>	<b>961,048</b>
<b>Total liabilities and equity</b>	<b>1,038,427</b>	<b>1,131,590</b>



# Financial Highlights - EBITDA Reconciliation



In thousands of USD	4Q23	4Q22	2023	2022
Net income for the period	36,085	8,702	56,730	42,420
Net finance costs	38,762	25,069	108,667	89,813
Income tax expense	(42,359)	1,904	(35,991)	10,835
Depreciation and amortization	7,996	6,115	28,674	22,972
<b>EBITDA</b>	<b>40,484</b>	<b>41,790</b>	<b>158,080</b>	<b>166,040</b>



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

Hernán Walker | CFO

Hernán Cerutti | IR & Capital Markets Manager

+54 11 43162800 | [ir@msuenergy.com](mailto:ir@msuenergy.com) | [www.msuenergy.com](http://www.msuenergy.com)

Cerrito 1294 | 2nd floor | C1010AAZ | Buenos Aires



Energy moves us