MSU ENERGY S.A.

Unaudited condensed interim financial statements for
the six-month period ended June 30, 2022

MSU ENERGY S.A.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS for the six-month period ended June 30, 2022

Contents **Page**

KPMG
Bouchard 710 - 1st Floor - C1106ABL
Buenos Aires, Argentina

+54 11 4316 5700
www.kpmg.com.ar

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

MSU ENERGY S.A.
Cerrito 1294 – 2nd Floor - Buenos Aires – Argentina

Introduction

We have reviewed the accompanying condensed interim statement of financial position of MSU ENERGY S.A. as of June 30, 2022, the condensed interim statements of profit or loss and other comprehensive income for the six-month and three-month periods then ended, changes in shareholders'equity and cash flows for the six-month period then ended, and notes to the condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as of and for the six months ended June 30, 2022 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

Emphasis of Matter – Purpose of these condensed interim financial statements

We draw attention to note 2.1 to the condensed interim financial statements, which discloses the basis of preparation, including the approach and the purposes for preparing them. Our conclusion is not modified in respect of this matter.

City of Buenos Aires (Argentina), August 11, 2022.

KPMG

Mario A. Belardinelli
Partner

MSU ENERGY S.A.

Unaudited condensed interim financial statements for the six-month period ended June 30, 2022.

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%

MSU ENERGY S.A.

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as of June 30, 2022 (in USD)

	Notes	06/30/2022	12/31/2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7 (g)	909,720,094	921,391,924
Loans granted	10	46,565,639	45,334,744
Other assets	7 (a)	5,109,556	4,903,032
Tax assets	7 (b)	2,049,648	2,097,065
Total non-current assets		963,444,937	973,726,765
CURRENT ASSETS			
Other assets	7 (a)	5,801,495	6,459,064
Tax assets	7 (b)	334,833	2,648,997
Materials and spare parts		14,892,900	12,567,785
Trade receivables		63,653,334	43,039,748
Cash and cash equivalents	7 (c)	48,678,339	62,818,989
Total current assets		133,360,901	127,534,583
Total assets		1,096,805,838	1,101,261,348
SHAREHOLDERS' EQUITY			
Share capital		30,295,440	30,295,440
Merger Premium		(20,161,526)	(20,161,526)
Legal reserve		1,250,092	2,547,167
Other reserves		116,737,360	40,253,636
Retained earnings		23,443,086	75,186,649
Total equity		151,564,452	128,121,366
LIABILITIES			
NON CURRENT LIABILITIES			
Deferred tax payable		33,914,348	28,312,567
Loans	7 (e)	752,064,581	796,294,568
Taxes payable		4,154,388	4,790,115
Total non-current liabilities		790,133,317	829,397,250
CURRENT LIABILITIES			
Loans	7 (e)	128,136,956	116,959,863
Other liabilities	7 (f)	1,030,876	1,087,095
Taxes payable		3,617,932	1,934,910
Trade and other payables	7 (d)	22,322,305	23,760,864
Total current liabilities		155,108,069	143,742,732
Total liabilities		945,241,386	973,139,982
Total liabilities and equity		1,096,805,838	1,101,261,348

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

MSU ENERGY S.A.

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

for the six and three-month period ended June 30, 2022 (in USD)

	Notes	06/30/2022 (6 months)	06/30/2021 (6 months)	06/30/2022 (3 months)	06/30/2021 (3 months)
Net revenues	8 (a)	101,379,311	105,257,451	50,579,820	51,488,667
Cost of sales	8 (c)	(25,854,270)	(24,716,815)	(13,516,999)	(12,079,857)
Gross profit		75,525,041	80,540,636	37,062,821	39,408,810
General and administrative expenses	8 (c)	(3,639,236)	(3,414,383)	(1,943,567)	(1,797,522)
Operating profit		71,885,805	77,126,253	35,119,254	37,611,288
Financial income	8 (b)	14,773,574	12,652,840	10,911,932	5,841,572
Financial expenses	8 (b)	(57,614,512)	(54,646,818)	(32,480,232)	(26,941,061)
Net finance costs		(42,840,938)	(41,993,978)	(21,568,300)	(21,099,489)
Net income before income tax		29,044,867	35,132,275	13,550,954	16,511,799
Income tax expense		(5,601,781)	(16,935,090)	(2,528,245)	(7,918,554)
Net income for the period		23,443,086	18,197,185	11,022,709	8,593,245
Other comprehensive income		-	-	-	-
Comprehensive income for the period		23,443,086	18,197,185	11,022,709	8,593,245

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

MSU ENERGY S.A.

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the six-month period ended June 30, 2022 (in USD)

Items	Share capital	Merger premium	Legal reserve	Other reserves	Retained earnings (accumulated loss)	Total
Balances as of December 31, 2020	30,295,440	(20,161,526)	1,475,657	2,157,498	61,642,413	75,409,482
Appropriation to legal reserve (1)	-	-	1,071,510	38,096,138	(39,167,648)	-
Profit for the period	-	-	-	-	18,197,185	18,197,185
Balances as of June 30, 2021	30,295,440	(20,161,526)	2,547,167	40,253,636	40,671,950	93,606,667
Balances as of December 31, 2021	30,295,440	(20,161,526)	2,547,167	40,253,636	75,186,649	128,121,366
Appropriation to legal reserve (2)	-	-	(1,297,075)	76,483,724	(75,186,649)	-
Profit for the period	-	-	-	-	23,443,086	23,443,086
Balances as of June 30, 2022	30,295,440	(20,161,526)	1,250,092	116,737,360	23,443,086	151,564,452

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

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

MSU ENERGY S.A.

UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the six-month period ended June 30, 2022 (in USD)

	Notes	06/30/2022	06/30/2021
Cash Flow from operating activities			
Profit for the period		23,443,086	18,197,185
Adjustments for:			
Income tax expense		5,601,781	16,935,090
Depreciation of property, plant and equipment	7 (g)	12,101,706	13,122,464
Foreign exchange, differences	8 (b)	8,265,762	3,019,853
Accrued interest, net	8 (b)	34,575,176	38,974,125
Changes in operating assets and liabilities:			
(Increase) decrease in trade receivables		(21,487,922)	18,265,096
Decrease in other assets		1,341,045	1,861,037
Increase in materials and spare parts		(2,325,115)	-
Decrease in tax assets		1,950,294	6,071,337
Decrease in trade and other payable		(988,809)	(28,971,877)
(Decrease) increase in other liabilities		(67,067)	25,648
Increase in taxes payable		2,127,458	84,784
Increase in tax assets due to recoverables taxes related to property, plant and equipment		-	(5,144,235)
Net cash flows from operating activities		64,537,395	82,440,507
Cash flow from investing activities			
Interest received and other financials receivables		3,142,254	1,313,256
Payments for acquisition of property, plant and equipment, net of capitalized interest		(433,585)	(54,108,379)
Net cash flows used in investing activities		2,708,669	(52,795,123)
Cash flow from financing activities			
Proceeds from senior unsecured notes	11 (f)	15,200,000	-
Payments of senior secured floating rate notes	11 (f)	(50,060,000)	-
Payments of financial leasing	11 (f)	(13,194)	(47,826)
Loans received	11 (f)	857,448	10,365,002
Payments of loans	11 (f)	-	(12,021,400)
Payments of interest and financing expenses	11 (f)	(43,527,515)	(43,741,930)
Net cash flows used in financing activities		(77,543,261)	(45,446,154)
Net decrease in cash		(10,297,197)	(15,800,770)
Cash and cash equivalents at the beginning of year		62,818,989	35,398,506
Exchange rate difference		(3,843,453)	(873,801)
Cash and cash equivalents at the end of the period		48,678,339	18,723,935
Net decrease in cash		(10,297,197)	(15,800,770)

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

NOTE 1 - GENERAL INFORMATION

1.1) Description of the business

The Company's 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).

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 SEE No. 21/2016 (hereinafter, "Simple Cycle PPAs"),
- 300MW added pursuant to the expansion and conversion to combined cycle of the Plants, adding a fourth gas turbine gas 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).

1.2) Financial situation

As of June 30, 2022, the Company discloses a negative working capital of $ 21,747,168, mainly driven by the maturity of the principal payment of the Senior Secured Floating Rate Notes issued on May 7, 2020 (Note 11 b).

The Company has prepared cash flow forecasts which includes repayment of the senior secured and unsecured notes as well as short term debt. Higher cash inflows were estimated as a result of the combined cycle operation in all three plants. The Company estimates that current liabilities will be paid as required.

NOTE 2 - BASIS OF ACCOUNTING

These condensed interim financial statements have been prepared in conformity with IAS 34 Interim Financial Reporting and should be read in conjunction with the last annual financial statements as at and for the year ended December 31, 2021 ("last annual financial statements"). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company´s financial position and performance since the last annual financial statements.

Changes to significant accounting policies are described in Note 2.3.

These condensed interim financial statements ended June 30, 2022 were authorized for issue by the Company's Vicepresident on August 11, 2022.

NOTE 2 - BASIS OF ACCOUNTING (cont.)

2.1) Purpose of these condensed interim financial statements

These non statutory condensed interim financial statements have been prepared by management to provide interim financial information to the financial creditors of the entity and other interested parties pursuant requirements of the debt issuance made in February 2018 and May 2020 (Note 11 a and b).

2.2) Comparative information

The condensed interim statement of financial position is presented on a comparative basis with December 31, 2021.

The condensed interim statements of profit or loss and other comprehensive income for the six-months and three-month periods ended as of June 30, 2022 are presented on a comparative basis with comparable interim periods ended as of June 30, 2021. The condensed interim statements of changes in shareholders' equity and cash flows for the six-month period ended in June 30, 2022 are presented on a comparative basis with the six months ended as of June 30, 2021.

2.3) Significant accounting policies

The main accounting policies applied to the preparation of these condensed interim financial statements are consistent with those applied to the preparation of the financial statements under IFRS for the year ended December 31, 2021.

The Company has not adopted in advance any of the new IFRS or modifications to existing IFRS that come into effect after January1, 2022.

NOTE 3 - USE OF JUDGMENT AND ESTIMATES

The preparation of these condensed interim financial statements under IFRS requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

The related estimates and assumptions are based on expectations and other factors deemed reasonable in the circumstances, the results of which are the basis of judgment on the value of assets and liabilities not easily evident from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are continuously reviewed. The effect of reviews of accounting estimates is prospectively recognized.

The critical judgments made in the application of accounting policies to these condensed interim financial statements are related to the type of disbursements to be capitalized, such as property, plant and equipment, as the determination of items eligible for capitalization requires a high degree of professional judgment.

At the same time, Management recognizes estimation uncertainties with a significant effect on amounts recognized in these condensed interim financial statements in relation to the assumptions to determine the amount of deferred tax assets related to estimated tax losses carryforward.

NOTE 4 - OPERATING SEGMENTS

The Board of Directors is the chief operating decision maker, who receives and reviews financial information considering that MSU Energy has only one operating segment. This is based on the fact that MSU Energy has only one customer - CAMMESA (Note 13 a), b) y c)), to whom provides with the availability of contractual capacity and the supply of power.

All MSU Energy non-current assets are located in Argentina as of June 30, 2022 and December 31,2021.

NOTE 5 - INCOME TAX

(a) Income tax expense

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

At the end of June 30, 2022 the effective tax rate calculated for the year reached 20.22%, compared to the 50.82% previously projected for 2021 at the end of June 2021. Market financial projections as of June 2021 used for estimating the effective tax rate were inaccurate, the variation is mainly explained by unpredictable macroeconomic fluctuations occured during 2021.

(b) Changes in income tax rate

On December 29, 2017, the Argentine Executive Branch passed and published Law No. 27430, which introduces some amendments to the income tax law, subsequently amended by the "Social Solidarity and Production Reactivation Law within the framework of the Public Emergency" (the "Economic Emergency Law"). As of June 30, 2022, the most significant amendments in force include:

- the reduction in the tax rate from 35% to 30% for fiscal years beginning on or after January 1, 2018, and to 25% for fiscal years beginning on or after 2022, and
- the dividends distributed to individuals and foreign beneficiaries for the fiscal years mentioned above shall be levied at the 7% and 13% rates, respectively.

On June 16, 2021, the Executive Branch (PEN) passed and published Law No. 27630 that rendered ineffective the general rate reduction explained above, and a system of tax brackets that will be in force for fiscal years beginning on or after January 1, 2021 was introduced, as follows:

Accumulated taxable income		To be paid AR$	Plus %	Over the excess of AR$
From AR$	To AR$			
AR$ 0	AR$ 5,000,000	AR$ 0	25%	AR$ 0
AR$ 5,000,001	AR$ 50,000,000	ARS$ 1,250,000	30%	AR$ 5,000,000
AR$ 50,000,001	Without limit	AR$ 14,750,000	35%	AR$ 50,000,000

All amounts indicated will be annually adjusted as from January 1, 2022, taking into account the Consumer Price Index (IPC) year-on-year variation issued by the Argentine Institute of Statistics and Censuses (INDEC) in October of the year prior to the adjustment, in relation to the same month of the prior year. The amounts thus determined will be applicable to fiscal years beginning after every adjustment.

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 a consequence of the referred amendment, as of December 31, 2021, the current tax was measured by applying the progressive tax rates on taxable income 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 income estimated in the year in which the temporary differences are reversed. Therefore, the Company considered the effect from the referred adjustment to the calculation of the weighted average tax rate expected by year-end as mentioned in (a).

NOTE 5 - INCOME TAX (cont.)

(c) Inflation adjustment for tax purposes

The referred Law No. 27430, after the amendments of the Economic Emergency Law, 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 shall be 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. The first part was computed in the year corresponding to the calculation and the remaining five parts was recognized in the immediately subsequent years. As from the fourth year, the amount of the tax inflation adjustment is recognized in the same fiscal year.

(d) IFRIC 23 Uncertainty over income tax treatments

The interpretation issued in June 2017 explains how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty over income tax treatments.

For these purposes, an entity has to consider whether it is probable that the relevant authority will accept each tax treatment that it used or plans to use in its income tax filing.

If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine the tax position consistently with the tax treatment used or planned to use in its income tax filings.

If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity will reflect the effect of the uncertainty when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

An entity shall make consistent judgments and estimates for both current tax and deferred tax.

An entity shall reassess a judgment or estimate required by this Interpretation if the facts and circumstances on which the judgment or estimate was based change or as a result of new information that affects the judgment or estimate.

Since December 31, 2019, the Company has applied this interpretation in the recording of current and deferred income tax, considering the adjustment for tax inflation over accumulated loss tax carryforward.

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: imputs 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: imputs for the asset or liability that are not based on observable market data.

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

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

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

		Balances as of June 30, 2022		
Item	Note	Fair value	Amortized cost	Other financial liabilities (2)
Financial assets				
Other financial receivables		-	1,447,399	-
Loans granted	10	-	46,565,639	-
Trade receivables		-	63,653,334	-
Cash and cash equivalents	7 (c)	48,678,339 (1)	-	-
Total financial assets		48,678,339	111,666,372	-
Financial liabilities				
Loans	7 (e)	-	-	880,201,537
Trade and other payable		-	-	20,626,674
Other liabilities	7 (f)	-	-	1,030,876
Total financial liabilities		-	-	901,859,087

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

(1) Level 1
(2) Other financial liabilities are recognized at amortized cost.

As of the date of these condensed interim financial statements, the carrying balances of financial instruments are a reasonable estimate of their related fair values except in loans (liability) for which the fair value (Level 2 for Senior secured notes and Level 3 for loans) is \$ 711,670,801 and \$ 790,274,183 as of June 30, 2022 and December 31, 2021, respectively.

As of June 30, 2022, and December 31, 2021, there are no significant expected credit losses ("ECL") to be recognized following the impairment evaluation of financial assets carried at amortized cost.

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

(b) Financial risk management

As part as its business activities, MSU Energy is exposed to different financial risks: market risk (including exchange rate risk, interest rate risk, and price risk); credit risk, and liquidity risk.

These condensed interim financial statements do not include all the information and disclosures regarding financial risk management; therefore, they should be read in conjunction with the annual financial statements as of December 31, 2021. No significant changes have been introduced thereafter to the risk management process or to the risk management policies applied by MSU Energy.

- 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 May 7, 2020, MSU ENERGY issued Senior Secured Floating Rate Notes at variable rate for a total amount of $250.300.000 due on 2024 (Note 11 b). Then on August 6, 2021, MSU ENERGY issued Senior Unsecured Notes Class II for a total amount of $ 18,076,950 due on 2023 (Note 11 c).

- Liquidity risk

The liquidity risk is related to MSU Energy's capacity to finance its obligations and business plans with stable financing resources. It is also associated with the level of indebtedness and the maturity profile of loans.

MSU Energy S.A. has credit facilities and holds, mainly, short term financial assets that can be easily converted into cash known beforehand. In addition, on February 5, 2020 the CNV through Resolution No. 20.635 approved the creation of an offering program for a total outstanding nominal value of up to $ 60.000.000 or its equivalent in another currency.

On August 28, 2020, in accordance with Resolution DI-2020-41-APN-GE#CNV, the CNV authorized an increase of the maximum amount of the program, mentioned in previous paragraph, for the issuance of simple notes (not convertible into shares) from USD 60,000,000 to USD 100,000,000 (or its equivalent in other currencies). On August 6, 2021 the company issued Class I and Class II Senior Unsecured notes for a total amount of USD 30,708,423 due on 2023 (Note 11 c). On November 21, 2021 the company issued class III Senior Unsecured Notes for USD 30,300,000 due on 2023 (Note 11 d). On, May 20, 2022 the Company issued class IV Senior Unsecured Notes for USD 15,200,000 due on 2024 (Note 11 e). Finally, on July 22, 2022 the Company issued class V Senior Unsecured Notes for USD 15,100,000 due on 2024 (Note 15).

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

(a) Other assets	06/30/2022	12/31/2021
Non current		
Credit of compensatory agreement (Note 13 a)	5,109,556	4,903,032
Total	5,109,556	4,903,032
Current		
Advances to suppliers	333,260	797,234
Prepaid insurance	848,664	2,017,741
Expenses to recover	89,492	38,984
Parent company and other related parties (Note 9.3)	1,178,421	1,133,757
Loans to personnel	18,978	22,973
Security deposits	1,210,783	21,971
Credit of compensatory agreement (Note 13 a)	1,820,378	1,803,773
Guarantees	51,519	372,631
Others	250,000	250,000
Total	5,801,495	6,459,064

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

	06/30/2022	12/31/2021
(b) Tax assets		
Non current		
Income tax net advances	2,049,648	2,097,065
Total	2,049,648	2,097,065
Current		
Valued added tax	-	2,452,250
Custom tax	144,280	121,651
Other tax balances	190,553	75,096
Total	334,833	2,648,997

Value added tax ("VAT") balances maily 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) Cash and cash equivalents

Cash	1,389	1,916
Temporary investments	21,993,609	20,467,607
Banks	26,683,341	42,349,466
Total	48,678,339	62,818,989

(d) Trade and other payables

Suppliers (2)	19,496,376	18,415,378
Fines imposed by Cammesa (Note 13 a)	1,130,298	3,390,894
Accrued expenses	1,695,631	1,954,592
Total	22,322,305	23,760,864

(2) At June 30, 2022 and December 31, 2021 includes unpaid balances of PPE of $ 1,723,275 and $ 2,143,666, respectively.

(e) Loans

Non current		
Senior secured notes (Note 11 a, b, c, d and e) (3)	736,698,682	781,758,665
Loans (Note 11 g)	15,334,203	14,476,756
Finance lease	31,696	59,147
Total	752,064,581	796,294,568
Current		
Senior secured notes (Note 11 a, b, c, d and e) (3)	127,532,999	116,922,353
Loans (Note 11 g)	569,834	6,836
Finance lease	34,123	30,674
Total	128,136,956	116,959,863

(f) Other liabilities

Parent company and other related parties (Note 9.1 and 9.3)	980,876	1,037,095
Other payables	50,000	50,000
Total	1,030,876	1,087,095

(3) At June 30, 2022 and December 31, 2021 includes net transactions costs of $ 10,299,350 and $ 9,559,556, respectively.

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

(g) Property, plant and equipment

Balances as of June 30, 2022

	Cost				Depreciations				Net as of	
Main account	At beginning of year	Additions	Transfer	At period end	Accumulated at beginning of the period	Rate %	Amount (Note 8 c)	Accumulated at period end	06/30/2022	
Land	2,142,790	-	-	2,142,790	-	-	-	-	2,142,790	
Spare parts	8,634,049	-	-	8,634,049	-	-	-	-	8,634,049	
Thermoelectric power plants										
Infraestructure	479,623,982	-	597,742	480,221,724	33,708,026	3.33%	6,227,955	39,935,981	440,285,743	
Plant and equipments	508,774,691	-	-	508,774,691	46,418,778	(4)	5,696,463	52,115,241	456,659,450	
Facilities and other fixed assets	3,224,070	137,058	-	3,361,128	2,037,825	(5)	177,288	2,215,113	1,146,015	(6)
Under construction	1,156,971	292,818	(597,742)	852,047	-	-	-	-	852,047	
Total	1,003,556,553	429,876	-	1,003,986,429	82,164,629		12,101,706	94,266,335	909,720,094	

Balances as of December 31, 2021

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

(4) By units of production
(5) Tools, 10%. Vehicules, furnitures and other facilities, 20%. Computers, 33%.
(6) Includes $ 69,423 and $ 90,250 of right of use related to financial leasing, as of June 30, 2022 and December 31, 2021, respectively.

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

(a) Revenue

On June 13, 2017, December 29, 2017 and January 25, 2018 turbines 01, 02, and 03 of General Rojo and Barker Thermoelectric Power Plants were authorized to conduct commercial operations with SADI. As from such date, the Wholesale Demand Agreements signed with CAMMESA on August 4, 2016, July 25, 2016 and December 29, 2016 became effective, respectively.

On August 15 and 20, 2020 and October 31, 2020, the expansion and conversion project of the Villa Maria, General Rojo and Barker thermoelectric power plants was completed. Since that date, the three plants have been authorized to carry out commercial operations in the SADI.

As from such dates, the Wholesale Demand Agreements signed with CAMMESA on April 6, 2018 came into force.

	06/30/2022 (6 months)	06/30/2021 (6 months)	06/30/2022 (3 months)	06/30/2021 (3 months)
Revenues from generation capacity	88,050,090	86,869,673	44,873,209	43,368,691
Revenues from supply of power	13,329,221	18,387,778	5,706,611	8,119,976
Total revenue	101,379,311	105,257,451	50,579,820	51,488,667

(b) Net finance costs

	06/30/2022 (6 months)	06/30/2021 (6 months)	06/30/2022 (3 months)	06/30/2021 (3 months)
Financial income				
Interest income	7,566,261	9,561,294	4,412,109	4,914,712
Gain on exchange differences	7,207,313	3,091,546	6,499,823	926,860
Total financial income	14,773,574	12,652,840	10,911,932	5,841,572
Financial expenses				
Interest expense	(42,141,437)	(48,535,419)	(20,119,165)	(24,519,332)
Loss in exchange differences	(15,473,075)	(6,111,399)	(12,361,067)	(2,421,729)
Total financial expenses	(57,614,512)	(54,646,818)	(32,480,232)	(26,941,061)

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

(c) Expense by nature

Items	Cost of sales	General and administrative expenses	06/30/2022 (6 months)	Cost of sales	General and administrative expenses	06/30/2021 (6 months)
Salaries and other personnel-related expenses	3,318,430	1,597,046	4,915,476	2,214,082	1,192,123	3,406,205
Depreciation (7)	12,027,025	74,681	12,101,706	13,058,822	63,642	13,122,464
Maintenance expenses	5,956,602	50,620	6,007,222	5,867,606	9,924	5,877,530
Taxes, rates and contributions	592,765	814,813	1,407,578	217,697	836,612	1,054,309
Insurance	1,258,729	16,387	1,275,116	1,064,029	13,287	1,077,316
Other expenses	2,700,719	1,085,689	3,786,408	2,294,579	1,298,795	3,593,374
Total	25,854,270	3,639,236	29,493,506	24,716,815	3,414,383	28,131,198

Items	Cost of sales	General and administrative expenses	06/30/2022 (3 months)	Cost of sales	General and administrative expenses	06/30/2021 (3 months)
Salaries and other personnel-related expenses	1,720,856	878,495	2,599,351	1,108,063	660,019	1,768,082
Depreciation	5,741,147	42,635	5,783,782	6,456,329	32,687	6,489,016
Maintenance expenses	3,557,386	38,223	3,595,609	2,921,810	3,570	2,925,380
Taxes, rates and contributions	431,767	497,302	929,069	128,385	480,804	609,189
Insurance	639,691	8,077	647,768	402,926	2,960	405,886
Other expenses	1,426,152	478,835	1,904,987	1,062,344	617,482	1,679,826
Total	13,516,999	1,943,567	15,460,566	12,079,857	1,797,522	13,877,379

(7) See note 7 g.

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

	06/30/2022	12/31/2021
1. Balances with parent company – MSU Energy Holding Ltd.		
Loans granted	37,987,414	36,983,272
Other liabilities	639,993	708,060

2. Transactions with parent company – MSU Energy Holding Ltd.	06/30/2022	06/30/2021
Interest income	1,004,142	1,004,142
Management fee (8)	68,067	84,785

3. Balance with related parties	06/30/2022	12/31/2021
Loans granted	8,578,225	8,351,472
Other assets	1,178,421	1,133,757
Other liabilities	340,883	329,035

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

4. Transaction with related parties	06/30/2022	06/30/2021
Interest income	226,753	226,752
Interest loss	9,863	9,953
Expenses to be recovered	11,848	2,308

(8) It relates to management, administrative and corporate services, including management, supervision, financial, accounting, investment advice. The price was determined on an arm-lengh basis

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

During the period ended June 30, 2022 and 2021, key management received compensations in the total amount of $ 1,127,968 and $ 857,925 respectively, which are considered short-term benefits and entail the only benefits granted to the Board of Directors and senior Management. MSU Energy S.A does not grant long-term benefits or share-based payments to its employees.

NOTE 10 - LOANS GRANTED

On January 31, 2018, the Company signed loans agreements with MSU Energy Holding Ltd. and MSU Energy Investment Ltd, in the amounts of $ 29,050,000 and $ 6,560,000, respectively at an annual fixed interest rate of 6.875%, which become due for payment in year 2025. In connection with such loans, as of June 30, 2022 and December 31, 2021, MSU Energy has principal and interest receivables equivalent to the amount of $ 46,565,639 and $ 45,334,744, respectively. This transaction was priced on an arm's length basis and the balances are not secured.

NOTE 11 - LOANS

(a) Senior Secured Notes

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

- Principal amount: $ 600,000,000.
- Gross Proceeds: $ 595,902,000.
- Maturity Date: February 1, 2025.
- Amortization: capital shall be amortized in one installment on the maturity date.
- Issue price: 99.317% of principal amount, plus accrued interest, from February 1, 2018.
- Interest rate: 6.875% fixed anual rate.
- Interest payment dates: February 1 and August 1 of each year, commencing on August 1, 2018.
- Guarantee: The notes are secured by:
  - Debt Service Reserve Account to cover one interest payment (found 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 June 30, 2022 and 2021 is $ 163,426,037 and $ 167,772,500, respectively.

In connection with these Senior Secured Notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 611,189,193 and $ 610,028,230 (Note 7 e) as of June 30, 2022 and December 31, 2021 respectively.

NOTE 11 - LOANS (cont.)

(b) Senior Secured Floating Rate Notes

On May 7, 2020, MSU Energy issued Senior Secured Floting 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: (i) LIBOR (three months) plus 11.95% for each day during the period commencing on (and including) the issue date and ending on (but excluding) February 28, 2021, (ii) for each day during the period commencing on (and including) the last day of the period referred to in (i) and ending on but excluding February 28, 2022, 12.50%, and (iii) for each day during the period commencing on (and including) the last day of the period referred to in (ii) and thereafter until all amounts due under the notes are repaid in full, 13.00%. If LIBOR rate is not available for any reason, the LIBOR shall be the Interpolated Rate and if such rate is bellow 2.00%, the LIBOR shall be deemed to be 2.00%.
- Amortization: capital shall be amortized in 10 quarterly equal and consecutive installments as of November 30, 2021.
- Interest payment dates: to be paid quarterly on each February 28 and every 30th day of May, August and November, starting on August 30, 2020.
- Guarantee: The notes are secured by:
    - A first degree pledge on GE Sprint LM6000-PC turbine 4, the boilers, an electric transformer and the steam turbine BHGE MT MID-SIZED installed in each plant. The book value as of June 30, 2022 and 2021 is $ 123,285,591 and $ 129,819,492, respectively.
    - The amount of 465,982,166 common shares that account for 99.53% of MSU Energy capital is subject to a first-degree pledge for the benefit of Citibank NA as security agent.
    - The possibility of establishing a fiduciary assignment of the collection rights arising from the new PPA´s related to combined cycle capacity. (Note 13)

In connection with these Senior Secured Floating Rate Notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 173,897,456 and $ 226,460,571 (Note 7 e) as of June 30, 2022 and December 31, 2021 respectively.

(c) Class I and Class II senior unsecured notes

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

- Class I senior unsecured notes denominated in USD becoming due after 18 months of the issue thereof (“Class 1 senior unsecured notes”) with the following features:
    - Amount of the issue: USD 12,631,473.
    - Term: 18 months as from the issue date.
    - Issue price: 100% of nominal value.
    - Interest rate: 5.49%.
    - Date of issue: August 6, 2021.

NOTE 11 - LOANS (cont.)

(c) Class I and Class II senior unsecured notes (cont.)

- Class I senior unsecured notes (cont.)
  - Maturity date: February 6, 2023.
  - Amortization: principal shall be amortized in a lump sum at maturity.
  - Date for payment of interest: interest shall be paid on a quarterly basis, overdue, as from issue and settlement date, on the following dates: November 6, 2021; February 6, 2022; May 6, 2022; August 6, 2022; November 6, 2022 and on maturity date of Class I, February 6, 2023.

In connection with these Class I senior unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 12,669,704 and $ 12,612,906 as of June 30, 2022 and December 31, 2021, respectively (Note 7 e).

- Class II senior unsecured notes denominated in UVA becoming due after 24 months of the issue thereof ("Class 2 senior unsecured notes") with the following features:
  - Amount of the issue: 20,901,579 UVAs (equivalent to $ 1,750,089,210 at initial UVA value or USD 18,076,950).
  - Initial UVA value: $ 83.73, corresponding to the UVA quoted price published by the Banco Central de la República Argentina by July 30, 2021.
  - Term: 24 months as from the issue date.
  - Issue price: 100% of nominal value.
  - Interest rate: 5.49%.
  - Date of issue: August 6, 2021.
  - Maturity date: August 6, 2023.
  - Amortization: principal shall be amortized in a lump sum at maturity.
  - Date for payment of interest: interest shall be paid on a quarterly basis, overdue, as from issue and settlement date, on the following dates: November 6, 2021; February 6, 2022; May 6, 2022, August 6, 2022; November 6, 2022; February 6, 2023; May 6, 2023 and on maturity date of Class II, August 6, 2023.

In connection with these Class II senior unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 21,342,799 and $ 19,701,970 as of June 30, 2022 and December 31, 2021, respectively (Note 7 e).

(d) Class III senior unsecured notes

On November 21, 2021, the Company issued the following senior unsecured notes at fixed rate:

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

- Amount of the issue: USD 30,300,000.
- Term: 24 months as from the issue date.
- Issue price: 100% of nominal value.
- Interest rate: 7.35%.

NOTE 11 - LOANS (cont.)

(d) Class III senior unsecured notes (cont.)

- Date of issue: Dicember 21, 2021.
- Maturity date: Dicember 21, 2023.
- Amortization: principal shall be amortized in a lump sum at maturity.
- Date for payment of interest: interest shall be paid every six mounths, overdue, as from issue and settlement date, on the following dates: June 21 and December 21, 2022, June 21 2023 and on maturity date of Class III, December 21, 2023.

In connection with these Class III senior unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 29,994,412 and $ 29,877,341 as of June 30, 2022 and December 31, 2021, respectively (Note 7 e).

(e) Senior Secured Notes Class IV

On May 20, 2022, the Company issued U.S. dollar-denominated Senior Secured Notes Class IV due on May 20, 2024 (the "Senior Secured Notes Class IV") described as follows:

- Issue amount: USD 15,200,000.
- Term: 2 years from issue date.
- Issue price: 100% of nominal amount.
- Interest rate: 7.5%.
- Issue date: May 20, 2022.
- Maturity date: May 20, 2024.
- Amortization: capital shall be amortized in one installment on maturity date.
- Interest payment dates: interest will be paid in arrears from issue and settlement date on the following dates: December 20, 2022, May 20, 2023, November 20, 2023, and on the maturity date of Senior Secured Notes Class IV, May 20, 2024.

In connection with these Class IV senior unsecured notes MSU Energy has principal and interest debt (net of deferred transactions costs) equivalent to the amount of $ 15,138,117 as of June 30, 2022 (Note 7 e).

(f) Reconciliation required by IAS 7

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

	06/30/2022	06/30/2021
Loans at beginning of the period	913,254,431	865,681,340
Cash flows from financing activities:		
Senior Secured Floating Rate Notes		
Payments of senior secured floating rate notes	(50,060,000)	-
Proceeds from senior unsecured notes	15,200,000	-
Payments of financial leasing	(13,194)	(47,826)
New loans	857,448	10,365,002
Payments of loans	-	(12,021,400)
Payments of interest and financing expenses	(43,527,515)	(43,741,930)
Non-cash items changes:		
Exchange differences	1,535,125	(571,294)
Increase of financial leasing	13,194	125,748
Interest and other financial costs accrued	42,942,048	45,223,838
Loans at period-end	880,201,537	865,013,478

NOTE 11 - LOANS (cont.)

(g) Loans

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

Class	Entity	Type	Currency	Nominal interest rate	Maturity	06/30/2022	12/31/2021
Financial	Silver Pass	Loan	$	8,5%	November 2028	15,030,526	14,483,592
Financial	Silver Pass	Amendment	$	8,5%	November 2028	873,511	-
Total						15,904,037	14,483,592

NOTE 12 - CAPITAL

	$		Quantity of Shares	
	2022	2021	2022	2021
In issue at January 1	30,295,440	30,295,440	468,159,804	468,159,804
In issue at June 30 - fully paid	30,295,440	30,295,440	468,159,804	468,159,804

As of June 30, 2022, the Company's capital amounted to $ 30,295,440 (ARS 468,159,804), represented by 468,159,804 non endorsable, registered, common shares, with a nominal value of ARS 1 each, one vote per share.

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, comprised of 144.22 MW contracted for a term of ten (10) years, at a price of $ 20,900 ($/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 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 (the Company). 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, to be paid in 48 monthly settlements at a 1.7% interest annual nominal rate. The Company appeared before CAMMESA and applied for the proceedings for the resolution of disputes stated in the Agreement, as it considers that the delay arose out of force majeure events, as provided for by section 21 of the referred Wholesale Demand Agreement such proceedings have not been concluded to date.

As of June 30, 2022, and December 31, 2021, liability in this regard amount to $ 1,130,298 and $ 3,390,894 respectively (Note 7 d).

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand (cont.)

a) General Rojo Plant (cont.)

Additionally, MSU Energy, as provided for by section 5.3.2 of "EPC-On- Shore Contract", 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 June 30, 2022, and December 31, 2021, receivables in this regard amounts to $ 6,929,934 (current portion $ 1,820,378 and non-current portion $ 5,109,556) and $ 6,706,805 (current portion $ 1,803,773 and non-current portion $ 4,903,032), respectively (Note 7 a).

On August 20, 2020, MSU Energy completed the conversion of the General Rojo Thermal Plant from simple cycle to combined cycle and achieved commercial operation in accordance with the PPA signed between CAMMESA and the Company on April 6, 2018, pursuant to Resolution SEE 287/2018 and related regulations (the "General Rojo Combined Cycle PPA"). The average incremental capacity contracted for a term of fifteen (15) years arrives to 105,37 MW and 100% of MSU Energy revenues operates under the terms and conditions of the General Rojo Combined Cycle PPA that has been awarded to MSU Energy under Resolution SEE 287/17. In accordance therewith, the Fixed Capacity Payment is equivalent to USD 18,900 per MW per month and the Variable Payment for electricity dispatched is equivalent to USD 10,40 per MWh.

b) Barker Plant

By virtue of the wholesale demand agreement signed, the Company agreed to add 145.19 MW of nominal capacity to SADI, out of which, all its generation capacity from turbines 01, 02 and 03 will be sold subject to the regulatory scheme regulated by SEE Resolution No. 21, under the purchase power agreement (PPA) entered into by and between MSU Energy and CAMMESA on July 25, 2016, comprised of 145.19 MW contracted for a term of ten (10) years, at a price of $ 19,900 (MW-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 commited date, turbines 01, 02 and 03 of Baker Thermal Plant were authorized to operate with SADI at a maximum capacity of approximately 50 MW each. As from such date, the Wholesale Demand Agreement signed with CAMMESA on July 25, 2016 became effective.

On October 31, 2020, MSU Energy completed the conversion of the Barker Thermal Plant from simple cycle to combined cycle and achieved commercial operation in accordance with the PPA signed between CAMMESA and the Company on April 6, 2018, pursuant to Resolution SEE 287/2018 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 commited 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.

NOTE 13 - CONTRACTUAL COMMITMENTS (cont.)

Agreement with CAMMESA for wholesale demand: (cont.)

c) Villa María Plant (cont.)

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. 287/2018 and related regulations (the "Villa María Combined Cycle PPA"). The average incremental capacity contracted for a term of fifteen (15) years arrives to is 100,20 MW and 100% of MSU Energy revenues operates under the terms and conditions of the Villa María Combined Cycle PPA that has been awarded to MSU Energy under Resolution SEE N° 287/17. In accordance therewith, the Fixed Capacity Payment is equivalent to USD 19,900 per MW per month and the Variable Payment for electricity dispatched is equivalent to USD 12,70 per MWh.

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

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

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 - EBITDA RECONCILIATION WITH NET INCOME (LOSS)

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

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

NOTE 14 - EBITDA RECONCILIATION WITH NET INCOME (LOSS) (cont.)

a) For the six-month period ended June 30, 2022 as follows:

Net profit for the period	23,443,086
Net finance costs	42,840,938
Income tax expense	5,601,781
Depreciation and amortization	12,101,706
EBITDA	83,987,511

b) For the six-month period ended June 30, 2021 as follows:

Net profit for the period	18,197,185
Net finance costs	41,993,978
Income tax expense	16,935,090
Depreciation and amortization	13,122,464
EBITDA	90,248,717

NOTE 15 - SUBSEQUENT EVENTS

On July 22, 2022, the Company issued the following senior unsecured notes at fixed rate:

- Class V senior unsecured notes denominated in USD becoming due after 24 months of the issue thereof ("Class IV senior unsecured notes") with the following features:
  - Amount of the issue: USD 15,100,000.
  - Term: 24 months as from the issue date.
  - Issue price: 100% of nominal value.
  - Interest rate: 8%
  - Date of issue: July 22, 2022.
  - Maturity date: July 22, 2024.
  - Amortization: principal shall be amortized in a lump sum at maturity.
  - Date for payment of interest: interest shall be paid on a biannual basis, overdue, as from issue and settlement date, on the following dates: January 22, 2023; July 22, 2023; January 22, 2024 and on maturity date of Class IV, July 22, 2024.

No events or transactions, other than those mentioned in the notes to the condensed financial statements, have occurred from period-end to the date of issuance of these condensed interim financial statements that would have a material effect on the financial position of the Company or the results of its operations as of period-end June 30, 2022.