MSU ENERGY S.A.

Condensed interim financial statements for
the three-month period ended March 31, 2024

MSU ENERGY S.A.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the three-month period ended March 31, 2024

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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 March 31, 2024, the condensed interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and notes to the interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial information 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 International Standards 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 than 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 information as of and for the three months ended March 31, 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 the disclosures in note 14 to the financial statements, which indicate that the Company's has a negative working capital of $ 657,576,156 mainly driven by the current financial debt issued. Management is evaluating different alternatives for the refinancing and/or settlement of such debt at maturity, but also understands that these circumstances are highly dependent on the occurrence of certain events or conditions that are not under the Company's control. These events or conditions indicate the existence of a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Purpose of these condensed interim financial statements

We draw attention to note 2.1 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), May 10, 2024.

KPMG

Damian A. Balderian
Partner

MSU ENERGY S.A.

Unaudited condensed interim financial statements for the three-month period ended March 31, 2024.

Stated in United States Dollars (USD).

GENERAL INFORMATION

Legal address: Cerrito 1294 - 2nd Floor – City of Buenos Aires

Main business: Power generation

Parent company's information:

Name: MSU Energy Holding Ltd.

Main business: Investments

Ownership interest and voting stock: 75.33%

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: 50.12%

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 March 31, 2024 (in USD)

	Notes	03/31/2024	12/31/2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7 (i)	882,804,071	887,427,177
Loans granted	10	50,917,972	50,299,125
Tax assets	7 (b)	1,088,208	973,875
Other assets	7 (a)	3,830,818	4,169,604
Total non-current assets		938,641,069	942,869,781
CURRENT ASSETS			
Materials and spare parts	7 (c)	18,725,984	18,000,031
Tax assets	7 (b)	634,967	2,293,811
Other assets	7 (a)	6,525,946	7,042,682
Trade receivables		95,745,580	51,496,456
Investments	7 (d)	631,389	1,429,219
Cash and cash equivalents	7 (e)	15,985,921	15,294,836
Total current assets		138,249,787	95,557,035
Total assets		1,076,890,856	1,038,426,816
SHAREHOLDERS' EQUITY			
Share capital	12	30,295,440	30,295,440
Merger Premium	12	(20,161,526)	(20,161,526)
Legal reserve		2,026,783	2,026,783
Other reserves		158,381,137	158,381,137
Retained earnings		61,804,493	56,729,631
Total equity		232,346,327	227,271,465
LIABILITIES			
NON CURRENT LIABILITIES			
Loans	7 (g)	32,090,708	632,720,271
Taxes payable		881,952	840,840
Deferred tax liabilities		15,745,926	3,156,807
Total non-current liabilities		48,718,586	636,717,918
CURRENT LIABILITIES			
Loans	7 (g)	760,937,374	147,638,300
Other liabilities	7 (h)	1,189,869	1,165,238
Taxes payable		2,940,656	486,137
Trade and other payables	7 (f)	30,758,044	25,147,758
Total current liabilities		795,825,943	174,437,433
Total liabilities		844,544,529	811,155,351
Total liabilities and equity		1,076,890,856	1,038,426,816

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 three-month period ended March 31, 2024 (in USD)

	Notes	03/31/2024	03/31/2023
Net revenues	8 (a)	48,716,849	47,482,136
Cost of sales	8 (c)	(13,426,879)	(16,454,174)
Gross profit		35,289,970	31,027,962
General and administrative expenses	8 (c)	(1,364,320)	(1,829,997)
Other income		-	50,803
Operating profit		33,925,650	29,248,768
Financial income	8 (b)	11,159,187	13,410,784
Financial expenses	8 (b)	(27,420,856)	(34,523,369)
Net finance costs		(16,261,669)	(21,112,585)
Net income before income tax		17,663,981	8,136,183
Income tax expense	5	(12,589,119)	(1,655,331)
Profit for the period		5,074,862	6,480,852
Other comprehensive income		-	-
Comprehensive income for the period		5,074,862	6,480,852

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 three-month period ended March 31, 2024 (in USD)

Items	Share capital	Merger Premium (Note 12)	Legal reserve	Other reserves	Retained earnings	Total
Balances as of December 31, 2022	30,295,440	(20,161,526)	1,250,092	116,737,360	42,420,468	170,541,834
Profit for the period	-	-	-	-	6,480,852	6,480,852
Balances as of March 31, 2023	30,295,440	(20,161,526)	1,250,092	116,737,360	48,901,320	177,022,686
Balances as of December 31, 2023	30,295,440	(20,161,526)	2,026,783	158,381,137	56,729,631	227,271,465
Profit for the period	-	-	-	-	5,074,862	5,074,862
Balances as of March 31, 2024	30,295,440	(20,161,526)	2,026,783	158,381,137	61,804,493	232,346,327

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 three-month period ended March 31, 2024 (in USD)

CAUSES OF CHANGES IN CASH	Notes	03/31/2024	03/31/2023
Cash flow from operating activities			
Income for the period		5,074,862	6,480,852
Adjustments for:			
Income tax expense		12,589,119	1,655,331
Depreciation of property, plant and equipment	8 (c)	7,717,818	9,106,145
Foreign exchange, differences	8 (b)	980,546	9,329,856
Accrued interest, net	8 (b)	15,450,032	11,683,391
Change in fair value of financial assets	8 (b)	(168,909)	99,338
Changes in operating assets and liabilities:			
Increase in trade receivables		(41,647,144)	(13,573,686)
Decrease in other assets		451,237	854,419
Increase in materials and spare parts		(725,953)	(861,073)
Decrease (increase) in tax assets		1,443,599	(926,809)
Increase in trade and other payable		5,244,433	1,641,030
Increase in other liabilities		19,707	16,844
Increase in taxes payable		2,444,102	793,714
Net cash flows from operating activities		8,873,449	26,299,352
Cash flow from investing activities			
Interest received and other financials receivables		508,186	3,255,806
Proceeds from investments		941,276	-
Proceeds from disposal of fixed assets		-	36,028
Payments for acquisition of property, plant and equipment, net of capitalized interest		(1,039,717)	(3,912,385)
Net cash flows from (used in) investing activities		409,745	(620,551)
Cash flow from financing activities			
Loans received	11 (j)	45,649,866	-
Payments of loans	11 (j)	(14,610,243)	-
Payments of senior secured floating rate notes	11 (j)	(25,030,000)	(25,030,000)
Payments of senior unsecured notes	11 (j)	-	(34,351,771)
Proceeds from local unsecured notes	11 (j)	14,752,616	15,100,000
Payments of financial leasing	11 (j)	(1,701)	(5,461)
Payments of interest and financing expenses	11 (j)	(29,071,776)	(28,988,895)
Net cash flows used in financing activities		(8,311,238)	(73,276,127)
Net decrease in cash		971,956	(47,597,326)
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		(280,871)	(3,157,369)
Cash and cash equivalents at the end of the period		15,985,921	27,734,486
Net decrease in cash		971,956	(47,597,326)
Main financing non-cash transactions			
Debt exchange (Note 11 c and d)		8,467,426	-
Net main financing non-cash transactions		8,467,426	-

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

NOTE 1 - GENERAL INFORMATION

1.1) Description of the business

MSU Energy S.A.´s ("the Company" or "MSU Energy") main business is the generation of electrical power through its three thermal plants (the "Plants"): General Rojo (Province of Buenos Aires), Barker (Province of Buenos Aires), and Villa María (Province of Cordoba). All the thermal plants are 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"),
- 300MW added pursuant to the expansion and conversion to combined cycle of the Plants, adding a fourth gas turbine and a steam turbine in each Plant, which were awarded under Resolution SEE No. 287/2017 (hereinafter, "Combined Cycle PPAs"),

Under the Simple Cycle PPAs, MSU Energy assumed the obligation to maintain a minimum level of generation capacity in each of the Plants for a term of 10 (ten) years, starting from each date of commercial operation (Note 13). Under the Combined Cycle PPAs, MSU Energy assumed the obligation to expand and convert the Plants to combined cycle by installing a fourth gas turbine and a steam turbine in each of them. The combined cycle PPAs are effective for 15 years as from startup (Note 13).

On June 13, 2017, December 29, 2017, and January 25, 2018, the gas turbines 01, 02 and 03 of the General Rojo, Barker and Villa María Thermoelectric Power Plants were authorized to operate with Argentine Interconnection Grid System (SADI). Turbines 04 of General Rojo, Villa Maria and Barker power plants were authorized to conduct commercial operations with SADI on April 30, May 17 and July 12 of 2019, respectively. On August 15, August 20 and October 31 of 2020, the expansion and conversion project of the Villa Maria, General Rojo and Barker power plants was completed, respectively. Since that date, the Plants have been authorized to initiate commercial operations with SADI.

1.2) Purpose of these condensed interim financial statements

These non-statutory condensed interim financial statements have been prepared by Management to provide interim financial information to the financial creditors of the entity and other interested parties pursuant to the requirements under the Notes issued in February 2018 (Note 11 a).

NOTE 2 - BASIS OF ACCOUNTING

2.1) Statements of compliance

These 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 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 condensed interim financial statements ended March 31, 2024, were authorized for issue by the Board of Directors on May 10, 2024.

2.2) Comparative information

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

The condensed interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended on March 31, 2024 are presented on a comparative basis with the three months period ended as of March 31, 2023.

NOTE 2 – BASIS OF ACCOUNTING (cont.)

2.3) New material accounting policies

The main accounting policies applied to the preparation of these condensed interim financial statements are consistent with those applied to the preparation of the financial statements under IFRS for the year ended December 31, 2023.

As of March 31, 2024, the Company has adopted the following new accounting policies:

New accounting standard or amendment	Effective date	Impact
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 or modifications to existing IFRS that come into effect after January 1, 2025.

NOTE 3 - USE OF JUDGMENT AND ESTIMATES

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

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

a. Judgements

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

- Note 5 (a), (b) y (d) – Current income tax and deferred income tax determination.
- Calculation of depreciation and amortization.
- Note 5 (c) – Uncertainty over income tax treatments.

b. Assumption and estimation uncertainties

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

- Note 14 – Relevant events.
- 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 in Argentina as of March 31, 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 March 31, 2024, are: Taxable profit up to AR$ 34.7 million ($ 40,447) are levied at 25%, up to AR$ 347 million ($ 404,470) 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%.

The income tax expense for interim periods is recognized on the basis of the best estimate made by Management of the weighted average rate that is expected at year end, applied to income before taxes for the period.

At the end of March 31, 2024, the effective tax rate calculated for the year reached 71,27%, compared to the 20.35% previously projected at the end of March 31, 2023.

(b) Inflation adjustment for tax purposes

The Law No. 27430, created the obligation that, as from fiscal years beginning on or after January 1, 2018, the inflation adjustment calculated based on the procedure described in the Income Tax Law be deducted or included in the tax income/loss, to the extent that the Consumer Price Index (IPC) at a general level accumulated over the 36 months prior to the end of the year that is calculated exceeds 100%.

During the first three years as from effective date (fiscal years beginning on or after January 1, 2018), the tax inflation adjustment was applicable to the extent the IPC variation for each of them exceeds 55%, 30% and 15%, respectively. The resulting inflation adjustment, either gain or loss, was recognized in six equal parts for fiscal years ending on December 31, 2020, and 2019. The first part was computed in the year corresponding to the calculation and the remaining five parts are recognized in the immediately subsequent years. As from December 31, 2021, the amount of the tax inflation adjustment is recognized in the same fiscal year.

(c) Uncertainty over income tax treatments

As of March 31, 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.

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

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

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

		Balances as of March 31, 2024	
Item	Note	Fair value	Amortized cost
Financial assets			
Other financial receivables (2)		-	2,149,048
Loans granted	10	-	50,917,972
Trade receivables		-	95,745,580
Investments	7 (d)	631,389 (1)	-
Cash and cash equivalents	7 (e)	6,935 (1)	15,978,986
Total financial assets		638,324	164,791,586

		Balances as of March 31, 2024	
Item	Note	Fair value	Amortized cost
Financial liabilities			
Loans	7 (g)	-	793,028,082
Trade and other payable	7 (f)	-	28,371,047
Other liabilities	7 (h)	-	1,189,869
Total financial liabilities		-	822,588,998

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

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

(1) Level 1
(2) Include from Note 7 (a) Other assets, the following items - i) Related companies, ii) Loans to personnel and iii) others.

As of the date of these 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 $ 797,510,819 and $ 744,632,607 as of March 31, 2024 and December 31, 2023, respectively.

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

(b) Financial risk management

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

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

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

1. Market risk

Market risk stems from the potential fluctuation to which MSU Energy S.A is exposed upon changes in fair value or future cash flows that may be adversely affected by changes in the exchange rates, interest rates or other variables.

Below is a description of the referred risks as well as a detail of the extent to which MSU Energy S.A is exposed, and a sensitivity analysis for potential changes in each of the relevant market variables.

- Currency risk

It is the risk that the fair value or future cash flows of financial instruments may fluctuate due to exchange rate changes. Given that the functional currency of MSU Energy S.A is the USD, the currency increasing exposure in terms of effects on profit or loss is the peso (legal tender in Argentina).

In order to minimize the results arising from exchange variations and, in an attempt to hedge the volatility risk in the fair value of assets and liabilities in foreign currency, MSU Energy S.A seeks to maintain a balance between assets and liabilities.

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

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

Net monetary position	Functional currency (USD) 03/31/2024	Functional currency (USD) 12/31/2023
Pesos (net assets)	7,425,689	11,117,182
Total	7,425,689	11,117,182

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):

	March 31, 2024		December 31, 2023	
	+20%	+20%	+20%	+20%
Pesos	(1,237,615)	1,856,422	(1,852,864)	2,779,295
Total	(1,237,615)	1,856,422	(1,852,864)	2,779,295

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

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

(b) Financial risk management (cont.)

1. Market risk (cont.)

- Interest rate risk

The interest risk is related with the change in fair value or in future cash flows of certain financial instruments according to the changes that may occur in market interest rates. 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:

	March 31, 2024		December 31, 2023 *	
	+1%	-1%	+1%	-1%
Argentine Pesos	(24,050)	24,128	(-)	(-)
Total	(24,050)	24,128	(-)	(-)

As of March 31, 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.

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

- Exchange rate risk

On September 1, 2019, the Executive Branch issued the Decree No. 609/2019, whereby certain extraordinary and temporary provisions are stated related to the transfers abroad and exchange market operations. Accordingly, on the same date, the Argentine Central Bank (BCRA) issued Communication “A” 6770, whereby the following measures, among others, are set out up to December 31, 2023:

- Any funds from new external financial debts disbursed as from September 1, 2019 are to be brought into the country and converted into local currency.
- Access to the foreign exchange market in relation to liabilities in foreign currency, between Argentine residents, documented in public records or notarized instruments as of August 30, 2019 is allowed upon their maturity. However, access to the foreign exchange market to pay debts and other liabilities in foreign currency agreed by Argentine residents is forbidden as from September 1, 2019.

Access to the foreign exchange market to conduct the following transactions shall require the BCRA’s prior authorization:

- Wiring of profits and dividends;
- Payment of services to foreign related companies;
- Prepayment of financial debts (principal or interest) more than 3 days before maturity.

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

As of March 31st, 2024, the mentioned measures did not affect normal operations and compliance with commitments on time.

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.

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 for an amount of $ 16,6 million 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 DI-2023-28-APN-GE#CNV, authorized to the Company to increase the amount of its Global Notes Program (not convertible into shares) ("Obligaciones Negociables" or "ON") to a maximum outstanding amount of up to $ 900,000,000 (or its equivalent in other currencies or units of measurement or value).

As of March 31, 2024, the Company has local notes outstanding, issued under the Global Program, for an aggregate principal amount of $ 114,164,232 (Note 11 c, d, 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 as required or access to debt capital markets.

As of March 31, 2024, the Company has negative working capital in the amount of $ 657,576,156. 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. Trade receivable balance comprises the value to be collected based on the agreements with CAMMESA for wholesale demand (Note 13).

CAMMESA' payment delays have increased compared to the previous year. As of March 31, 2024, the outstanding balance of accounts receivables, including interest accrued, amounts to $ 95,7 million of which $ 45,3 million (47% of total credits) are overdue.

At each reporting date, an entity shall assess whether the credit risk on a financial instrument has increased significantly. MSU Energy has determined that the expected credit loss related CAMMESA is not material considering the Interim financial statements as a whole and therefore it has not recorded a provision for this.

As of the date of issuance of these Condensed Interim Financial Statements, the sales transactions of December 2023, January 2024 and February 2024, amounting to $ 73 million (including interest), remain overdue by CAMMESA.

On May 8, 2024, the Energy Secretariat ("ES") published resolution 58, proposing the settlement of the outstanding debt through the following mechanism:

- Outstanding amounts related to the December 2023 and January 2024 sales transactions, amounting to $ 49 million, would be settled through the delivery of equivalent nominal amounts of Argentine Law USD denominated Sovereign Bonds due 2038 (AE38). The AE38 bond's current market value is approximately 50% below nominal value.
- Outstanding amounts related to the February 2024 sales transaction, amounting to $ 24 million, would be paid in cash by CAMMESA after the execution of the settlement agreement.

As of the date of issuance of these Condensed Interim Financial Statements, MSU Energy has not accepted the settlement proposal and is analysing possible courses of action regarding these overdue balances.

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

(a) Other assets

	03/31/2024	12/31/2023
Non current		
Credit of compensatory agreement (Note 13 a)	2,178,318	2,517,104
Non-financial assets (*)	1,652,500	1,652,500
Total	3,830,818	4,169,604
Current		
Advances to suppliers	258,998	352,135
Prepaid insurance	1,367,061	1,883,804
Expenses to recover	95,135	84,578
Related companies (Note 9.3)	1,885,855	1,889,499
Loans to personnel	5,392	5,871
Credit of compensatory agreement (Note 13 a)	1,828,078	1,818,691
Others	257,801	257,921
Guarantees	805,712	730,256
Security deposits	21,914	19,927
Total	6,525,946	7,042,682

(*) 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.

(b) Tax assets

	03/31/2024	12/31/2023
Non current		
Income tax credit	1,088,208	973,875
Total	1,088,208	973,875
Current		
Valued added tax (1)	-	1,858,848
Income tax credit	552,875	202,630
Custom tax	14,073	14,935
Other tax balances	68,019	217,398
Total	634,967	2,293,811

(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.

(c) Materials and spare parts

Materials	16,962,634	16,305,041
Spare parts	1,763,350	1,694,990
Total	18,725,984	18,000,031

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

	03/31/2024	12/31/2023
(d) Investments		
Investments	631,389	1,429,219
Total	631,389	1,429,219
(e) Cash and cash equivalents		
Cash	380	467
Mutual funds	6,935	3,956,379
Banks (2)	15,978,606	11,337,990
Total	15,985,921	15,294,836

(2) USD 10.343.111 restricted. See more information in guarantee 11 (a).

	03/31/2024	12/31/2023
(f) Trade and other payables		
Suppliers (3)	28,371,047	22,864,330
Accrued expenses	2,386,997	2,283,428
Total	30,758,044	25,147,758

(3) At March 31, 2024 and December 31, 2023 includes unpaid balances of PPE of $ 6,885,351 and $ 4,828,655, respectively.

	03/31/2024	12/31/2023
(g) Loans		
Non current		
Senior secured notes (Note 11 a and b) (4)	-	599,806,506
Local unsecured notes (Note 11 c, d, e, f and h) (4)	13,890,989	15,094,138
Loans (Note 11 i)	18,199,719	17,819,627
Total	32,090,708	632,720,271
Current		
Senior secured notes (Note 11 a and b) (4)	604,940,062	39,902,382
Local unsecured notes (Note 11 c, d, e, f, g and h) (4)	93,507,559	76,402,621
Other financial liabilities (Note 11 i)	19,800,000	19,800,000
Loans (Note 11 i)	42,689,753	11,531,550
Lease liability	-	1,747
Total	760,937,374	147,638,300

(4) At March 31, 2024 and December 31, 2023 includes net transactions costs of $ 2,746,059 and $ 3,477,920, respectively.

	03/31/2024	12/31/2023
(h) Other liabilities		
Parent company and other related parties (Note 9.1 and 9.3)	1,139,869	1,115,238
Other payables	50,000	50,000
Total	1,189,869	1,165,238

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

(i) Property, plant and equipment

Balances as of March 31, 2024

	Cost				Depreciations					Net as of
Main account	At beginning of year	Additions	Transfer	At period end	Accumulated at beginning of the period	Decreases	Rate %	Amount (Note 8 c)	Accumulated at period end	03/31/2024
Land	2,142,790	-	-	2,142,790	-	-	-	-	-	2,142,790
Spare parts	8,634,049	-	-	8,634,049	-	-	-	-	-	8,634,049
Thermoelectric power plants			-			-				
Infraestructure	480,936,605	4,484	-	480,941,089	58,665,429	-	3.33%	3,124,988	61,790,417	419,150,672
Plant and equipments (8)	523,723,951	2,694,213	-	526,418,164	72,323,438	-	(5)	4,449,551	76,772,989	449,645,175
Facilities and other fixed assets (7)	4,387,750	115,169	-	4,502,919	2,785,686	-	(6)	143,279	2,928,965	1,573,954
Under construction	1,376,585	280,846	-	1,657,431	-	-	-	-	-	1,657,431
Total	1,021,201,730	3,094,712	-	1,024,296,442	133,774,553	-		7,717,818	141,492,371	882,804,071

Balances as of December 31, 2023

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

(5) By units of production
(6) Tools, 10%. Vehicles, furniture and other facilities, 20%. Computers, 33%.
(7) Includes $ 6,942 of right of use related to financial leasing, December 31, 2023. As of March 31, 2024 does not include right of use related to financial leasing.
(8) Includes $ 1,865,236 and $ 7,663,111 as of March 31, 2024 and December 31, 2023, respectively of accelerated depreciation related to the replacement of parts due to the maintenance done on turbines of Villa María and Rojo.

NOTE 8 - BREAKDOWN OF THE MAIN ACCOUNT BALANCES OF THE 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

	03/31/2024	03/31/2023
Revenues from generation capacity	42,784,751	41,056,164
Revenues from supply of power	5,932,098	6,425,972
Total revenue	48,716,849	47,482,136

(b) Net finance costs

	03/31/2024	03/31/2023
Financial income		
Interest income	8,009,078	9,722,333
Change in fair value of financial assets	168,909	-
Gain on exchange differences	2,981,200	3,688,451
Total financial income	11,159,187	13,410,784
Financial expenses		
Interest expense	(23,459,110)	(21,405,724)
Change in fair value of derivatives instruments	-	(99,338)
Loss in exchange differences	(3,961,746)	(13,018,307)
Total financial expenses	(27,420,856)	(34,523,369)

(c) Expense by nature

Items	Cost of sales	General and administrative expenses	03/31/2024	Cost of sales	General and administrative expenses	03/31/2023
Salaries and other personnel-related expenses	1,507,360	595,049	2,102,409	1,772,784	798,031	2,570,815
Depreciation (Note 7 i)	7,683,476	34,342	7,717,818	9,066,578	39,567	9,106,145
Maintenance expenses	2,858,521	12,370	2,870,891	3,003,892	11,176	3,015,068
Taxes, rates and contributions	165,461	197,239	362,700	386,352	341,262	727,614
Insurance	583,519	7,027	590,546	594,035	5,480	599,515
Other expenses	628,542	518,293	1,146,835	1,630,533	634,481	2,265,014
Total	13,426,879	1,364,320	14,791,199	16,454,174	1,829,997	18,284,171

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

1. Balances with parent company – MSU Energy Holding Ltd.	03/31/2024	12/31/2023
Loans granted (Note 10)	41.537.969	41,033,125
Other liabilities (Note 7 h) (9)	763.186	743,513

2. Transactions with parent company – MSU Energy Holding Ltd.	03/31/2024	03/31/2023
Interest income	504,845	498,586
Management fee (9)	19,707	16,835

3. Balance with related parties	03/31/2024	12/31/2023
Loans granted (Note 10)	9,380,003	9,266,000
Other assets (Note 7 a) (10)	1,885,855	1,889,499
Other liabilities (Note 7 h)	376,683	371,725

4. Transaction with related parties	03/31/2024	03/31/2023
Interest loss	4,959	22,844
Interest income	114,003	457,264
Expenses to be recovered	1,300	137,336

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

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

During the period ended March 31, 2024 and 2023, key management received compensations in the total amount of $ 369,172 and $ 457,198 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%, which become due for payment in year 2025. In connection with such loans, as of March 31, 2024 and December 31, 2023, MSU Energy has principal and interest receivables equivalent to the amount of $ 50,917,972 and $ 50,299,125, respectively. The price was determined on market conditions.

NOTE 11 - LOANS

(a) Senior Secured Notes

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

- Principal amount: $ 600,000,000.
- Net Proceeds: $ 595,902,000.
- Maturity Date: February 1, 2025.
- Amortization: principal shall be amortized in one installment on the maturity date.
- Issue price: 99.317% of principal amount, plus accrued interest, from February 1, 2018.
- Interest rate: 6.875% fixed annual rate.
- Interest payment dates: February 1 and August 1 of each year, commencing on August 1, 2018.
- Guarantee: The notes are 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 March 31, 2024 and December 31, 2023 is $ 153,070,139 and $ 153,798,720, respectively.

In connection with these Senior Secured Notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 604,940,062 and $ 614,672,081 (Note 7 g) as of March 31, 2024 and December 31, 2023 respectively.

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

(b) Senior Secured Floating Rate Notes

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

- Principal amount: $ 250,300,000.
- Gross Proceeds: $ 250,300,000.
- Maturity Date: February 28, 2024.
- Issue price: 100% of principal amount.
- Interest rate: From Issue Date to (but excluding) August 30, 2023, LIBOR (three months) + Applicable Margin. From August 30, 2023, to Maturity Date, Adjusted Term SOFR + Applicable Margin.
- Amortization: 10 quarterly equal and consecutive installments as of November 30, 2021.

NOTE 11 – LOANS (cont.)

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

On May 7, 2020, MSU Energy issued Senior Secured Floting Rate Notes described as follows: (cont.)

- Interest payment dates: to be paid quarterly on each February 28 and every 30th day of May, August and November, starting on August 30, 2020.
- Guarantee: The notes till moment of total cancellation of principal and interests (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 March 31, 2024 and December 31, 2023 is $ 118,292,697 and $ 120,302,201, respectively.
  - The amount of 465,982,166 common shares that account for 99.53% of MSU Energy capital is subject to a first-degree pledge for the benefit of Citibank NA as security agent.
  - The possibility of establishing a fiduciary assignment of the collection rights arising from the new PPA´s related to combined cycle capacity. (Note 13)

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

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

(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 totally amortized at maturity.
- 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 exchanged for an amount of $ 5,925,043. As of March 31, 2024 and December 31, 2023 MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 9,616,244 and $ 15,293,450, respectively (Note 7 g).

NOTE 11 - LOANS (cont.)

(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 totally amortized at maturity.
- 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 exchanged for an amount of $ 2,542,383. As of March 31, 2024 and December 31, 2023 MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 12,581,676 and $ 15,534,801, respectively (Note 7 g).

(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: (cont.)

- 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 totally amortized at maturity.
- 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 $ 46,641,686 and $ 45,712,739 as of March 31, 2024 and December 31, 2023, respectively (Note 7 g).

NOTE 11 - LOANS (cont.)

(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 totally amortized at maturity.
- 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 $ 15,342,973 and $ 14,955,769 as of March 31, 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.
- 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 totally amortized at maturity.
-
- 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 $ 9,366,998 as of March 31, 2024 (Note 7 g).

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

On March 12, 2024 the Company issued 24-month bullet 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.

NOTE 11 - LOANS (cont.)

(h) ON Class X local unsecured notes (cont.)

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

- Interest rate: 8,25%
- Date of issue: March 12, 2024.
- Maturity date: March 12, 2026.
- Amortization: principal to be totally amortized at maturity.
- 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 $ 13,848,971 as of March 31, 2024 (Note 7 g).

(i) Loans and other financial liabilities

Type of instrument (*)	Currency	Interest	Rate	Maturity	03/31/2024	12/31/2023
Financial Loan	USD	Fixed	8.5%	November 2028	18,199,719	17,819,627
Other Financial Loans	USD	Dollar Linked	-	December 2024	19,800,000	19,800,000
Banks Financial Loans	AR$	Fixed	65% to 146%	Between April and September 2024	42,689,753	-
Banks Financial Loans	AR$	Fixed	87% to 146%	Between January and June 2024	-	11,531,550
Total					80,689,472	49,151,177

(*) Unsecured.

(j) Reconciliation required by IAS 7 to cash flows

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

	30/03/2024	30/03/2023
Loans at beginning of the year	780,358,571	893,993,082
Cash flows from financing activities:		
Payments of senior secured floating rate notes	(25,030,000)	(25,030,000)
Payments of senior unsecured notes	-	(34,351,771)
Payments of loans	(14,610,243)	-
Proceeds from senior unsecured notes	14,752,616	15,100,000
Lease payments	(1,701)	(5,461)
Proceeds from new loans	45,649,866	-
Payments of interest and financing expenses	(29,071,776)	(28,988,895)
Non-cash items changes:		
Exchange differences	(2,162,761)	74,593
Interest accrued on lease liability	1,701	5,461
Interest and other financial costs accrued	23,141,809	21,254,782
Loans at year-end	793,028,082	842,051,791

NOTE 12 - CAPITAL AND MERGER PREMIUM

Capital

As of March 31, 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. 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 March 31, 2024 and December 31, 2023 there were no changes.

NOTE 13 - CONTRACTUAL COMMITMENTS

Agreement with CAMMESA for wholesale demand:

a) General Rojo Plant

By virtue of the Wholesale Demand Agreement, the Company agreed to add 144.22 MW of nominal capacity to SADI, out of which, all its generation capacity from turbines 01, 02 and 03 will be sold subject to the regulatory scheme regulated by SEE Resolution No. 21, under the PPA entered into by and between the Company and CAMMESA on August 4, 2016, the generation capacity was 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.

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand (cont.)

a) General Rojo Plant (cont.)

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 March 31, 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 March 31, 2024, and December 31, 2023, receivables in this regard amounts to $ 4,006,396 (current portion $ 1,828,078 and non-current portion $ 2,178,318) 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 287/2017 and related regulations (the "General Rojo Combined Cycle PPA"). The average incremental capacity contracted for a term of fifteen (15) years adds to 105.37 MW and 100% of MSU Energy revenues operates under the terms and conditions of the General Rojo Combined Cycle PPA that has been awarded to MSU Energy under Resolution SEE 287/17. 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 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.

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

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand (cont.)

c) Villa María Plant (cont.)

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 N° 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 Maria plant. Furthermore, on June 10, 2020, the Department of Energy issued Note NO-2020-37458730-APN-SE # MDP by which it decided a 180-day suspension in the computation of terms for the performance of contracts under Resolution Ex SEE No. 287/2017. The suspension was based on the circumstances occurring due to the COVID-19 pandemic and the social, preventive and mandatory lockdown established by Decree (DNU) No. 297 on March 19, 2020. Subsequently, the Under-Department of Energy, through Note NO-2020-60366379-APN-SSEE#MEC issued on September 10, 2020, extended until November 15, 2020 the term provided by Note NO-2020-37458730- APN-SE# MDP issued on June 10, 2020. Consequently, the three projects for expansion and conversion to combined cycle achieved the date of commercial authorization to operate as agreed, subject to no penalties for delay.

Under the Combined Cycle PPAs, it is required that fuel be obtained by the Company from third parties, instead of being provided directly by CAMMESA; the cost incurred is offset by CAMMESA at the price determined by CAMMESA. Nevertheless, under Resolution SEE 354/2020, as from January 1, 2021, the Company transferred to CAMMESA the responsibility of obtaining the fuel, thus mitigating the risk of supply and pricing. The Company holds the option to reclaim fuel supply at any time in the future.

d) Service contract agreement with General Electric Packaged Power Inc. and GE International Inc.

The Company entered into a long-term service contract (10 years) with General Electric Packaged Power Inc. (manufacturer of the turbines and equipment set up at the Plants) and GE International Inc. in order to guarantee availability and compliance with the Wholesale Demand Agreements mentioned above, by providing maintenance services, spare parts and remote monitoring system.

NOTE 14 - RELEVANT EVENTS – UNCERTAINTY RELATED TO GOING CONCERN

As of March 31, 2024, the Company presents a negative working capital (current assets minus current liabilities) of $ 657,576,156 (compared to a negative working capital of $ 78,880,398 as of December 31, 2023) mainly driven by the Senior Secured Notes expiration in February 2025 for the amount of $ 604,940,062 and other current financial debt for the amount of $ 155,997,312.

NOTE 14 - RELEVANT EVENTS – UNCERTAINTY RELATED TO GOING CONCERN (cont.)

The Company's installed capacity is fully contracted under long-term power purchase agreements (PPAs) with Cammesa (Note 13). The remuneration scheme consists of a fixed capacity payment coupled with a variable payment related to power generation. The fixed capacity payment is the key economic driver of the business since it represents more than 88% of total revenues -in average during the three last years. In regard, Management has prepared a baseline cash flow forecast including the following:

Inflows assumptions considered in baseline cash flow projections

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

(b) Dispatch factor at 39,6% which is in line with actual dispatch levels of recent months. Under the combined cycle EPC turn-key contracts, the efficiency ratios of the combined cycle operation are fully guaranteed by General Electric.

Outflow assumptions considered in baseline cash flow projections

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

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

Management considers payment of the other current financial debts to be due during fiscal year 2024 is dependent on the occurrence of certain events or conditions that are not under the Company's control, such as CAMMESA normalization of payments (see Note 6 b) 3.) and access to new to short-term facilities. Regarding the maturity of the financial debt for the Senior Secured Notes (Note 11 a) for $ 600,000,000 in February 2025, Company´s Management is working on different alternatives for the refinancing and/or settlement of such debt at maturity. Management understands that these circumstances are highly dependable on the occurrence of certain events or conditions that are not under Company's control.

Due to the occurrence of certain events or conditions that are not under Company's control, Management concludes about the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

NOTE 15 - EBITDA RECONCILIATION WITH NET INCOME (LOSS)

Management has presented the performance measure EBITDA because it believes that this measure is relevant to an understanding of the financial performance. 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.

NOTE 15 - EBITDA RECONCILIATION WITH NET INCOME (LOSS) (cont.)

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

a) For the three-month period ended March 31, 2024 as follows:

Net profit for the period	5,074,862
Net finance costs	16,261,669
Income tax expense	12,589,119
Depreciation and amortization	7,717,818
EBITDA	41,643,468

b) For the three-month period ended March 31, 2023 as follows:

Net profit for the period	6,480,852
Net finance costs	21,112,585
Income tax expense	1,655,331
Depreciation and amortization	9,106,145
EBITDA	38,354,913

NOTE 16 - SUBSEQUENT EVENTS

On May 8, 2024, the Ministry of Energy published a resolution proposing an exceptional payment regime that affect Cammesa payments to the entity (Note 6 b) 3. Credit risk).

No other events or transactions, other than those mentioned above and in the notes to the condensed financial statements, have occurred from period-end to the date of issuance of these 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 March 31, 2024.