MSU ENERGY S.A.

Financial statements as of and for the year ended December 31, 2024

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Financial Statements as of and for the year ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of MSU ENERGY S.A. (hereinafter, "the Company"), which comprise the statement of financial position as of December 31, 2024, the statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, the results of its operations, the changes in shareholders' equity and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. The key audit matter described below has been addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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

See notes 2.2.5, 3 and 5 to the accompanying financial statements: Income tax

Key audit matter	How the matter was addressed in our audit
As of December 31, 2024, the Company recognized in Deferred tax assets a carryforward tax loss in the amount of $ 37,680,367 (measured at the tax rate expected to be effective when such asset is realized).	Our audit procedures included, among others: • evaluation of the accounting policies adopted by the Company in connection with the recognition of deferred tax assets arising from accumulated tax loss carryforwards;

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

Responsibility of Management for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with the Board of Directors, we determined those matters that were of most significance in the audit of the financial statements for the fiscal year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

City of Buenos Aires (Argentina), March 11, 2025

KPMG

Damián A. Balderian
Partner

MSU ENERGY S.A.

Financial statements as of and for the year ended December 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%

Legal address: Plaza Independencia 753 12th Floor, Montevideo, Uruguay.

MSU ENERGY S.A.

STATEMENT OF FINANCIAL POSITION
as of December 31, 2024 (in USD)

	Notes	12/31/2024	12/31/2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7 (i)	870,222,856	887,427,177
Loans granted	10	-	50,299,125
Tax assets	7 (b)	3,785,403	973,875
Other assets	7 (a)	1,021,950	4,169,604
Total non-current assets		875,030,209	942,869,781
CURRENT ASSETS			
Materials and spare parts	7 (c)	20,997,748	18,000,031
Tax assets	7 (b)	1,504,003	2,293,811
Other assets	7 (a)	5,977,562	7,042,682
Trade receivables		45,040,520	51,496,456
Investments	7 (d)	-	1,429,219
Cash and cash equivalents	7 (e)	14,103,547	15,294,836
Total current assets		87,623,380	95,557,035
Total assets		962,653,589	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		4,863,264	2,026,783
Other reserves		160,153,685	158,381,137
Retained earnings		(24,103,112)	56,729,631
Total equity		151,047,751	227,271,465
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans	7 (g)	640,396,256	632,720,271
Taxes payable		706,569	840,840
Deferred tax liabilities	5	77,474,736	3,156,807
Total non-current liabilities		718,577,561	636,717,918
CURRENT LIABILITIES			
Loans	7 (g)	47,507,734	147,638,300
Other liabilities	7 (h)	498,661	1,165,238
Taxes payable		328,691	486,137
Trade and other payables	7 (f)	44,693,191	25,147,758
Total current liabilities		93,028,277	174,437,433
Total liabilities		811,605,838	811,155,351
Total liabilities and equity		962,653,589	1,038,426,816

The accompanying notes are part of these financial statements.

MSU ENERGY S.A.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2024 (in USD)

	Notes	2024	2023
Net revenues	8 (a)	193,071,906	189,277,380
Cost of sales	8 (c)	(48,282,900)	(52,461,724)
Gross profit		144,789,006	136,815,656
General and administrative expenses	8 (c)	(6,494,828)	(7,498,450)
Impairment loss on trade receivables	6 (b.3)	(11,263,221)	-
Other income	8 (d)	6,174,449	89,055
Operating profit		133,205,406	129,406,261
Financial income	8 (b)	23,516,880	74,559,240
Financial expenses	8 (b)	(106,507,469)	(183,226,616)
Net finance costs		(82,990,589)	(108,667,376)
Net income before income tax		50,214,817	20,738,885
Income tax (expense) benefit	5	(74,317,929)	35,990,746
(Loss) / Profit for the year		(24,103,112)	56,729,631
Other comprehensive income		-	-
Comprehensive (loss) income for the year		(24,103,112)	56,729,631

The accompanying notes are part of these financial statements.

MSU ENERGY S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the year ended December 31, 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
Appropriation to legal and other reserves (1)	-	-	776,691	41,643,777	(42,420,468)	-
Profit for the year	-	-	-	-	56,729,631	56,729,631
Balances as of December 31, 2023	30,295,440	(20,161,526)	2,026,783	158,381,137	56,729,631	227,271,465
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)
Loss for the year	-	-	-	-	(24,103,112)	(24,103,112)
Balances as of December 31, 2024	30,295,440	(20,161,526)	4,863,264	160,153,685	(24,103,112)	151,047,751

(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 financial statements.

MSU ENERGY S.A.

STATEMENT OF CASH FLOWS

for the year ended December 31, 2024 (in USD)

CAUSES OF CHANGES IN CASH	Notes	2024	2023
Cash flow from operating activities			
(Loss) profit for the year		(24,103,112)	56,729,631
Adjustments for:			
Income tax expense		74,317,929	(35,990,746)
Depreciation of property, plant and equipment	8 (c)	25,557,086	28,673,880
Impairment loss on trade receivables and financial assets	6 (b.3)	14,891,531	-
Foreign exchange differences, net	8 (b)	3,331,284	65,435,473
Accrued interest, net	8 (b)	71,087,948	35,337,171
Other income	8 (d)	(6,174,449)	(89,055)
Financial liabilities measured at fair value	8 (b)	4,379,460	-
Change in fair value of derivative instruments	8 (b)	-	11,906,809
Change in fair value of financial assets	8 (b)	563,587	(4,012,077)
Changes in operating assets and liabilities:			
Increase in trade receivables		(10,356,721)	(6,906,634)
Decrease (increase) in other assets		1,431,739	(1,575,420)
Increase in materials and spare parts		(2,997,717)	(1,924,696)
Increase in tax assets		(2,691,088)	(4,453,701)
Increase in trade and other payable		26,653,175	5,461,805
Increase in other liabilities		96,511	71,492
Increase (decrease) in taxes payable		71,330	(974,780)
Net cash flows from operating activities		176,058,493	147,689,152
Cash flow from investing activities			
Interest received and other financials receivables		4,294,828	20,618,634
Net proceeds for sell and acquisition of investments		607,586	5,567,976
Payments from derivative financial instruments		-	(11,906,809)
Proceeds from disposal of fixed assets		-	89,055
Payments for acquisition of property, plant and equipment		(6,430,868)	(13,545,083)
Net cash flows (used in) from investing activities		(1,528,454)	823,773
Cash flow from financing activities			
Proceeds from new loans	11 (l)	93,789,044	45,403,834
Proceeds from syndicated secured loan	11 (l)	222,000,000	-
Payments of loans	11 (l)	(96,008,641)	(5,217,041)
Payments of senior notes 2025	11 (l)	(381,027.000)	-
Payments of senior secured floating rate notes	11 (l)	(25,030,000)	(100,120,000)
Payments of local unsecured notes	11 (l)	(68,150,334)	(64,651,771)
Proceeds from senior secured notes	11 (l)	174,828,070	-
Proceeds from local unsecured notes	11 (l)	14,752,616	15,100,000
Payments for acquisition of senior unsecured notes	11 (l)	(2,254,799)	-
Payments of financial leasing	11 (l)	(1,701)	(17,955)
Dividends paid (withholding tax)	15	(3,648,442)	-
Payments of interest and financing expenses	11 (l)	(101,900,376)	(75,769,687)
Net cash flows used in financing activities		(172,651,563)	(185,272,620)
Net increase (decrease) in cash		1,878,476	(36,759,695)
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		(3,069,765)	(26,434,650)
Cash and cash equivalents at the end of the year		14,103,547	15,294,836
Net increase (decrease) in cash		1,878,476	(36,759,695)
Significant financing non-cash transactions			
Debt exchange (Note 11 c and d)		8,467,426	-
Debt exchange (Note 11 a and i)		218,973,000	-
Fair value of Senior Secured Notes 2030		(4,379,460)	-
Offset of dividends distribution and financial assets (Note 15)		48,472,160	-

The accompanying notes are part of these financial statements.

NOTE 1 - GENERAL INFORMATION

1.1) Description of the business

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

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

- 450MW originally installed with three gas turbines in each Plant, awarded under Resolution of the Secretary of Energy ("SEE") No. 21/2016 (hereinafter, "Simple Cycle PPAs"), 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 María Thermoelectric Power Plants were authorized to operate with Argentine Interconnection Grid System (SADI). Turbines 04 of General Rojo, Villa Maria and Barker power plants were authorized to conduct commercial operations with SADI on April 30, May 17 and July 12 of 2019, respectively. On August 15, August 20 and October 31 of 2020, the expansion and conversion project of the Villa Maria, General Rojo and Barker power plants was completed, respectively. Since that date, the Plants have been authorized to initiate commercial operations with SADI.

1.2) Purpose of these financial statements

Management prepared these non-statutory financial statements to provide it to the financial creditors of the Company and other interested parties pursuant to requirements of the new Senior Secured Notes 2030 (Note 11 i).

NOTE 2 - BASIS OF ACCOUNTING

2.1) Statements of compliance

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

These financial statements ended December 31, 2024, were authorized for issue by the Board of Directors on March 11, 2025.

2.2) Material accounting policies

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

2.2.1) Foreign currency

(a) Functional and presentation currency

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

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Material accounting policies (cont.)

2.2.1) Foreign currency (cont.)

(b) Transactions and balances

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

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

2.2.2) Revenue recognition

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

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

- Generation capacity; and
- Supply of power.

Generation capacity

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

Supply of power

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

2.2.3) Employee benefits

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

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

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

2.2.4) Finance income and expense

The Company's finance income and expense include:

- Interest income;
- Interest expense;
- The net gain or loss on financial assets at fair value through profit or loss ("FVTPL");
- The change in fair value derivatives instruments;
- The foreign currency gain or loss on financial assets and financial liabilities;

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Material accounting policies (cont.)

2.2.4) Finance income and expense (cont.)

The Company's finance income and expense include (cont.):

- Less borrowing costs capitalized in Property, plant and equipment.

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

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

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

2.2.5) Income tax

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

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

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

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

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

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

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

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

On the other hand, IFRIC 23 "Uncertainty over income tax treatments" provides guidelines for accounting for income tax when it is unclear whether the tax authority will accept a certain tax treatment applied by the Company.

An entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment.

If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Material accounting policies (cont.)

2.2.5) Income tax (cont.)

If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. An entity shall reflect the effect of uncertainty for each uncertain tax treatment by using either of the following methods, depending on which method the entity expects to better predict the resolution of the uncertainty:

(a) the most likely amount: the single most likely amount in a range of possible outcomes. The most likely amount may better predict the resolution of the uncertainty if the possible outcomes are binary or are concentrated on one value.

(b) the expected value: the sum of the probability-weighted amounts in a range of possible outcomes. The expected value may better predict the resolution of the uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value.

Estimates and assumptions are reassessed if facts and circumstances change or new information arises. When there is a change in the estimate, the effect is accounted for prospectively.

The Company evaluates the aforementioned as of the closing date of each fiscal year (Note 5 (c))

2.2.6) Property, plant and equipment

The items of property, plant and equipment are recognized at acquisition cost less accumulated depreciation, if applicable, and impairment losses (Note 2.2.8)), if any. The cost includes the spot purchase price and expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as expected by management. The cost includes capitalized borrowing costs amounting to $ 81,940,601 that were capitalized until 2020.

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

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

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

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

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

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

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

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

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Material accounting policies (cont.)

2.2.7) Financial instruments

(1) Recognition and initial measurement

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

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

(2) Classification and subsequent measurement of financial assets

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

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

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

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

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

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

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

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

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

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

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

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Material accounting policies (cont.)

2.2.7) Financial instruments (cont.)

(2) Classification and subsequent measurement of financial assets (cont.)

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

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

(3) Impairment

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

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

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

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

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

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

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

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

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

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

(4) Classification and subsequent measurement of financial liabilities

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

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Material accounting policies (cont.)

2.2.7) Financial instruments (cont.)

(5) Derecognition

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

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

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

(6) Offsetting

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

2.2.8) Impairment of non-financial assets

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

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

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

2.2.9) Cash and cash equivalents

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

2.2.10) Leases

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

As a lessee

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

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

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

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.2) Material accounting policies (cont.)

2.2.10) Leases (cont.)

As a lessee (cont.)

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

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

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

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

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

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

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

As a lessor

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

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

2.2.11) Material and spare parts

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

2.2.12) Non-financial assets

Incremental costs of obtaining a contract

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

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

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

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 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 year is consistent with that applied in the previous year and it is described in Note 5 (a).

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	Disclosures related to Non-Current Liabilities with Covenants were included in Note 11 a) to k).
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:

New accounting standard or amendment	*Effective date*	*Impact*
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) and (c) – Current income tax and deferred income tax determination.
- Calculation of depreciation. (Note 2.2.6).
- Impairment of long live assets. (Note 2.2.8).

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 5 (c) - Recognition of deferred tax assets – availability of future profit against which deductible temporary differences and tax losses carried forward can be utilised.

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) and c)), to whom provides with the availability of contractual capacity and the supply of power.

All MSU Energy non-current assets are in Argentina as of December 31, 2024 and 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 December 31, 2024, are: Taxable profit up to AR$ 34.7 million ($ 33,627) are levied at 25%, up to AR$ 347 million ($ 336,274) at 30% and more than such amount at 35%.

In addition, as provided for by Law No. 27630, the rate applicable to the dividends on earnings generated in fiscal years beginning on or after January 1, 2018, is set to 7%.

As of December 31, 2024, the current tax was measured by applying the progressive tax rates on taxable profit determined at such date, whereas the deferred tax balances were measured by applying the progressive tax rate expected to be applied based on the taxable profit estimated in the year in which the temporary differences are reversed.

(b) Inflation adjustment for tax purposes

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

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

(c) Uncertainty over income tax treatments

As of December 31, 2024, and 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, the Company included in its submission to the AFIP ("Administración Federal de Ingresos Públicos") now called ARCA ("Agencia de Recaudación y Control Aduanero") the inflation adjustment for the losses incurred since the 2019 fiscal year, in accordance with the autonomy of Article No. 25 of the Fiscal Law.

Following the above, the Company has adjusted for inflation the accumulated tax loss carried forwards for the fiscal periods from 2019 onward. Since the first fiscal year in which the Company applied the inflation adjustment, accumulated loss carried forwards have been deducted in the income tax returns for the fiscal periods 2021, 2022, and 2024, under the terms of that article.

On November 29, 2024, the National Tax Authority issued an opinion that ratifies and formalizes the view previously expressed by AFIP (currently ARCA) in a non-binding informal consultation, stating that the accumulated tax loss carry forwards are not subject to inflation adjustment under Article No. 25 of the LIG.

Based on the guidelines of CINIIF 23, the Company's legal and tax advisors evaluated this situation and concluded that it is more likely than not that the Company will obtain a favourable final decision.

NOTE 5 - INCOME TAX (cont.)

(c) Uncertainty over income tax treatments (cont.)

For the fiscal year ended December 31, 2024 and 2023, macroeconomics indicators were: (i) inflation rate according to IPC index (consumer price index) was 117.76% and 211%, respectively, (ii) wholesale inflation according to IPIM index was 67.1% and 276.4%, respectively (iii) devaluation of the peso against USD rose 21.66% and 78.09%, respectively. Considering the procedures for determining the inflationary tax adjustment, the mentioned difference between inflation and devaluation resulted in a significant tax profit for the 2024 fiscal year, leading to the use of tax losses carried forward for the current fiscal year. The remaining tax losses carried forward will be adjusted for inflation based on the variation of the IPIM for the purpose of their calculation in the income tax return.

For the purpose of reviewing the recoverability of tax losses carried forward, Management estimated the taxable results for the next four fiscal years. The main assumptions considered in this estimation are: (i) Accumulated year-over-year inflation for the next four fiscal years and (ii) Depreciation of the peso against the dollar for the next four fiscal years. The remaining tax loss carried forward recognized at the end of the current fiscal year includes the effect of the inflation adjustment, net of the provision for recoverability, amounting to $88,671,558 and $14,057,250 as of December 31, 2024 and 2023, respectively.

Additionally, the Company has worked with various scenarios, considering the eventuality of non-compliance with the main business and macroeconomic assumptions considered. While all these projections support the future recoverability of the recorded tax losses, it should be noted that some of the variables considered in the estimates are outside the control of the economic agents, and there remains a certain level of uncertainty regarding the fulfilment of the projections.

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

	12/31/2024	12/31/2023
Deferred tax assets and (liabilities)		
Accumulated tax losses carried forward	37,680,367	188,698,126
Property, plant and equipment	(114,532,693)	(189,032,050)
Others	422,963	937,718
Tax inflation adjustment (years prior to 2021)	(1,045,373)	(3,760,601)
Total deferred tax liabilities	(77,474,736)	(3,156,807)

As of December 31, 2024, carryforward tax losses estimated in relation to the income tax are broken down as follows, according to their date of origin:

Year	Amount at tax rate – 35%	Expires in
2020	13,654,515	2025
2023	24,025,852	2028
Total	37,680,367	

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

	2024	2023
At the beginning of the year	(3,156,807)	(39,147,553)
Deferred income tax (expense) benefit	(74,317,929)	35,990,746
At the end of the year	(77,474,736)	(3,156,807)

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

	2024	2023
Income before income tax	50,214,817	20,738,885
Income tax for the year at the tax rate of 35%	(17,575,186)	(7,258,610)
Non-deductible expenses	(1,231,373)	21,194
Tax inflation and others related with wholesale domestic price index adjustment (Note 5.b)	(55,511,370)	43,228,162
Total income tax (expense) benefit	(74,317,929)	35,990,746

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 December 31, 2024 Fair value		Financial assets at amortized cost	Other financial liabilities (2)
Financial assets					
Other financial receivables (3)		-		1,786,043	-
Trade receivables		-		45,040,520	-
Cash and cash equivalents	7 (e)	11,820,026	(1)	2,283,521	-
Total financial assets		11,820,026		49,110,084	-
Financial liabilities					
Loans	7 (g)	-		-	687,903,990
Trade and other payable (4)		-		-	43,290,676
Other liabilities	7 (h)	-		-	498,661
Total financial liabilities		-		-	731,693,327

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)
Financial assets					
Other financial receivables (3)		-		2,153,291	-
Loans granted	10	-		50,299,125	-
Trade receivables		-		51,496,456	-
Investments	7 (d)	1,429,219	(1)	-	-
Cash and cash equivalents	7 (e)	3,956,379	(1)	11,338,457	-
Total financial assets		5,385,598		115,287,329	-
Financial liabilities					
Loans	7 (g)	-		-	780,358,571
Trade and other payables (4)		-		-	22,864,330
Other liabilities	7 (h)	-		-	1,165,238
Total financial liabilities		-		-	804,388,139

(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.

As of the date of these 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 $ 720,566,349 and $ 744,632,607 as of December 31, 2024 and 2023, respectively.

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

(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) 12/31/2024	Functional currency (USD) 12/31/2023
Pesos Assets	7,921,899	11,117,182
Total	7,921,899	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 year, should other factors remain constant, a 20% increase or decrease of the local currency in relation to the functional currency at year-end would increase (decrease) income before tax, as described in the table below (amounts stated in functional currency):

	December 31, 2024		December 31, 2023	
	+20%	-20%	+20%	-20%
USD	(1,320,317)	1,980,475	(1,852,864)	2,779,295
Total	(1,320,317)	1,980,475	(1,852,864)	2,779,295

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 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:

	December 31, 2024		December 31, 2023 *	
	+1%	-1%	+1%	-1%
USD	(6,444)	6,454	-	-
Total	(6,444)	6,454	-	-

* 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 December 31, 2024, the 1% increase or decrease is based on the variable interest risk calculated only over the issued Class VIII Local Unsecured Note (Note 11 g), which represents the 0.80% 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 has credit facilities and holds, mainly, cash and investments that can be easily converted into cash known beforehand.

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

(b) Financial risk management (cont.)

2. Liquidity risk (cont.)

In addition, on May 5, 2023, the Argentina Security and Exchange Commission ("CNV"), in accordance with Resolution 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 December 31, 2024, the Company has local notes outstanding, issued under the Global Program, for an aggregate principal amount of $ 438,320,042 (Note 11 f, g, h and i).

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 December 31, 2024, the Company has negative working capital in the amount of $ 5,404,897 (compared to a negative working capital of $ 78,880,398 as of December 31, 2023) mainly driven by the maturity of local notes Class VII and VIII for a total amount $ 21,188,580 (including interests), these Notes were canceled on January 13, 2025, by the Company. Based on cash flow projections prepared by the Company, the Board of Directors and Management of MSU Energy S.A. expect that this negative working capital will be remedied by operating cash flow generation over 2025.

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

	Balances as of December 31, 2024					
	0-3 months	3-6 months	6-9 months	9-12 months	Over 1 year	Total
As of 12/31/2024						
Trade receivables	45,040,520	-	-	-	-	45,040,520
Other assets	992,969	264,358	264,358	264,358	-	1,786,043
Total assets	46,033,489	264,358	264,358	264,358	-	46,826,563
Other liabilities	224,334	224,327	-	50,000	-	498,661
Taxes payable	158,174	56,839	56,839	56,839	706,569	1,035,260
Loans	38,252,571	9,255,163	-		640,396,256	687,903,990
Trade and other payables	43,290,676	-	-	-	-	43,290,676
Total liabilities	81,925,755	9,536,329	56,839	106,839	641,102,825	732,728,587

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

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.

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

(b) Financial risk management (cont.)

3. Credit risk (cont.)

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 23rd, 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 Statement of Profit or Loss and Other Comprehensive Income. In May 2024, the Company sold these bonds.

As of December 31, 2024, the outstanding balance of CAMMESA receivables amounts to $ 45 million and includes $ 24,8 million which are related to the sales transactions of November 2024 and $ 20,2 million which are related to the sales transactions of December 2024 both transactions were not overdue. The transactions of November and December 2024 were fully paid by CAMMESA during January and February 2024. MSU Energy has determined that the expected credit loss related to these balances is not material considering the financial statements as a whole and therefore it has not recorded a provision for this.

Credit risk on financial assets:

As of December 31, 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 Statement of Profit or Loss and Other Comprehensive Income.

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

	12/31/2024	12/31/2023
(a) Other assets		
Non current		
Credit of compensatory agreement (Note 13 a)	1,021,950	2,517,104
Non-financial assets (*)	-	1,652,500
Total	1,021,950	4,169,604
Current		
Advances to suppliers	399,238	352,135
Prepaid insurance	1,922,500	1,883,804
Expenses to recover	41,231	84,578
Related companies (Note 9.3)	1,057,432	1,889,499
Loans to personnel	4,192	5,871
Credit of compensatory agreement (Note 13 a)	1,735,974	1,818,691
Others	724,419	257,921
Guarantees	74,576	730,256
Security deposits	18,000	19,927
Total	5,977,562	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. On July 8, 2024, CAMMESA under Res. 151/2024, cancelled the awarding of contracts to expand power plants and reimbursed the corresponding total amounts.

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

	12/31/2024	12/31/2023
(b) Tax assets		
Non current		
Income tax credit	3,785,403	973,875
Total	3,785,403	973,875
Current		
Valued added tax (1)	1,104,085	1,858,848
Income tax credit	-	202,630
Custom tax	88,304	14,935
Other tax balances	311,614	217,398
Total	1,504,003	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

	12/31/2024	12/31/2023
Materials	20,706,381	16,305,041
Spare parts	291,367	1,694,990
Total	20,997,748	18,000,031

(d) Investments

	12/31/2024	12/31/2023
Investments	-	1,429,219
Total	-	1,429,219

(e) Cash and cash equivalents

	12/31/2024	12/31/2023
Cash	395	467
Banks (2)	2,283,126	11,337,990
Mutual funds (3)	11,820,026	3,956,379
Total	14,103,547	15,294,836

(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.

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

(f) Trade and other payables

	12/31/2024	12/31/2023
Suppliers (4)	43,290,676	22,864,330
Accrued expenses	1,402,515	2,283,428
Total	44,693,191	25,147,758

(4) As of December 31, 2024 and 2023, includes unpaid balances of PPE of $ 5,252,253 and $ 4,828,655, respectively.

(g) Loans

	12/31/2024	12/31/2023
Non current		
Senior notes (ex Senior secured notes) (Note 11 a)	-	599,806,506
Senior secured notes (Note 11 i)	390,833,519	-
Syndicated Secured Loan (Note 11 j)	216,356,734	-
Local unsecured notes (Note 11 c, d, e, f and h)	13,967,557	15,094,138
Financial loan (Note 11 k)	19,238,446	17,819,627
Total (5)	640,396,256	632,720,271
Current		
Senior notes (ex Senior secured notes) (Notes 11 a and b)	-	39,902,382
Senior secured notes (Note 11 i)	1,212,995	-
Syndicated Secured Loan (Note 11 j)	389,260	-
Local unsecured notes (Note 11 c, d, e, f, g and h)	21,423,073	76,402,621
Other financial loans (Note 11 k)	-	19,800,000
Banks financial loans (Note 11 k)	24,482,406	11,531,550
Lease liability	-	1,747
Total (5)	47,507,734	147,638,300

(5) At December 31, 2024, current and non current loans, includes capital of $ 699,820,104, net of transactions costs of $ 14,642,391, $ 1,796,392 fair value of the refinanced Senior secured notes (Note 11 i) and interest of $ 4,522,669. At December 31, 2023, current and non current loans, includes capital of $ 763,969,089, net of transactions costs of $ 3,477,920 and interest of $ 19,867,402.

(h) Other liabilities

	12/31/2024	12/31/2023
Parent company and other related parties (Note 9.1 and 9.3)	448,661	1,115,238
Other payables	50,000	50,000
Total	498,661	1,165,238

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

(i) Property, plant and equipment

	Balances as of December 31, 2024								
	Cost				Depreciation				Net as of
Main account	At beginning of year	Additions	Transfer	At year-end	Accumulated at beginning of the year	Rate %	Amount (Note 8 c)	Accumulated at year-end	12/31/2024
Land	2,142,790	-	-	2,142,790	-	-	-	-	2,142,790
Spare parts	8,634,049	-	-	8,634,049	-	-	-	-	8,634,049
Thermoelectric power plants									
Infrastructure	480,936,605	106,068	777,077	481,819,750	58,665,429	3.33%	12,500,764	71,166,193	410,653,557
Plant and equipments (9)	523,723,951	754,134	5,658,497	530,136,582	72,323,438	(6)	12,640,042	84,963,480	445,173,102
Facilities and other fixed assets (8)	4,387,750	1,237,775	47,216	5,672,741	2,785,686	(7)	416,280	3,201,966	2,470,775
Under construction	1,376,585	6,254,788	(6,482,790)	1,148,583	-	-	-	-	1,148,583
Total as of December 31, 2024	1,021,201,730	8,352,765	-	1,029,554,495	133,774,553		25,557,086	159,331,639	870,222,856

	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											
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
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

(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 December 31, 2024, the leases were not renewed.
(9) Includes $ 3,094,932 and $ 7,663,111 as of December 31, 2024 and 2023, respectively of accelerated depreciation related to the replacement of parts due to the maintenance done on turbines of Barker, Villa María and Rojo.

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

(a) Revenue

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

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

	2024	2023
Revenues from generation capacity	176,538,468	173,210,438
Revenues from supply of power	16,533,438	16,066,942
Total revenue	193,071,906	189,277,380

(b) Net finance costs

	2024	2023
Financial income		
Interest income	13,805,170	48,246,865
Change in fair value of financial assets	-	4,012,077
Gain on exchange differences	9,711,710	22,300,298
Total financial income	23,516,880	74,559,240
Financial expenses		
Interest expense	(84,893,118)	(83,584,036)
Impairment loss on financial asset (Note 6.b.3)	(3,628,310)	-
Change in fair value of financial assets	(563,587)	-
Change in fair value derivatives instruments	-	(11,906,809)
Financial liabilities measured at fair value (Note 11 i)	(4,379,460)	-
Loss in exchange differences	(13,042,994)	(87,735,771)
Total financial expenses	(106,507,469)	(183,226,616)

(c) Expense by nature

Items	Cost of sales	General and administrative expenses	2024	Cost of sales	General and administrative expenses	2023
Salaries and other personnel related expenses	6,872,570	2,897,524	9,770,094	6,458,258	3,386,141	9,844,399
Depreciation (Note 7 i)	25,436,819	120,267	25,557,086	28,507,166	166,714	28,673,880
Maintenance expenses	9,746,783	79,688	9,826,471	9,829,827	11,999	9,841,826
Taxes, rates and contributions	736,791	1,397,707	2,134,498	1,404,058	1,542,089	2,946,147
Insurance	2,484,091	30,407	2,514,498	2,363,615	20,371	2,383,986
Other expenses	3,005,846	1,969,235	4,975,081	3,898,800	2,371,136	6,269,936
Total	48,282,900	6,494,828	54,777,728	52,461,724	7,498,450	59,960,174

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

(d) Other income

At the Board of Directors' meeting on June 4, 2024, the Board resolved that due to the circumstances affecting the Argentine economy and the financial challenges experienced by the power sector and the Company in particular, the utmost prudence in liquidity allocation is required. The Board resolved to reverse a $ 2 million dollar provision for variable compensation of key management that will not be paid.

Other income as of December 31, 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

	12/31/2024	12/31/2023
1. Balances with parent company – MSU Energy Holding Ltd.		
Loans granted (Note 10)	-	41,033,125
Other liabilities (Note 7 h) (10)	56,995	743,513
2. Transactions with parent company – MSU Energy Holding Ltd.		
Interest income	1,214,956	2,024,927
Expenses to be recovered	239,640	-
Management fee (10)	(83,946)	(71,482)
Dividends distribution (Note 15)	40,888,050	-
Offset of financial assets (Note 15)	(38,025,886)	-
Impairment loss on financial asset (Note 10)	(3,628,310)	-
3. Balance with related parties		
Loans granted (Note 10)	-	9,266,000
Other assets (Note 7 a) (11)	1,057,432	1,889,499
Other liabilities (Note 7 h)	391,666	371,725
4. Transaction with related parties		
Interest loss	(19,944)	(19,895)
Interest income	274,358	457,264
Expenses to be recovered	23,308	380,531
Dividends distribution (Note 15)	11,232,552	-
Offset of financial assets (Note 15)	(10,446,274)	-

(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.

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

During the year ended December 31, 2024 and 2023, key management received compensations in the total amount of $ 1,687,402 and $ 1,974,069 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 2025

On February 1, 2018, MSU Energy S.A. issued Senior Notes 2025 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 included 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 were 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.
- Collateral:
    - 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 Company complied with all covenants and conditions precedent under the Indenture to the release of the Collateral have been complied. Consequently, the Company, in conjunction 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), released all the existing Collateral of these Senior Secured Notes (then Senior Notes).

On December 27, 2024, prior to the maturity date, the company settled the Senior Notes 2025 amounting to $ 600,000,000. This settlement was financed through the issuance of new Senior Secured Notes due 2030 totalling $400,000,000 (Note 11 i), and a Syndicated Bank Loan amounting to $222,000,000 (Note 11 j). For more information, refer to Note 14.

NOTE 11 - LOANS (cont.)

(a) Senior Notes 2025 (cont.)

In connection with these Senior Notes 2025, MSU Energy had principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 614,672,081 (Note 7 g) as of December 31, 2023.

(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 30th 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, on February 28, 2024, maturity date of these Notes, the Company paid the final amortization instalment thereby settling 100% of the 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.

(c) 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 "Class IV notes") described as follows:

- Issue amount: $ 15,200,000.
- Issue price: 100% of nominal amount.
- Interest rate: 7.5%.
- Issue date: May 20, 2022.
- Maturity date: May 20, 2024.

NOTE 11 - LOANS (cont.)

(c) Class IV local unsecured notes (cont.)

- 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 May 20, 2024.

In connection with these Class IV local unsecured notes, pursuant to the issuance of the 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 if these Class IV local unsecured notes, the Company paid the principal and interest for an amount of $ 9,621,815.

As of December 31, 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) Class V local unsecured notes

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

- Amount of the issue: $ 15,100,000.
- 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 Notes, July 22, 2024.

In connection with these Class V local unsecured notes, pursuant to the issuance of the Class X local unsecured notes (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 of these Class V notes, the Company paid the principal and interest for an amount of $ 13,058,546.

As of December 31, 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).

(e) Class VI local unsecured notes

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

- Amount of the issue: $ 45,544,190.
- Issue price: 100% of nominal value.

NOTE 11 - LOANS (cont.)

(e) Class VI local unsecured notes (cont.)

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

- 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 Class VI Notes, November 2, 2024.

On November 2, 2024, the maturity date these Class VI Notes, the Company paid the principal and interest for an amount of $ 47.475.763.

As of December 31, 2024, the Company has no outstanding amounts related to these notes. As of December 31, 2023, the Company has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 45,712,739 (Note 7 g).

(f) Class VII local unsecured notes

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

- Issue Amount: $ 15,100,000
- 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 Class VII local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 15,693,061 and $ 14,955,769 as of December 31, 2024 and December 31, 2023, respectively (Note 7 g). On January 13, 2025, at the maturity date of these Class VII Notes, the Company paid the principal and interest for an amount of $ 15,739,164.

(g) Class VIII local unsecured floating rate notes

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

- Issue Amount: ARS 7,831,109,206 (equivalent to $ 9,232,077)

NOTE 11 - LOANS (cont.)

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

On March 12, 2024, the Company issued bullet local unsecured floating rate notes ("Class VIII Notes") 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 Class VIII local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 5,484,319 as of December 31, 2024 (Note 7 g). On January 13, 2025, at the maturity date of these Class VIII Notes, the Company paid the principal and interest for an amount of $ 5,507,595 (equivalent to ARS 5.725.145.351).

(h) Class X local unsecured notes

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

- Issue Amount: $ 13,987,965.
- 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 Class X local unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 14,213,250 as of December 31, 2024 (Note 7 g).

(i) Senior Secured Notes 2030

On December 5, 2024 the Company issued $ 400,000,000 Senior Secured Notes due on December 5, 2030 (the "Senior Secured Notes 2030") under the following terms:

- Principal amount: $ 400,000,000.
- Maturity Date: December 5, 2030.

NOTE 11 - LOANS (cont.)

(i) Senior Secured Notes 2030 (cont.)

- Amortization: principal shall be amortized in three instalments:
    - On December 5, 2028; 17.5% of the principal amount
    - On December 5, 2029; 17.5% of the principal amount
    - On December 5, 2030; 65% of the principal amount
- Interest rate: 9.750% fixed annual rate.
- Interest payment dates: June 5 and December 5 of each year, commencing on June 5, 2025.

(a) Issued through exchange offer:

- Exchanged amount of Senior Notes 2025: USD 218,973,000
- Issued amount of new notes: USD 223,352,460
- Issue price: 100% of principal amount, plus accrued interest, from December 5, 2024.

MSU Energy assessed whether the instruments subject to exchange were substantially different, considering qualitative aspects (such as guarantees, term and rate) and quantitative aspects (whether the present value of the cash flows discounted under the new conditions, including any commission paid net of any commission received, and using the original effective interest rates for the discount, differs by at least 10% from the present value of the remaining cash flows of the original financial liabilities).

In this regard, the Company recognized the exchange of the Senior Notes 2025 as a substantial modification in accordance with IFRS 9. Pursuant to this standard, the Company recognized the Senior Secured Notes 2030 exchange considering its fair value, recognizing a financial result include in Finance Cost of $ 4,379,460.

(b) New money issue: $ 176,647,540

- Net Proceeds: $ 174,828,070
- Issue price: 98.970% of principal amount, plus accrued interest, from December 5, 2024.

Covenants for these Senior Secured Notes 2030: 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.

Collateral for these Senior Secured Notes 2030: The notes are secured by a first-degree pledge on:

- All the rights and ownership titles of the Issuer with respect to:
    - (i) the Generators: A first-degree pledge on Simple-Cycle and Combined-Cycle Generators. The net book value as of December 31, 2024 was $ 231,065,440 and;
    - (ii) the Company's right to receive compensation (and any actual compensation received by the Company) as a result of the condemnation, nationalization, confiscation, or expropriation of any Turbine, in accordance with the Pledge Agreements with Registration; and
- All of the Company's present and future rights to receive any amounts and credits under, with respect to and/or regarding, the Combined-Cycle PPAs, and (b) any destruction or damage insurance relating to the Simple-Cycle Generators and any destruction or damage or loss of profit insurance relating to the Combined-Cycle Generators.

In connection with these Senior Secured Notes due 2030 MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 392,046,514 as of December 31, 2024 (Note 7 g).

NOTE 11 - LOANS (cont.)

(j) Syndicated Secured Loan

On November 7, 2024, the Company entered into a Syndicated secured loan for an amount of $ 222,000,000 due on October 25, 2027. The use of proceeds was the partial payment of the Senior Notes 2025 (Note 14) described as follows:

- Principal amount: $ 222,000,000.
- Maturity Date: October 25, 2027.
- Amortization: principal shall be amortized in eight consecutive quarterly instalments of 12,50% of the principal amount outstanding on January 25, April 25, July 25 and October 25 of each year, commencing on January 25, 2026.
- Interest rate: 8% fixed annual rate.
- Interest payment dates: January 25, April 25, July 25 and October 25 of each year, commencing on January 25, 2025.
- Collateral: The Syndicated Loan is secured by the fiduciary assignment and pledge in the first degree of privilege of certain credits of the Company which consist of Company's present and future collection rights related to simple cycle turbines 01, 02 and 03 installed in each thermoelectric plant (Note 13).
- Covenants: The facility includes customary covenants and events of default that, among other things, restrict the Company's 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. Additionally, the loan contains a covenant stating that at the end of each quarter the Company must comply with certain ratios including: Minimum Equity; Net leverage ratio; Maximum indebtedness; and Minimum interest coverage ratio.

In connection with these Syndicated Secured Loan MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 216,745,994 as of December 31, 2024 (Note 7 g).

(k) Loans and other financial liabilities

Type of instrument (*)	Currency	Interest	Rate	Maturity	12/31/2024	12/31/2023
Financial Loan	USD	Fixed	8.5%	November 2028	19,238,446	17,819,627
Other Financial Loans	USD	Dollar Linked	-	December 2024	-	19,800,000
Banks Financial Loans	USD	Fixed	3.95% to 7%	January 2025	24,482,406	-
Banks Financial Loans	AR$	Fixed	87% to 146%	Between January and June 2024	-	11,531,550
Total					43,720,852	49,151,177

(*) Unsecured.

NOTE 11 - LOANS (cont.)

(l) Reconciliation required by IAS 7 to cash flows

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

	12/31/2024	12/31/2023
Loans at beginning of the year	780,358,571	893,993,082
Cash flows from financing activities:		
Proceeds from new banks financial loans	93,789,044	45,403,834
Proceeds from syndicated secured loan	222,000,000	-
Payments of financial loans	(96,008,641)	(5,217,041)
Payments of senior secured floating rate notes	(25,030,000)	(100,120,000)
Payments of senior notes 2025	(381,027,000)	-
Payments of local unsecured notes	(68,150,334)	(64,651,771)
Proceeds from senior secured notes	174,828,070	-
Proceeds from local unsecured notes	14,752,616	15,100,000
Payments for acquisition of senior unsecured notes	(2,254,799)	-
Payments of financial leasing	(1,701)	(17,955)
Payments of interest and financing expenses	(101,900,376)	(75,769,687)
Non-cash items changes:		
Foreign exchange differences	(1,238,554)	(10,785,192)
Interest accrued on lease liability	1,701	17,955
Interest and other financial costs	77,785,393	82,405,346
Loans at year end	687,903,990	780,358,571

NOTE 12 - CAPITAL AND MERGER PREMIUM

Capital

As of December 31, 2024 and 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 December 31, 2024 and 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.

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 December 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 December 31, 2024 and 2023, receivables in this regard amounts to $ 2,757,924 (current portion $ 1,735,974 and non-current portion $ 1,021,950) 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.

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand (cont.)

b) Barker Plant (cont.)

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.

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 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 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.

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand (cont.)

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 - REFINANCING

On November 12, 2024, the Company announced an exchange offer and new notes issuance to refinance its Senior Notes due on 2025, originally issued on February 1, 2018, with a principal amount of $ 600,000,000 (Note 11(a) – "Senior Notes 2025").

The offer proposed exchanging these existing notes for new Senior Secured Notes 2030 Series A, denominated and payable in U.S. dollars, with a fixed interest rate of 9.750% and maturing in 2030 (the "exchange offer"), issued together with a new money issuance (Series B) under the same terms (Note 11(i)). Both series became fungible on January 24, 2025.

The Company redeemed a total of $ 600,000,000 principal (ex-Senior Secured Notes), as detailed below:

- $ 218,973,000 (which represented 36,5% of the outstanding amount before the settlement date) was exchanged on December 12, 2024 through the issuance of Senior Secured Notes 2030 for $ 223,000,000 (Note 11(i)).
- The remaining balance of $ 381,027,000 (which represented 63,5% of the outstanding amount before the settlement date), upon the expiration of the redemption notice on December 27, 2024, was paid as follows:
  - $ 159,027,000 from the funds obtained by the issuance of the Senior Secured Notes 2030 for $ 176,647,540 (Note 11(i)).
  - $ 222,000,000 from funds obtained through the Syndicated Secured Loan (Note 11(j)).

As of the date of the aforementioned exchange and redemption date, respectively, the Company also paid accrued interest to the bondholders of the Senior Notes 2025 for a total amount of $ 16,101,900.

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.

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 year end and the adjusted EBITDA (last 12 months).

Adjusted EBITDA is calculated by adding back to net (loss) profit for the year: (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.

NOTE 16 - NET LEVERAGE RATIO AND ADJUSTED EBITDA (cont.)

a) Adjusted EBITDA is as follows:

	December 31, 2024	December 31, 2023
Loss (profit) for the year	(24,103,112)	56,729,631
Net finance costs	82,990,589	108,667,376
Income tax expense (benefit)	74,317,929	(35,990,746)
Depreciation	25,557,086	28,673,880
Adjusted EBITDA	158,762,492	158,080,141

b) Net leverage ratio is as follows:

	December 31, 2024	December 31, 2023
Financial debt (capital without unpaid interests) (Note 7 (g))	(699,820,104)	(780,358,571)
Cash and cash equivalents (Note 7 (e))	14,103,547	15,294,836
Short term investments (Note 7 (d))	-	1,429,219
Net debt	(685,716,557)	(763,634,516)
Adjusted EBITDA	158,762,492	158,080,141
Net leverage ratio	4,32	4,83

NOTE 17 - SUBSEQUENT EVENTS

No other events or transactions, other than those mentioned in the notes to the financial statements, have occurred from year end to the date of issuance of these financial statements that would have a material effect on the financial position of the Company or the results of its operations as of December 31, 2024.