

**MSU ENERGY S.A.**

Unaudited condensed interim financial statements for  
the nine-month period ended September 30, 2024

# MSU ENERGY S.A.

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS** for the nine-month period ended September 30, 2024

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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of MSU Energy S.A. as of September 30, 2024, the condensed interim statements of profit or loss and other comprehensive income for the nine-month and three-month periods then ended, changes in shareholders' equity and cash flows for the nine-month period then ended, and notes, to the interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with IAS 34, '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the nine months ended September 30, 2024, are not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

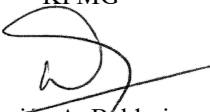
### *Material Uncertainty related to Going Concern*

We draw attention to note 14 of the condensed interim financial statements, which indicates that as a consequence of the Senior Notes with a principal in the amount of \$ 600,000,000 becoming due in February 2025, the Company's current liabilities exceed its current assets. As stated in note 14, Management considers that certain variables in the refinancing process of such Senior Notes depend on the occurrence of certain events that are not under Company's control and concludes that a material uncertainty exists that may cast substantial doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### *Emphasis of Matter – Purpose of these condensed interim financial statements*

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

City of Buenos Aires (Argentina), October 31, 2024

KPMG  
  
Damián A. Balderian  
Partner

## **MSU ENERGY S.A.**

Unaudited condensed interim financial statements for the nine-month period ended September 30, 2024.

Stated in United States Dollars (USD).

### GENERAL INFORMATION

Legal address: Cerrito 1294 – 2<sup>nd</sup> 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%

Legal address: Vineyards Business Centre Suite 3, 36 Gloucester Avenue, London, UK

Ultimate Parent company's information:

Name: Safenyl S.A.

Main business: Investments

Ownership interest and voting stock: 50%

Legal address: Vineyards Business Centre Suite 3, 36 Gloucester Avenue, London, UK

## MSU ENERGY S.A.

### UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION as of September 30, 2024 (in USD)

	Notes	09/30/2024	12/31/2023
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7 (i)	875,218,349	887,427,177
Loans granted	10	-	50,299,125
Tax assets	7 (b)	1,169,681	973,875
Other assets	7 (a)	<u>1,353,352</u>	<u>4,169,604</u>
Total non-current assets		<u>877,741,382</u>	<u>942,869,781</u>
<b>CURRENT ASSETS</b>			
Materials and spare parts	7 (c)	20,025,908	18,000,031
Tax assets	7 (b)	3,415,102	2,293,811
Other assets	7 (a)	4,819,714	7,042,682
Trade receivables		43,341,952	51,496,456
Investments	7 (d)	-	1,429,219
Cash and cash equivalents	7 (e)	<u>15,080,437</u>	<u>15,294,836</u>
Total current assets		<u>86,683,113</u>	<u>95,557,035</u>
Total assets		<u>964,424,495</u>	<u>1,038,426,816</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	12	30,295,440	30,295,440
Merger Premium	12	( 20,161,526)	( 20,161,526)
Legal reserve		4,863,264	2,026,783
Other reserves		160,153,685	158,381,137
Retained earnings		<u>6,156,833</u>	<u>56,729,631</u>
Total equity		<u>181,307,696</u>	<u>227,271,465</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Loans	7 (g)	32,850,976	632,720,271
Taxes payable		771,084	840,840
Deferred tax liabilities		<u>33,004,848</u>	<u>3,156,807</u>
Total non-current liabilities		<u>66,626,908</u>	<u>636,717,918</u>
<b>CURRENT LIABILITIES</b>			
Loans	7 (g)	676,437,409	147,638,300
Other liabilities	7 (h)	474,346	1,165,238
Taxes payable		315,036	486,137
Trade and other payables	7 (f)	<u>39,263,100</u>	<u>25,147,758</u>
Total current liabilities		<u>716,489,891</u>	<u>174,437,433</u>
Total liabilities		<u>783,116,799</u>	<u>811,155,351</u>
Total liabilities and equity		<u>964,424,495</u>	<u>1,038,426,816</u>

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

## MSU ENERGY S.A.

### UNAUDITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the nine-month period ended September 30, 2024 (in USD)

	Notes	09/30/2024 (9 months)	09/30/2023 (9 months)	09/30/2024 (3 months)	09/30/2023 (3 months)
Net revenues	8 (a)	144,485,023	142,114,973	48,919,557	47,171,275
Cost of sales	8 (c)	( 36,716,583)	( 39,844,984)	(13,734,913)	(10,511,650)
<b>Gross profit</b>		107,768,440	102,269,989	35,184,644	36,659,625
General and administrative expenses	8 (c)	( 4,385,191)	( 5,441,186)	( 1,538,612)	( 1,657,477)
Impairment loss on trade receivables	6 (b.3)	( 11,263,221)	-	-	-
Other income	8 (d)	6,174,449	89,055	-	38,252
<b>Operating profit</b>		98,294,477	96,917,858	33,646,032	35,040,400
Financial income	8 (b)	20,146,988	42,035,164	3,442,604	16,521,005
Financial expenses	8 (b)	( 82,436,591)	(111,940,525)	(21,929,218)	(42,277,209)
<b>Net finance costs</b>		( 62,289,603)	( 69,905,361)	(18,486,614)	(25,756,204)
<b>Net income before income tax</b>		36,004,874	27,012,497	15,159,418	9,284,196
Income tax expense	5	( 29,848,041)	( 6,367,511)	(14,855,989)	( 2,759,802)
<b>Profit for the period</b>		6,156,833	20,644,986	303,429	6,524,394
<b>Other comprehensive income</b>		-	-	-	-
<b>Comprehensive income for the period</b>		<u>6,156,833</u>	<u>20,644,986</u>	<u>303,429</u>	<u>6,524,394</u>

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

## MSU ENERGY S.A.

### UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY for the nine-month period ended September 30, 2024 (in USD)

Items	Share capital	Merger Premium (Note 12)	Legal reserve	Other reserves	Retained earnings	Total
<b>Balances as of December 31, 2022</b>	<u>30,295,440</u>	<u>(20,161,526)</u>	<u>1,250,092</u>	<u>116,737,360</u>	<u>42,420,468</u>	<u>170,541,834</u>
Appropriation to legal and other reserves (1)	-	-	776,691	41,643,777	(42,420,468)	-
Profit for the period	-	-	-	-	<u>20,644,986</u>	<u>20,644,986</u>
<b>Balances as of September 30, 2023</b>	<u>30,295,440</u>	<u>(20,161,526)</u>	<u>2,026,783</u>	<u>158,381,137</u>	<u>20,644,986</u>	<u>191,186,820</u>
<b>Balances as of December 31, 2023</b>	<u>30,295,440</u>	<u>(20,161,526)</u>	<u>2,026,783</u>	<u>158,381,137</u>	<u>56,729,631</u>	<u>227,271,465</u>
Appropriation to legal and other reserves (2)	-	-	2,836,481	53,893,150	(56,729,631)	-
Dividends distribution (3)	-	-	-	( 52,120,602)	-	( 52,120,602)
Profit for the period	-	-	-	-	<u>6,156,833</u>	<u>6,156,833</u>
<b>Balances as of September 30, 2024</b>	<u>30,295,440</u>	<u>(20,161,526)</u>	<u>4,863,264</u>	<u>160,153,685</u>	<u>6,156,833</u>	<u>181,307,696</u>

- (1) As voted at the MSU ENERGY Sociedad Anónima Ordinary Shareholder's Meeting on April 19, 2023.
- (2) As voted at the MSU ENERGY Sociedad Anónima Ordinary Shareholder's Meeting on April 24, 2024. In addition, in this meeting the Shareholders delegated the decision for distributing dividends to the Board of Directors up to the other reserves amount until the next annual Ordinary Shareholder's Meeting.
- (3) As resolved at the MSU ENERGY Sociedad Anónima Board of Director's Meeting on August 6, 2024, in which it was decided: (i) the partial release of Other Reserves, for a total amount of \$ 52,120,602; and (ii) the distribution of such amount as dividends. The dividend amount was applied to offset existing credits with Shareholders (as reflected in Note 15) in a non-cash settlement transaction.

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

**MSU ENERGY S.A.**  
**UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
for the nine-month period ended September 30, 2024 (in USD)

CAUSES OF CHANGES IN CASH	<u>Notes</u>	<u>09/30/2024</u>	<u>09/30/2023</u>
<b>Cash flow from operating activities</b>			
Profit for the period		6,156,833	20,644,986
Adjustments for:			
Income tax expense		29,848,041	6,367,511
Depreciation of property, plant and equipment	8 (c)	19,847,778	20,677,714
Impairment loss on trade receivables and financial assets	6 (b.3)	14,891,531	-
Foreign exchange differences, net	8 (b)	2,659,857	42,876,194
Accrued interest, net	8 (b)	55,410,207	28,983,150
Other income	8 (d)	( 6,174,449)	( 89,055)
Change in fair value of derivative instruments	8 (b)	-	( 1,318,479)
Change in fair value of financial assets	8 (b)	591,229	( 635,504)
Changes in operating assets and liabilities:			
Increase in trade receivables		( 8,196,971)	( 4,341,908)
Decrease (increase) in other assets		2,455,815	( 631,930)
Increase in materials and spare parts		( 2,025,877)	( 2,749,337)
(Increase) decrease in tax assets		( 1,770,047)	2,481,535
Increase in trade and other payable		21,238,769	4,734,086
Increase in other liabilities		76,969	1,231,884
Increase in taxes payable		<u>104,024</u>	<u>50,833</u>
<b>Net cash flows from operating activities</b>		<u>135,113,709</u>	<u>118,281,680</u>
<b>Cash flow from investing activities</b>			
Interest received and other financials receivables		2,439,888	14,841,221
Net proceeds for sell and acquisition of investments		812,527	95,273
Proceeds from derivative financial instruments		-	2,690,103
Proceeds from disposal of fixed assets		-	89,055
Payments for acquisition of property, plant and equipment		( 5,737,431)	( 10,014,677)
<b>Net cash flows (used in) from investing activities</b>		<u>( 2,485,016)</u>	<u>7,700,975</u>
<b>Cash flow from financing activities</b>			
Proceeds from new loans	11 (j)	59,489,044	8,051,844
Payments of loans	11 (j)	( 86,008,641)	-
Payments of senior secured notes	11 (j)	( 25,030,000)	( 75,090,000)
Payments of local unsecured notes	11 (j)	( 21,832,574)	( 34,351,771)
Proceeds from local unsecured notes	11 (j)	14,752,616	15,100,000
Payments of financial leasing	11 (j)	( 1,701)	( 14,292)
Dividends paid (withholding tax)	15	( 3,648,442)	-
Payments of interest and financing expenses	11 (j)	( 68,488,768)	( 62,711,969)
<b>Net cash flows used in financing activities</b>		<u>(130,768,466)</u>	<u>(149,016,188)</u>
<b>Net increase (decrease) in cash</b>		<u>1,860,227</u>	<u>( 23,033,533)</u>
Cash and cash equivalents at the beginning of year		15,294,836	78,489,181
Effect of exchange rate changes on cash and cash equivalents		( 2,074,626)	( 19,361,061)
Cash and cash equivalents at the end of the period		<u>15,080,437</u>	<u>36,094,587</u>
<b>Net increase (decrease) in cash</b>		<u>1,860,227</u>	<u>( 23,033,533)</u>
<b>Significant financing non-cash transactions</b>			
Debt exchange (Note 11 c and d)		8,467,426	-
Offset of dividends distribution and financial assets (Note 15)		48,472,160	-

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



# MSU ENERGY S.A.

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of September 30, 2024 (in USD)

### 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 located 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"), and
- 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 Maria 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 unaudited condensed interim financial statements**

Management prepared these non-statutory condensed interim 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 to support the financial information included in the Offering Memorandum that is expected to be part of the debt refinancing process (Note 14).

### NOTE 2 - BASIS OF ACCOUNTING

#### **2.1) Statements of compliance**

These unaudited condensed interim financial statements have been prepared in conformity with IAS 34 Interim Financial Reporting and should be read in conjunction with the last annual financial statements as at and for the year ended December 31, 2023 ("last annual financial statements"). They do not include all the information required for a complete set of IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

These unaudited condensed interim financial statements ended September 30, 2024, were authorized for issue by the Board of Directors on October 31, 2024.

#### **2.2) Comparative information**

The unaudited condensed interim statement of financial position is presented on a comparative basis with December 31, 2023.

The unaudited condensed interim statements of profit or loss and other comprehensive income for the nine-months and three-month periods ended as of September 30, 2024 are presented on a comparative basis with comparable interim periods ended as of September 30, 2023.

The unaudited condensed interim statements of changes in shareholders' equity and cash flows for the nine-month period ended on September 30, 2024 are presented on a comparative basis with the nine months period ended as of September 30, 2023.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of September 30, 2024 (in USD)

#### NOTE 2 – BASIS OF ACCOUNTING (cont.)

##### 2.3) New material accounting policies and forthcoming requirements

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the financial statements as at and for the year ended December 31, 2023. The policy for recognising and measuring income taxes in the interim period is consistent with that applied in the previous interim period and it is described in Note 5 (a).

<i>New accounting standard or amendment</i>	<i>Effective date</i>	<i>Impact</i>
Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024	No impacts.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024	No impacts.
Lease liability on a sale and Leaseback (Amendments to IFRS 16)	1 January 2024	No impacts.

The Company has not adopted in advance any of the new IFRS Accounting Standards or modifications to existing IFRS Accounting Standards that come into effect after January 1, 2025:

<i>New accounting standard or amendment</i>	<i>Effective date</i>	<i>Impact</i>
Lack of Exchangeability – Amendments to IAS 21	1 January 2025	The Company does not expect to have significant impacts due to this amendment.
Sales or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS10 and IAS 28	Available for optional adoption / effective rate deferred indefinitely	No impacts.
Classification and measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026	The Company is evaluating future impacts of this amendment.
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026	The Company is evaluating future impacts of this amendment.
IFRS 18 – Presentation and disclosures in Financial Statements	1 January 2027	The Company is evaluating future impacts of this amendment.
IFRS 19 – Subsidiaries without Public Accountability	1 January 2027	The Company is evaluating future impacts of this amendment.

#### NOTE 3 - USE OF JUDGEMENTS 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 5 (a), (b) y (c) – Current income tax and deferred income tax determination.
- Calculation of depreciation. (Note 2.3.6 of the annual financial statements as of December 31, 2023).
- Impairment of long live assets. (Note 2.3.8 of the annual financial statements as of December 31, 2023).
- Note 5 (c) – Uncertainty over income tax treatments.
- Note 14 – Relevant events – Negative working capital and going concern.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of September 30, 2024 (in USD)

#### NOTE 3 - USE OF JUDGEMENTS AND ESTIMATES (cont.)

##### 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 notes:

- Note 5 (c) - Uncertainty over income tax treatments. (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 based on the fact that MSU Energy has only one customer - CAMMESA (Note 13 a), b) y c)), to whom provides with the availability of contractual capacity and the supply of power.

All MSU Energy non-current assets are located in Argentina as of September 30, 2024 and December 31, 2023.

#### 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 September 30, 2024, are: Taxable profit up to AR\$ 34.7 million (\$ 35,758) are levied at 25%, up to AR\$ 347 million (\$ 357,584) 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%.

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective rate for the annual financial statements.

As of September 30, 2024, the estimated effective annual income tax rate was 82.90%, compared to 23,57% estimated as of September 30, 2023. The main reason of the increase corresponds to the impact on the inflation adjustment for tax purposes calculation (Note 8 b). Since the Company has higher monetary liabilities than monetary assets, the inflation generates taxable income related to this monetary position. On the other hand, net liabilities denominated in USD generates a deductible loss when a devaluation of ARS occurs. For 2024 the Company estimates that inflation will be higher than the devaluation of the peso, generating an important taxable income.

##### (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.

# MSU ENERGY S.A.

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of September 30, 2024 (in USD)

### NOTE 5 - INCOME TAX (cont.)

#### (c) Uncertainty over income tax treatments

As of September 30, 2024, and December 31, 2023, carry forward 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 5 (b). 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 carry forward 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.

### 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:

Item	Note	Balances as of September 30, 2024		
		Fair value	Financial assets at amortized cost	Other financial liabilities (2)
<i>Financial assets</i>				
Other financial receivables (3)		-	1,242,838	-
Trade receivables		-	43,341,952	-
Cash and cash equivalents	7 (e)	<u>14,876,673</u> (1)	<u>203,764</u>	-
Total financial assets		<u>14,876,673</u>	<u>44,788,554</u>	-
<i>Financial liabilities</i>				
Loans	7 (g)	-	-	709,288,385
Trade and other payable (4)		-	-	38,732,699
Other liabilities	7 (h)	-	-	<u>474,346</u>
Total financial liabilities		-	-	<u>748,495,430</u>

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

Item	Note	Balances as of December 31, 2023		
		Fair value	Financial assets at amortized cost	Other financial liabilities (2)
<i>Financial assets</i>				
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)	<u>3,956,379</u> (1)	<u>11,338,457</u>	-
Total financial assets		<u>5,385,598</u>	<u>115,287,329</u>	-
<i>Financial liabilities</i>				
Loans	7 (g)	-	-	780,358,571
Trade and other payables (4)		-	-	22,864,330
Other liabilities	7 (h)	-	-	<u>1,165,238</u>
Total financial liabilities		-	-	<u>804,388,139</u>

(1) Accounting balance is similar to its fair value (Level 1).

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

(3) Include from Note 7 a) Other assets, the following items - i) Related companies, ii) Loans to personnel and iii) others.

(4) Include from Note 7 f) Trade and other payables, the following items - i) Suppliers.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of September 30, 2024 (in USD)

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

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

As of the date of these unaudited condensed interim financial statements, the carrying balances of financial instruments are a reasonable estimate of their related fair values except in loans (liability) for which the fair value is \$ 707,217,512 and \$ 744,632,607 as of September 30, 2024 and December 31, 2023, respectively.

##### (b) Financial risk management

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

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

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

##### 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 to 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) <u>09/30/2024</u>	Functional currency (USD) <u>12/31/2023</u>
Pesos Assets	<u>890,314</u>	<u>11,117,182</u>
Total	<u>890,314</u>	<u>11,117,182</u>

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 period/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):

	September 30, 2024		December 31, 2023	
	+20%	-20%	+20%	-20%
USD	<u>(148,386)</u>	<u>222,579</u>	<u>(1,852,864)</u>	<u>2,779,295</u>
Total	<u>(148,386)</u>	<u>222,579</u>	<u>(1,852,864)</u>	<u>2,779,295</u>

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of September 30, 2024 (in USD)

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

##### (b) Financial risk management (cont.)

##### 1. Market risk (cont.)

- Currency risk (cont.)

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:

- 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, and
- 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 acquired through the issuance of new debt with an average life of 2 years (See Note 11 c to f).

- Interest rate risk

The interest risk is related with the change in fair value or in future cash flows of certain financial instruments according to the changes that may occur in market interest rates. On March 12, 2024 MSU ENERGY issued ON Class VIII Local Unsecured Note at variable rate for a total amount of \$ 9,232,077 due on January 12, 2025 (Note 11 g).

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:

	September 30, 2024		December 31, 2023 *	
	+1%	-1%	+1%	-1%
USD	(6,786)	6,797	—	—
Total	(6,786)	6,797	—	—

\* As of December 31, 2023, the interest rate for the final instalment outstanding related to this Note due on February 28, 2024, had been fixed at the beginning of the interest period, consequently, the risk in changes in the interest rates did no longer exist.

As of September 30, 2024, the 1% increase or decrease is based on the variable interest risk calculated only over the issued ON Class VIII Local Unsecured Note (Note 11 g), which represents the 1.18% of the total loans. The interest rate for this debt was Badlar + 3%. Management considers the reasonable expected variance for those types of rates in the sensibility analysis.

##### 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 S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

as of September 30, 2024 (in USD)

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

(b) Financial risk management (cont.)

##### 2. Liquidity risk (cont.)

MSU Energy has credit facilities and holds, mainly, cash and investments that can be easily converted into cash known beforehand.

In addition, on May 5, 2023, the Argentina Security and Exchange Commission (“CNV”), in accordance with Resolution No. DI-2023-28-APN-GE#CNV, authorized 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 September 30, 2024, the Company has local notes outstanding, issued under the Global Program, for an aggregate principal amount of \$ 83,864,232 (Note 11 e, 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 available of \$ 50 million as required or access to debt local capital markets. This access to local capital markets is not under the Company's control.

As of September 30, 2024, the Company has negative working capital in the amount of \$ 629,806,778. The initiatives to be implemented by Company's Management are described in Note 14.

##### 3. Credit risk

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

MSU Energy S.A may face a credit risk related to the balances of trade receivables and other financial assets. Main balances are trade receivable balance which comprises the value to be collected based on the agreements with CAMMESA for wholesale demand (Note 13).

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly.

Credit risk on trade receivables:

On May 8, 2024, the SEE published resolution 58, proposing the settlement of the outstanding debt held by CAMMESA related to the sales transactions of December 2023, January 2024 and February 2024 through the following mechanism:

- Outstanding amounts related to the December 2023 and January 2024 sales transactions, amounting to \$ 49 million, were settled through the delivery of equivalent nominal amounts of Argentine Law USD denominated Sovereign Bonds due 2038 (AE38).
- Outstanding amounts related to the February 2024 sales transaction, amounting to \$ 24 million, were paid in cash by CAMMESA after the execution of the settlement agreement.

On May 23<sup>rd</sup>, 2024, MSU Energy accepted the proposed settlement from CAMMESA. Pursuant to the terms of the agreement, the AE38 Sovereign Bonds were delivered by CAMMESA 10 days following the execution of the agreement. The trade receivables affected by this transaction have been impaired considering the bond's market value, and applicable VAT withholding, the adjustment amounted to \$ 11,263,221, the related figures have been recorded in line “Impairment loss on trade receivables” of the Unaudited Condensed Interim Statement of Profit or Loss and Other Comprehensive Income. In May 2024, the Company sold these bonds.

In June 2024, the Company collected CAMMESA' balances, related to sales transactions of May and June, through non-recourse factoring transactions with financial institutions for \$ 26,6 million.

As of September 30, 2024, the outstanding balance of CAMMESA receivables amounts to \$ 43,3 million and includes \$ 23,8 million which are related to the sales transactions of August 2024 and \$19,4 million which are related to the sales transactions of September 2024 both transactions were not overdue. The transactions of August 2024 were fully paid by CAMMESA during October 2024. MSU Energy has determined that the expected credit loss related to these balances is not material considering the unaudited condensed interim financial statements as a whole and therefore it has not recorded a provision for this.

**MSU ENERGY S.A.**

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

as of September 30, 2024 (in USD)

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

(b) Financial risk management (cont.)

3. Credit risk (cont.)

Credit risk on financial assets:

As of September 30, 2024, the financial assets amounting to \$ 3,6 million (Note 10) have been impaired, the related figures have been recorded in line “Financial expenses” of the Unaudited Condensed Interim Statement of Profit or Loss and Other Comprehensive Income.

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

	<u>09/30/2024</u>	<u>12/31/2023</u>
<b>(a) Other assets</b>		
<b>Non current</b>		
Credit of compensatory agreement (Note 13 a)	1,353,352	2,517,104
Non-financial assets (*)	<u>-</u>	<u>1,652,500</u>
<b>Total</b>	<u>1,353,352</u>	<u>4,169,604</u>
<b>Current</b>		
Advances to suppliers	967,615	352,135
Prepaid insurance	261,445	1,883,804
Expenses to recover	65,899	84,578
Related companies (Note 9.3)	980,599	1,889,499
Loans to personnel	4,458	5,871
Credit of compensatory agreement (Note 13 a)	1,827,200	1,818,691
Others	257,781	257,921
Guarantees	436,717	730,256
Security deposits	<u>18,000</u>	<u>19,927</u>
<b>Total</b>	<u>4,819,714</u>	<u>7,042,682</u>

(\*) 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. On July 8, 2024, CAMMESA under Res. 151/2024, cancelled the awarding of contracts to expand power plants and reimbursed the corresponding total amounts.

**(b) Tax assets**

<b>Non current</b>		
Income tax credit	<u>1,169,681</u>	<u>973,875</u>
<b>Total</b>	<u>1,169,681</u>	<u>973,875</u>
<b>Current</b>		
Valued added tax (1)	951,493	1,858,848
Income tax credit	1,886,003	202,630
Custom tax	12,483	14,935
Other tax balances	<u>565,123</u>	<u>217,398</u>
<b>Total</b>	<u>3,415,102</u>	<u>2,293,811</u>

(1) Value added tax (“VAT”) balances mainly relate to the purchase of Property, plant and equipment. These balances are to be used to offset VAT payable related to the generation capacity and the supply of power.



**MSU ENERGY S.A.**

**NOTES TO THE UNAUDITED CONDENSED  
INTERIM FINANCIAL STATEMENTS**  
as of September 30, 2024 (in USD)

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

<b>(c) Materials and spare parts</b>	<u>09/30/2024</u>	<u>12/31/2023</u>
Materials	18,140,149	16,305,041
Spare parts	<u>1,885,759</u>	<u>1,694,990</u>
Total	<u>20,025,908</u>	<u>18,000,031</u>

<b>(d) Investments</b>		
Investments	-	<u>1,429,219</u>
Total	-	<u>1,429,219</u>

<b>(e) Cash and cash equivalents</b>		
Cash	528	467
Banks (2)	203,236	11,337,990
Mutual funds (3)	<u>14,876,673</u>	<u>3,956,379</u>
Total	<u>15,080,437</u>	<u>15,294,836</u>

(2) As of December 31, 2023, includes restricted cash of \$ 10,343,111. See more information in guarantee 11 (a).

(3) Money markets funds with underlying composed of demand deposits, time deposits and certificates of deposit with maturities of three months or less from the date of acquisition.

<b>(f) Trade and other payables</b>		
Suppliers (4)	38,732,699	22,864,330
Accrued expenses	<u>530,401</u>	<u>2,283,428</u>
Total	<u>39,263,100</u>	<u>25,147,758</u>

(4) As of September 30, 2024 and December 31, 2023, includes unpaid balances of PPE of \$ 5,231,875 and \$ 4,828,655, respectively.

<b>(g) Loans</b>		
<b>Non current</b>		
Senior notes (ex Senior secured notes) (Note 11 a)	-	599,806,506
Local unsecured notes (Note 11 c, d, e, f and h)	13,942,034	15,094,138
Financial loan (Note 11 i)	<u>18,908,942</u>	<u>17,819,627</u>
Total (5)	<u>32,850,976</u>	<u>632,720,271</u>

<b>Current</b>		
Senior notes (ex Senior secured notes) (Notes 11 a and b)	605,896,025	39,902,382
Local unsecured notes (Note 11 c, d, e, f, g and h)	70,541,384	76,402,621
Other financial loans (Note 11 i)	-	19,800,000
Banks financial loans (Note 11 i)	-	11,531,550
Lease liability	-	<u>1,747</u>
Total (5)	<u>676,437,409</u>	<u>147,638,300</u>

(5) At September 30, 2024, current and non current loans, includes capital of \$ 701,080,578 and interest of \$ 8,207,807 (net of transactions costs of \$ 1,263,389).

At December 31, 2023, current and non current loans, includes capital of \$ 763,969,089 and interest of \$ 16,389,482 (net of transactions costs of \$ 3,477,920).

<b>(h) Other liabilities</b>		
Parent company and other related parties (Note 9.1 and 9.3)	424,346	1,115,238
Other payables	<u>50,000</u>	<u>50,000</u>
Total	<u>474,346</u>	<u>1,165,238</u>

**MSU ENERGY S.A.**

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

as of September 30, 2024 (in USD)

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

**(i) Property, plant and equipment**

Main account	Balances as of September 30, 2024									
	Cost				Depreciations				Net as of	
	At beginning of year	Additions	Transfer	At period end	Accumulated at beginning of the year	Decreases	Rate %	Amount (Note 8 c)	Accumulated at period end	09/30/2024
Land	2,142,790	-	-	2,142,790	-	-	-	-	-	2,142,790
Spare parts	8,634,049	-	-	8,634,049	-	-	-	-	-	8,634,049
<i>Thermoelectric power plants</i>										
Infrastructure	480,936,605	44,879	261,300	481,242,784	58,665,429	-	3.33%	9,372,752	68,038,181	413,204,603
Plant and equipments (9)	523,723,951	377,757	5,890,203	529,991,911	72,323,438	-	(6)	10,067,517	82,390,955	447,600,956
Facilities and other fixed assets (8)	4,387,750	1,073,535	46,589	5,507,874	2,785,686	-	(7)	407,509	3,193,195	2,314,679
Under construction	1,376,585	6,142,779	(6,198,092)	1,321,272	-	-	-	-	-	1,321,272
<b>Total as of September 30, 2024</b>	<b>1,021,201,730</b>	<b>7,638,950</b>	<b>-</b>	<b>1,028,840,680</b>	<b>133,774,553</b>	<b>-</b>		<b>19,847,778</b>	<b>153,622,331</b>	<b>875,218,349</b>

Main account	Balances as of December 31, 2023										
	Cost				Depreciation				Net as of		
	At beginning of year	Additions	Decreases	Transfers	At year-end	Accumulated at beginning of year	Decreases	Rate %	Amount	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
<i>Thermoelectric power plants</i>											
Infrastructure	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 (9)	508,774,691	14,895,442	-	53,818	523,723,951	56,572,330	-	(6)	15,751,108	72,323,438	451,400,513
Facilities and other fixed assets (8)	3,601,231	822,547	(36,028)	-	4,387,750	2,396,426	(36,028)	(7)	425,288	2,785,686	1,602,064
Under construction	876,954	849,031	-	(349,400)	1,376,585	-	-	-	-	-	1,376,585
<b>Total as of December 31, 2023</b>	<b>1,004,571,941</b>	<b>16,665,817</b>	<b>(36,028)</b>	<b>-</b>	<b>1,021,201,730</b>	<b>105,136,701</b>	<b>(36,028)</b>		<b>28,673,880</b>	<b>133,774,553</b>	<b>887,427,177</b>

(6) By units of production

(7) Tools, 10%. Vehicles, furniture and other facilities, 20%. Computers, 33%.

(8) Includes \$ 6,942 of right of use related to financial leasing as of December 31, 2023. As of September 30, 2024, the leases were not renewed.

(9) Includes \$ 3,094,932 and \$ 7,663,111 as of September 30, 2024, and December 31, 2023, respectively of accelerated depreciation related to the replacement of parts due to the maintenance done on turbines of Barker, Villa María and Rojo.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE UNAUDITED CONDENSED INTERIM 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.

	<u>09/30/2024</u> (9 months)	<u>09/30/2023</u> (9 months)	<u>09/30/2024</u> (3 months)	<u>09/30/2023</u> (3 months)
Revenues from generation capacity	132,391,327	129,337,837	44,812,582	44,197,046
Revenues from supply of power	<u>12,093,696</u>	<u>12,777,136</u>	<u>4,106,975</u>	<u>2,974,229</u>
Total revenue	<u>144,485,023</u>	<u>142,114,973</u>	<u>48,919,557</u>	<u>47,171,275</u>

##### (b) Net finance costs

	<u>09/30/2024</u> (9 months)	<u>09/30/2023</u> (9 months)	<u>09/30/2024</u> (3 months)	<u>09/30/2023</u> (3 months)
<u>Financial income</u>				
Interest income	11,842,580	34,568,589	2,330,906	12,865,087
Change in fair value of financial assets	-	635,504	-	635,504
Change in fair value derivatives instruments	-	1,318,479	-	1,318,479
Gain on exchange differences	<u>8,304,408</u>	<u>5,512,592</u>	<u>1,111,698</u>	<u>1,701,935</u>
Total financial income	<u>20,146,988</u>	<u>42,035,164</u>	<u>3,442,604</u>	<u>16,521,005</u>
<u>Financial expenses</u>				
Interest expense	(67,252,787)	( 63,551,739)	(16,122,344)	(20,778,468)
Impairment loss on financial asset (Note 6.b.3)	( 3,628,310)	-	( 3,628,310)	-
Change in fair value of financial assets	( 591,229)	-	24,601	52,525
Loss in exchange differences	<u>(10,964,265)</u>	<u>( 48,388,786)</u>	<u>( 2,203,165)</u>	<u>(21,551,266)</u>
Total financial expenses	<u>(82,436,591)</u>	<u>(111,940,525)</u>	<u>(21,929,218)</u>	<u>(42,277,209)</u>

##### (c) Expense by nature

	Cost of sales	General and administrative expenses	<u>09/30/2024</u> (9 months)	Cost of sales	General and administrative expenses	<u>09/30/2023</u> (9 months)
Salaries and other personnel related expenses	4,504,408	1,881,115	6,385,523	4,929,385	2,421,165	7,350,550
Depreciation (Note 7 i)	19,756,184	91,594	19,847,778	20,536,951	140,763	20,677,714
Maintenance expenses	7,949,256	43,203	7,992,459	8,134,694	38,302	8,172,996
Taxes, rates and contributions	481,462	929,966	1,411,428	1,129,780	1,073,820	2,203,600
Insurance	1,857,965	25,313	1,883,278	1,783,561	15,722	1,799,283
Other expenses	<u>2,167,308</u>	<u>1,414,000</u>	<u>3,581,308</u>	<u>3,330,613</u>	<u>1,751,414</u>	<u>5,082,027</u>
Total	<u>36,716,583</u>	<u>4,385,191</u>	<u>41,101,774</u>	<u>39,844,984</u>	<u>5,441,186</u>	<u>45,286,170</u>

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE UNAUDITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont.)

##### (c) Expense by nature (cont.)

Items	Cost of sales	General and administrative expenses	<u>09/30/2024</u> (3 months)	Cost of sales	General and administrative expenses	<u>09/30/2023</u> (3 months)
Salaries and other personnel related expenses	1,530,372	681,649	2,212,021	1,470,886	739,754	2,210,640
Depreciation	7,276,587	27,681	7,304,268	4,966,144	61,019	5,027,163
Maintenance expenses	3,260,116	17,541	3,277,657	2,344,364	12,616	2,356,980
Taxes, rates and contributions	248,816	356,193	605,009	424,346	366,340	790,686
Insurance	674,669	9,758	684,427	593,127	6,756	599,883
Other expenses	<u>744,353</u>	<u>445,790</u>	<u>1,190,143</u>	<u>712,783</u>	<u>470,992</u>	<u>1,183,775</u>
Total	<u>13,734,913</u>	<u>1,538,612</u>	<u>15,273,525</u>	<u>10,511,650</u>	<u>1,657,477</u>	<u>12,169,127</u>

##### (d) Other income

At the Board of Directors' meeting on June 4, 2024, the Board resolved that due to the circumstances affecting the national economy and the financial challenges experienced by the power sector and the Company in particular, the utmost prudence in liquidity allocation is required. As such, \$ 2 million dollars of accrued variable compensation directed towards key management will not be paid, and therefore such provision was reversed.

Other income as of September 30, 2024, also includes \$ 4,2 million related to some adjustments to balances of accrued expenses.

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

	<u>09/30/2024</u>	<u>12/31/2023</u>
<b>1. Balances with parent company – MSU Energy Holding Ltd.</b>		
Loans granted (Note 10)	-	41,033,125
Other liabilities (Note 7 h) (10)	37,692	743,513
	<u>09/30/2024</u>	<u>09/30/2023</u>
<b>2. Transactions with parent company – MSU Energy Holding Ltd.</b>		
Interest income	1,214,956	1,518,040
Expenses to be recovered	143,076	( 78,741)
Management fee (10)	( 64,405)	( 50,824)
Dividends distribution (Note 15)	40,888,049	-
Offset of financial assets (Note 15)	(38,025,886)	-
Impairment loss on financial asset (Note 10)	( 3,628,310)	-
	<u>09/30/2024</u>	<u>12/31/2023</u>
<b>3. Balance with related parties</b>		
Loans granted (Note 10)	-	9,266,000
Other assets (Note 7 a) (11)	980,599	1,889,499
Other liabilities (Note 7 h)	386,654	371,725

(10) It relates to management, administrative and corporate services, including management, supervision, financial, accounting, investment advice. The price was determined on market conditions.

(11) Mainly expenses to be recovered.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 9 - BALANCES AND TRANSACTIONS WITH PARENT COMPANY AND OTHER RELATED PARTIES (cont.)

	<u>09/30/2024</u>	<u>09/30/2023</u>
<b>4. Transaction with related parties</b>		
Interest loss	( 14,931)	( 14,881)
Interest income	274,358	342,008
Expenses to be recovered	23,308	761,249
Dividends distribution (Note 15)	11,232,552	-
Offset of financial assets (Note 15)	(10,446,274)	-

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

During the period ended September 30, 2024 and 2023, key management received compensations in the total amount of \$ 1,216,331 and \$ 1,443,820 respectively, which are considered short-term benefits and entail the only benefits granted to the Board of Directors and senior Management. MSU Energy S.A. does not grant long-term benefits or share-based payments to its employees.

#### NOTE 10 - LOANS GRANTED

On January 31, 2018, the Company signed loans agreements with MSU Energy Holding Ltd. and MSU Energy Investment Ltd, in the amounts of \$ 29,050,000 and \$ 6,560,000, respectively at an annual fixed interest rate of 6.875%, with original due for payment in February 2025. The terms were determined on market conditions.

On August 6, 2024, the existing loans were offset pursuant to a non-cash settlement transaction. See more information in Note 15.

After the abovementioned transaction, an impairment over \$ 3,628,310 of the remaining balance has been recognized considering the recoverable value.

As of December 31, 2023, MSU Energy had principal and interest receivables equivalent to the amount of \$ 50,299,125.

#### NOTE 11 - LOANS

##### (a) Senior Notes (ex-Senior Secured Notes)

On February 1, 2018, MSU Energy S.A. issued Senior Notes (ex-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 instalment 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.
- 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 Notes due 2025 receiving investment grade credit ratings.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 11 - LOANS (cont.)

##### (a) Senior Notes (ex-Senior Secured Notes) (cont.)

On February 1, 2018, MSU Energy S.A. issued Senior Notes (ex-Senior Secured Notes) described as follows (cont.):

- Guarantee: The notes were secured by:
  - Debt Service Reserve Account to cover 50% of one interest payment (either with cash or Stand by Letters of Credit).
  - A first-degree pledge on GE Sprint LM6000-PC turbines 01, 02 and 03 installed in each thermoelectric power plant. The net book value as of December 31, 2023 was \$ 153,798,720.

On July 31, 2024, the covenants and conditions precedent under the Indenture to the release of the Collateral have been complied. Therefore, the Company, together with the U.S. Collateral Agent (Citibank, N.A.) and the Argentine Collateral Agent (the branch of Citibank, N.A. established in the Argentine Republic), have released all the existing Collateral of these Senior Secured Notes (then Senior Notes).

In connection with these Senior Notes (ex-Senior Secured Notes), MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 605,896,025 and \$ 614,672,081 (Note 7 g) as of September 30, 2024 and December 31, 2023 respectively.

##### (b) Senior Secured Floating Rate Notes

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

- Principal amount: \$ 250,300,000.
- Gross Proceeds: \$ 250,300,000.
- Maturity Date: February 28, 2024.
- Issue price: 100% of principal amount.
- Interest rate: 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 instalments as of November 30, 2021.
- Interest payment dates: to be paid quarterly on each February 28 and every 30<sup>th</sup> day of May, August and November, starting on August 30, 2020.
- Guarantee: The notes till moment of total cancellation of principal and interests (achieved on February 28, 2024) were 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 was \$ 120,302,201.
  - The amount of 465,982,166 common shares that account for 99.53% of MSU Energy capital was 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)

In connection with these Senior Secured Floating Rate Notes, as of September 30, 2024 the Company has no outstanding amounts related to these notes releasing the existing collateral of the Senior Secured Floating Rate Notes. As of December 31, 2023, the Company had principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 25,036,807 (Note 7 g).

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

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 11 - LOANS (cont.)

##### (c) ON Class IV local unsecured notes (\*)

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

- Issue amount: \$ 15,200,000.
- Term: 24-months.
- Issue price: 100% of nominal amount.
- Interest rate: 7.5%.
- Issue date: May 20, 2022.
- Maturity date: May 20, 2024.
- Amortization: principal to be amortized at maturity date.
- Interest payment dates: interest payables on the following dates: December 20, 2022, May 20, 2023, November 20, 2023, and on the maturity date of Local Unsecured Notes Class IV, May 20, 2024.

In connection with these ON Class IV local unsecured notes, pursuant to the issuance of the ON Class X (Note 11 h) on March 12, 2024, principal has been partially exchanged for an amount of \$ 5,925,043.

On May 20, 2024, the maturity date these ON Class IV, the Company paid the principal and interest for an amount of \$ 9,621,815.

As of September 30, 2024, the Company has no outstanding amounts related to these notes. As of December 31, 2023, the Company had principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 15,293,450 (Note 7 g).

##### (d) ON Class V local unsecured notes (\*)

On July 22, 2022, the Company issued U.S. dollar-denominated Local Unsecured Notes Class V due on July 22, 2024 (the "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 to be amortized at maturity date.
- Date for payment of interest: interest payables on the following dates: January 22, 2023; July 22, 2023; January 22, 2024 and on maturity date of Class V, July 22, 2024.

In connection with these ON Class V local unsecured notes, pursuant to the issuance of the ON Class X (Note 11 h) on March 12, 2024, principal has been partially exchanged for an amount of \$ 2,542,383.

On July 22, 2024, the maturity date these ON Class V, the Company paid the principal and interest for an amount of \$ 13,058,546.

As of September 30, 2024, the Company has no outstanding amounts related to these notes. As of December 31, 2023, the company has principal and interest debt of the (net of deferred transactions costs) equivalent to the amount of \$ 15,534,801 (Note 7 g).

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 11 - LOANS (cont.)

##### (e) ON Class VI local unsecured notes (\*)

On November 2, 2022, the Company issued U.S. dollar-denominated Local Unsecured Notes 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: 9.00%
- Date of issue: November 2, 2022.
- Maturity date: November 2, 2024.
- Amortization: principal to be amortized at maturity date.
- Date for payment of interest: interest payables 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 \$ 47,041,567 and \$ 45,712,739 as of September 30, 2024 and December 31, 2023, respectively (Note 7 g).

##### (f) 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 to be amortized at maturity date.
- Interest Payment Date: interest payables on the following dates: November 30, 2023; June 21, 2024; and on maturity date of principal to be totally amortized at maturity, 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 \$ 15,364,344 and \$ 14,955,769 as of September 30, 2024 and December 31, 2023, respectively (Note 7 g).

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

##### (g) ON Class VIII local unsecured floating rate notes

On March 12, 2024, the Company issued bullet local unsecured floating rate notes ("ON Class VIII") at floating rate under the following terms:

- Issue Amount: ARS 7,831,109,206 (equivalent to \$ 9,232,077)
- Term: 10 months as from the issue date.



## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 11 - LOANS (cont.)

##### (g) ON Class VIII local unsecured floating rate notes (cont.)

On March 12, 2024, the Company issued bullet local unsecured floating rate notes (“ON Class VIII”) at floating rate under the following terms (cont.):

- Issue price: 100% of nominal value.
- Interest rate: Badlar + 3%.
- Date of issue: March 12, 2024.
- Maturity date: January 12, 2025.
- Amortization: principal to be amortized at maturity date.
- Interest Payment Date: interest shall be paid on the following dates: June 12, 2024; September 12, 2024; and on maturity date of January 12, 2025.

In connection with these ON Class VIII local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 8,180,653 as of September 30, 2024 (Note 7 g).

##### (h) ON Class X local unsecured notes

On March 12, 2024 the Company issued 24-month local unsecured notes (“ON Class X”) at fixed rate under the following terms:

- Issue Amount: \$ 13,987,965.
- Term: 24 months as from the issue date.
- Issue price: 100% of nominal value.
- Interest rate: 8.25%
- Date of issue: March 12, 2024.
- Maturity date: March 12, 2026.
- Amortization: principal to be amortized at maturity date.
- Interest Payment Date: interest shall be paid on the following dates: September 12, 2024; March 12, 2025; September 12, 2025 and on maturity date of March 12, 2026.

In connection with these ON Class X local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of \$ 13,896,854 as of September 30, 2024 (Note 7 g).

##### (i) Loans and other financial liabilities

Type of instrument (*)	Currency	Interest	Rate	Maturity	09/30/2024	12/31/2023
Financial Loan	USD	Fixed	8.5%	November 2028	18,908,942	17,819,627
Other Financial Loans	USD	Dollar Linked	-	December 2024	-	19,800,000
Banks Financial Loans	AR\$	Fixed	87% to 146%	Between January and June 2024	-	11,531,550
Total					<u>18,908,942</u>	<u>49,151,177</u>

(\*) Unsecured.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 11 - LOANS (cont.)

##### (j) Reconciliation required by IAS 7 to cash flows

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

	<u>09/30/2024</u>	<u>09/30/2023</u>
Loans at beginning of the year	780,358,571	893,993,082
<i>Cash flows from financing activities:</i>		
Proceeds from new banks financial loans	59,489,044	8,051,844
Payments of financial loans	( 86,008,641)	-
Payments of senior secured notes	( 25,030,000)	( 75,090,000)
Payments of local unsecured notes	( 21,832,574)	( 34,351,771)
Proceeds from local unsecured notes	14,752,616	15,100,000
Payments of financial leasing	( 1,701)	( 14,292)
Payments of interest and financing expenses	( 68,488,768)	( 62,711,969)
<i>Non-cash items changes:</i>		
Foreign exchange differences	( 5,120,608)	( 3,237,513)
Interest accrued on lease liability	1,701	14,292
Interest and other financial costs	<u>61,168,745</u>	<u>62,601,667</u>
Loans at period-end	<u>709,288,385</u>	<u>804,355,340</u>

#### NOTE 12 - CAPITAL AND MERGER PREMIUM

##### *Capital*

As of September 30, 2024 and December 2023, 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 (As of December 31, 2023, 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 September 30, 2024 and December 31, 2023 there were no changes.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### 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 144.22 MW contracted for a term of ten (10) years, at a price of \$ 20,900 (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 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 in 48 monthly settlements at a 1.7% interest annual nominal rate.

As of September 30, 2024, and December 31, 2023, CAMMESA's penalty have been fully paid.

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 September 30, 2024, and December 31, 2023, receivables in this regard amounts to \$ 3,180,552 (current portion \$ 1,827,200 and non-current portion \$ 1,353,352) and \$ 4,335,795 (current portion \$ 1,818,691 and non-current portion \$ 2,517,104), respectively (Note 7 a).

On August 20, 2020, MSU Energy completed the conversion of the General Rojo Thermal Plant from simple cycle to combined cycle and achieved commercial operation in accordance with the PPA signed between CAMMESA and the Company on April 6, 2018, pursuant to Resolution SEE No. 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 No. 287/17. In accordance therewith, the Fixed Capacity Payment is equivalent to USD 18,900 per MW per month and the Variable Payment for electricity dispatched is equivalent to USD 10.40 per MWh.

##### *b) Barker Plant*

By virtue of the wholesale demand agreement signed, the Company agreed to add 145.19 MW of nominal capacity to SADI, out of which, all its generation capacity from turbines 01, 02 and 03 will be sold subject to the regulatory scheme regulated by SEE Resolution No. 21, under the purchase power agreement (PPA) entered into by and between MSU Energy and CAMMESA on July 25, 2016, comprised of 145.19 MW contracted for a term of ten (10) years, at a price of \$ 19,900 (MW 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 No. 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. 287/17. In accordance therewith, the Fixed Capacity Payment is equivalent to USD 19,900 per MW per month and the Variable Payment for electricity dispatched is equivalent to USD 8.80 per MWh.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

for the nine-month period ended September 30, 2024 (in USD)

#### 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 (MW-month). Price of electricity dispatched using gas or diesel oil will be \$ 8.5 per MWh and \$ 12.50 per MWh, respectively. Fuel is provided by CAMMESA.

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

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 No. 287/17. In accordance therewith, the Fixed Capacity Payment is equivalent to USD 19,900 per MW per month and the Variable Payment for electricity dispatched is equivalent to USD 12.70 per MWh.

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

Under the Combined Cycle PPAs, it is required that fuel be obtained by the Company from third parties, instead of being provided directly by CAMMESA; the cost incurred is offset by CAMMESA at the price determined by CAMMESA. Nevertheless, under Resolution SEE No. 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 – NEGATIVE WORKING CAPITAL AND GOING CONCERN

As of September 30, 2024, the Company has a negative working capital (current assets minus current liabilities) of \$ 629,806,778 (compared to a negative working capital of \$ 78,880,398 as of December 31, 2023) mainly driven by the maturity of the 2025 Senior Notes (ex-Senior Secured Notes) in February 2025 for \$ 606,875,000 (including interests) and the maturity of local notes Class VI, VII and VIII for a total amount \$ 70,722,957 (including interests).

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 14 - RELEVANT EVENTS – NEGATIVE WORKING CAPITAL AND GOING CONCERN (cont.)

Based on cash flow projections prepared by the Company, the Board of Directors and Management of MSU Energy S.A. expect that this will be remedied by:

- i. operating cash flow generation over the next 12-months (in range between \$ 158 million and \$ 180 million), which is driven by the Company's proven ability to maintain high operating performance (availability factor) and fixed remuneration based on the terms of its PPAs, will enable the Company to continue reducing its net financial debt as it has consistently achieved since 2020; and
- ii. the expected successful refinance of the Senior Notes due February 2025 based on the following premisses:
  - a. **Operational and Financial Position:** The Company's operational and financial position has improved, as evidenced by increased available cash flow and a consistent reduction in net leverage. The net leverage ratio has decreased from 6.24 in 2020 to 4.32 as of September 30, 2024. This demonstrates the Company's enhanced ability to generate cash flow and manage debt.
  - b. **Access to Capital Markets:** Since 2017, the Company has successfully accessed both international and local capital markets on multiple occasions, securing over \$1,800 million. This track record highlights the Company's relationships with investors and its ability to raise capital to support operations.
  - c. **Communication with Investors and International Banks:** The Company maintains communication with its investors, predominantly institutional investors, and international banks. This ongoing dialogue is crucial for understanding the conditions of the debt capital markets, which directly impacts the Company's refinancing strategies and decisions.
  - d. **Stable Local Credit Rating:** As of April 2024, the Company holds a stable local credit rating of A+ from Fix SCR Argentina. This rating reflects the Company's cash flow positive position and creditworthiness, reinforcing its capability to meet financial obligations and secure favourable financing terms.
  - e. **Authorized Debt Issuance Program:** On June 9, 2023, the Argentina Security and Exchange Commission (CNV) authorized an increase in the Company's global debt issuance program to \$900 million. As of the date of these financial statements, \$817 million remains available for issuance. This authorization provides the Company with significant flexibility to manage its debt and finance future growth initiatives.
  - f. **Credit Facilities:** The Company has approved credit facilities from local banks. This support is critical for maintaining liquidity and managing short-term financing needs.

During the third quarter, the Company held preliminary discussions about a possible exchange offer for the 2025 International Bond with a group of bondholders holding approximately 58.9% of the bond. The nature of these discussions was made public in a press release on CNV. The Company is evaluating alternative options, based on these preliminary discussions, to optimize its capital structure and ensure long-term financial stability. The Board of Directors and Management of MSU Energy S.A. believe that it is more likely than not that the Company will successfully refinance such debt ahead of its maturity. However, considering that certain transaction variables are dependable on the occurrence of certain events that are not under the Company's control, we conclude that there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

#### NOTE 15 - DIVIDENDS DISTRIBUTION (Non-cash transaction)

On August 6, 2024, the Board of Directors resolved to partially release Other Reserves and distribute dividends for an amount of \$52,120,602. The 7% of this amount by \$3,648,442 was retained for withholding tax. On August 7, 2024, pursuant to a Cancellation Agreement entered with its shareholders, the dividend amount by \$48,472,160 was applied to offset existing credits in a non-cash settlement transaction.

## MSU ENERGY S.A.

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the nine-month period ended September 30, 2024 (in USD)

#### NOTE 16 - NET LEVERAGE RATIO AND ADJUSTED EBITDA

Net Leverage Ratio is calculated as the ratio between the aggregate amount of net debt (indebtedness net of cash and cash equivalents and short-term investments) as of the corresponding period end and the adjusted EBITDA (last 12 months).

Adjusted EBITDA is calculated by adding back to net profit for the period: (i) net finance costs, (ii) income tax expense or benefit and (iii) depreciation and amortization expense.

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

a) Adjusted EBITDA is as follows:

	<u>September 30, 2024</u> <u>(last 12 months)</u>	<u>September 30, 2023</u> <u>(last 12 months)</u>	<u>September 30, 2024</u> <u>(9 months)</u>	<u>September 30, 2023</u> <u>(9 months)</u>
Profit for the period	42,241,478	42,420,468	6,156,833	20,644,986
Net finance costs	101,051,618	89,812,732	62,289,603	69,905,361
Income tax (benefit) expense	( 12,510,216)	10,834,986	29,848,041	6,367,511
Depreciation	<u>27,843,944</u>	<u>22,972,259</u>	<u>19,847,778</u>	<u>20,677,714</u>
<b>Adjusted EBITDA</b>	<b><u>158,626,824</u></b>	<b><u>166,040,445</u></b>	<b><u>118,142,255</u></b>	<b><u>117,595,572</u></b>

b) Net leverage ratio is as follows:

	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Financial debt (capital without unpaid interests) (Note 7 (g))	(701,080,578)	(791,792,278)
Cash and cash equivalents (Note 7 (e))	15,080,437	36,094,587
Short term investments (Note 7 (d))	-	<u>3,525,349</u>
Net debt	(686,000,141)	(752,172,342)
Adjusted EBITDA (last 12 months)	<u>158,626,824</u>	<u>166,040,445</u>
<b>Net leverage ratio</b>	<b>(4.32)</b>	<b>(4.53)</b>

#### NOTE 17 - SUBSEQUENT EVENTS

No other events or transactions, other than those mentioned in the notes to the unaudited condensed financial statements, have occurred from period-end to the date of issuance of these unaudited condensed interim financial statements that would have a material effect on the financial position of the Company or the results of its operations as of period-end September 30, 2024.