



December 1<sup>st</sup> . 2023

# 3Q23 Results Conference Call

SCC POWER

# Disclaimer

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

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

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

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

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# SCC Power Income Statement & Pro-Forma Financial Performance

- SCC Power Plc Unaudited Consolidated Condensed Interim Financial Statements are based on IFRS Accounting Standards with US dollar as the functional currency.
- In order to better illustrate financial performance and for comparative purposes, 3Q23 and 9M23 unaudited financial results will be compared throughout this presentations with 3Q22 and 9M22 Pro-forma results based on the financials of the Argentine operating subsidiaries which represent 100% of revenues and majority of expenses.

In thousands of USD	3Q23	3Q22	9M23	Pro-forma 9M22
Net revenue	25.0	25.4	79.5	76.0
Cost of sales	(10.4)	(11.4)	(34.2)	(25.0)
<b>Gross profit</b>	<b>14.6</b>	<b>14.1</b>	<b>45.3</b>	<b>51.0</b>
General and administrative expenses	(4.1)	(3.0)	(10.9)	(18.4)
Other income	(6.8)	0.7	(6.3)	10.6
<b>Operating profit</b>	<b>3.7</b>	<b>11.8</b>	<b>28.1</b>	<b>43.2</b>
Net finance cost	(33.9)	0.7	(50.6)	18.5
<b>Net income before income tax</b>	<b>(30.2)</b>	<b>12.5</b>	<b>(22.5)</b>	<b>61.7</b>
Income tax expense	10.6	(3.4)	9.3	(13.5)
<b>Net income for the period</b>	<b>(19.6)</b>	<b>9.1</b>	<b>(13.2)</b>	<b>48.2</b>
(-) Net finance cost	33.9	(0.7)	50.6	(18.5)
(-) Income tax expense	(10.6)	3.4	(9.3)	13.5
(+) Depreciation and amortization	5.9	6.5	17.5	18.4
(-) Other income <sup>(1)</sup>	6.8	(0.7)	6.3	(10.6)
<b>EBITDA</b>	<b>16.3</b>	<b>17.6</b>	<b>51.9</b>	<b>51.0</b>

(1) Includes non-recurrent settlement gains and losses, and one-time adjustments.

# Operational metrics

## Business Performance

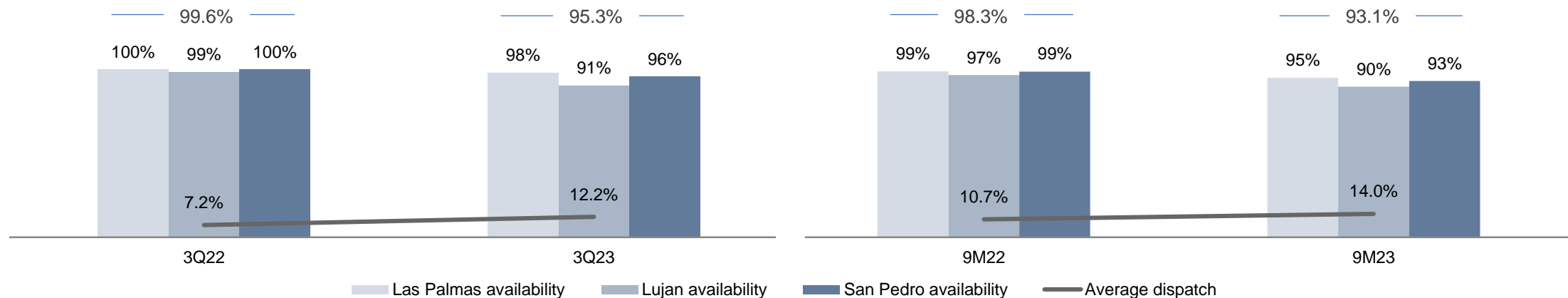
### Market dynamics

- Aggregate energy demand during 3Q23 increased by 1.3% compared to the same period of 2022. Higher demand was driven by 3.8% increase in Residential consumption partially offset by a decrease in both the commercial and industrial segments.
- Power generation during 3Q23 increased by 7.2% year-over-year, mainly explained higher hydroelectric (63%) and renewable (6%) generation, partially offset by lower nuclear (6%) and thermal (13%) generation.
- Cammesa's electricity exchange with neighboring countries during 3Q23 resulted in a net import balance of 1,239 GWh while, during the same period of 2022 electricity trade had a net import balance of 2,822 GWh.

### Availability & Dispatch (Resolution 21)

- Matheu plant continues offline since the provisional authorization ceased in June 30<sup>th</sup>, 2023.
- Consolidated availability factor without Matheu averaged 95% in 3Q23. Dispatch reached 12.2% in line with simple cycle operations.

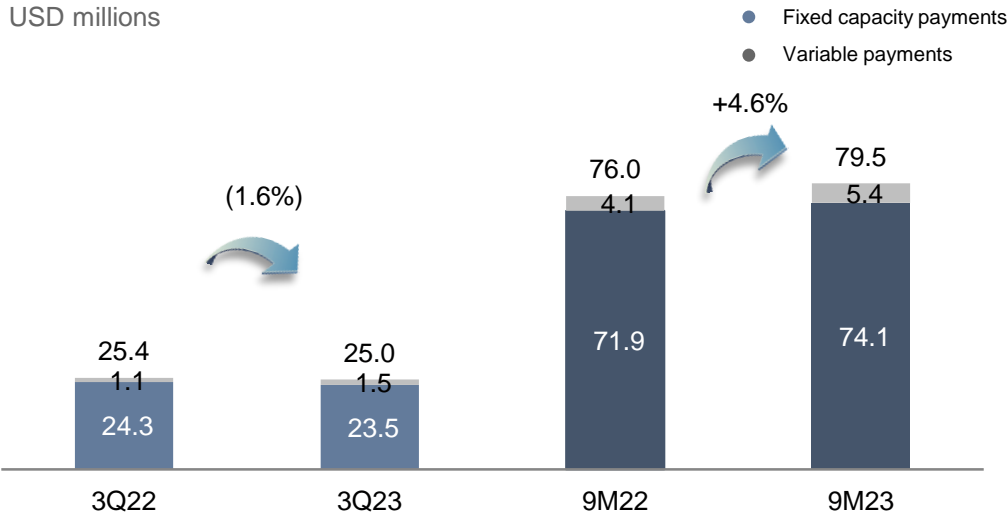
### Breakdown by plant (without Matheu):



# Pro-forma revenues

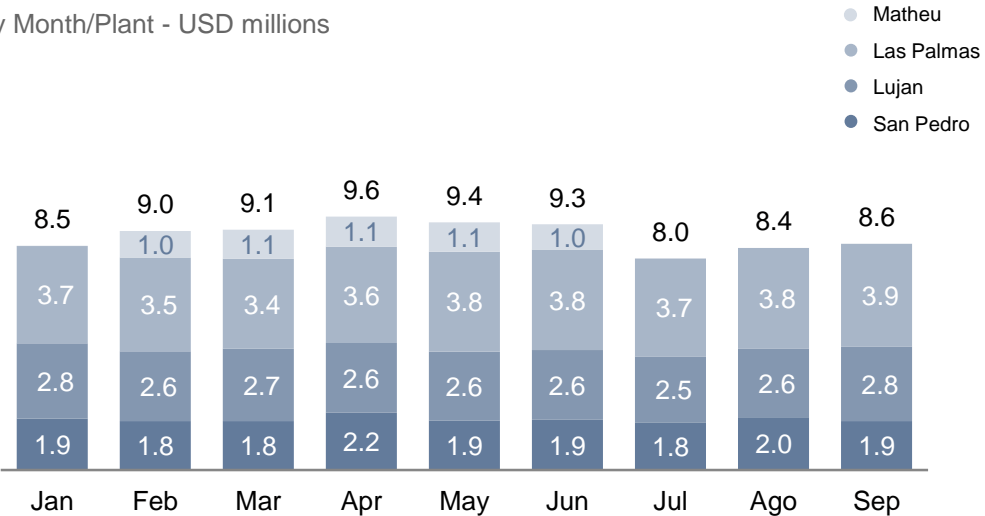
Revenues

In USD millions



2023 Monthly revenues breakdown

By Month/Plant - USD millions

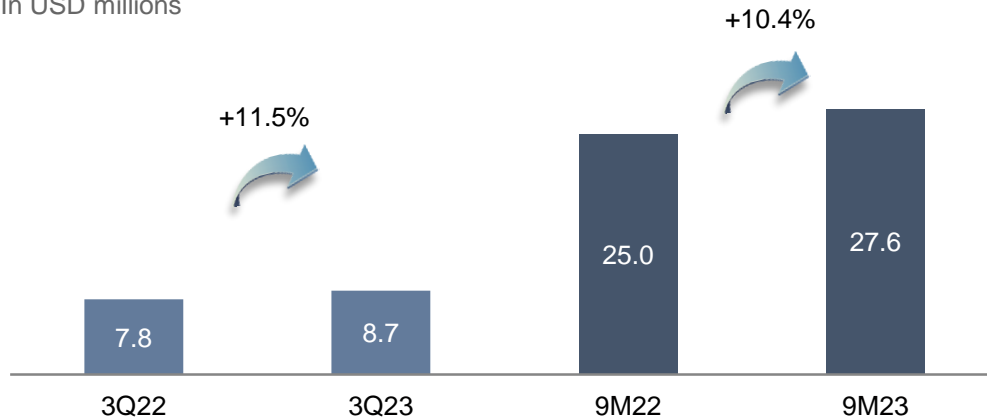


- Revenues reached USD 25.0 million in 3Q23, 1.6% lower year-over-year mainly explained by lower availability at the Lujan Plant partially offset by higher dispatch. Fixed capacity payments represented 94% of total revenues in 3Q23.
- 9M23 Revenues reached USD 79.5 million, 4.6% or USD 3.5 million higher year-over-year, as a result of (i) Matheu’s provisional operation during 1H23 and (ii) higher dispatch; partially offset by (iii) lower availability mainly explained by an output restriction over our trent-60 turbine fleet, based on Siemens recommendation and, Cammesa’s new power output determination during off-hours.

## Pro-forma costs structure

### Cash Costs<sup>(i)</sup>

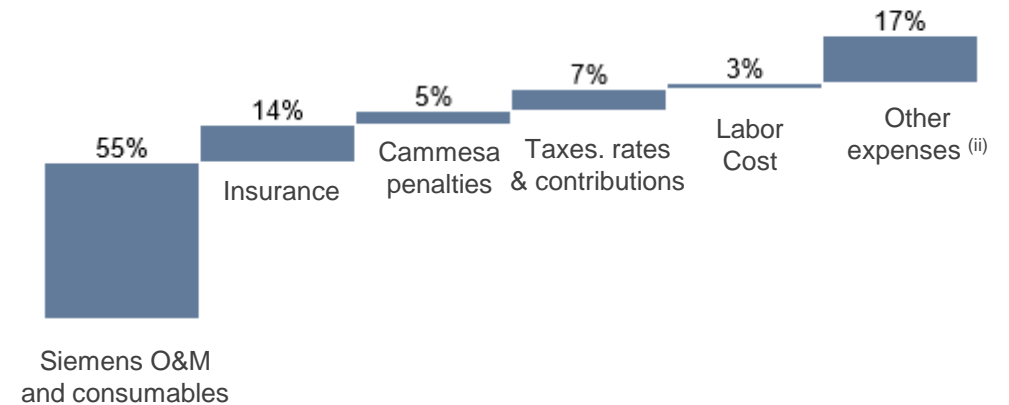
In USD millions



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

- Cash Costs<sup>(i)</sup> reached USD 8.7 million in 3Q23 compared to USD 7.8 million in 3Q22. The increase net of non-recurrent adjustments on accrual criteria among the periods reduces to USD 0.5 million and is explained by higher insurance costs.

### 9M23 Costs Breakdown



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

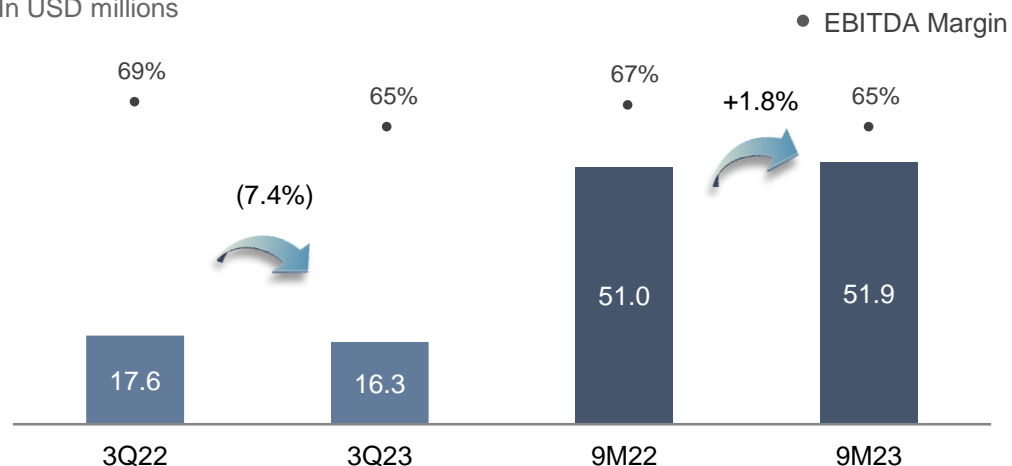
- On a year-to-date basis, cash costs have increased by 2.6 million dollars or 10.4% compared to 2022, mainly driven by: (i) higher insurance costs and local municipal taxes, (ii) higher Siemens O&M expenses as a result of US and local inflation and, (iii) Matheu commissioning and operational expenses during provisional operation in 1H23.
- Approximately 70% of our cash costs are denominated in USD and 30% in ARS pesos subject to inflation.



## Pro-forma financial performance

### EBITDA

In USD millions



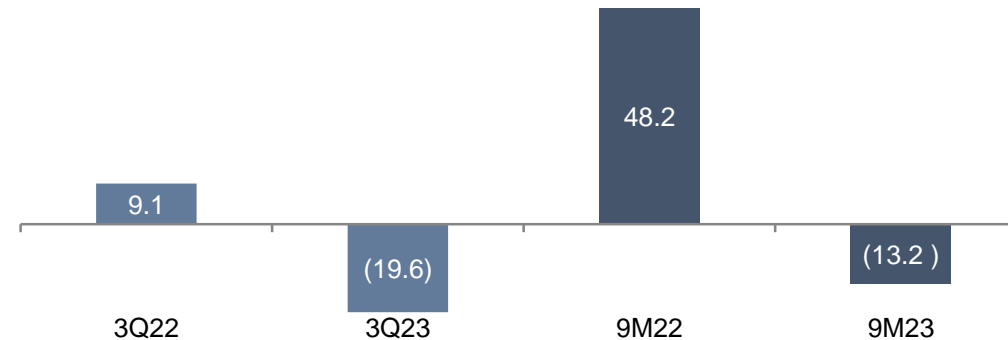
- EBITDA reached USD 16.3 million in 3Q23 and USD 51.9 million in 9M23, 7.4% lower and 1.8% higher compared to the same periods of 2022, respectively.

### 3Q23 CAPITAL EXPENDITURES

- Maintenance capex amounted to USD 0.9 million.
- Expansion capex related to San Pedro's combined cycle conversion added to USD 22 million.

### Net Income

In USD millions



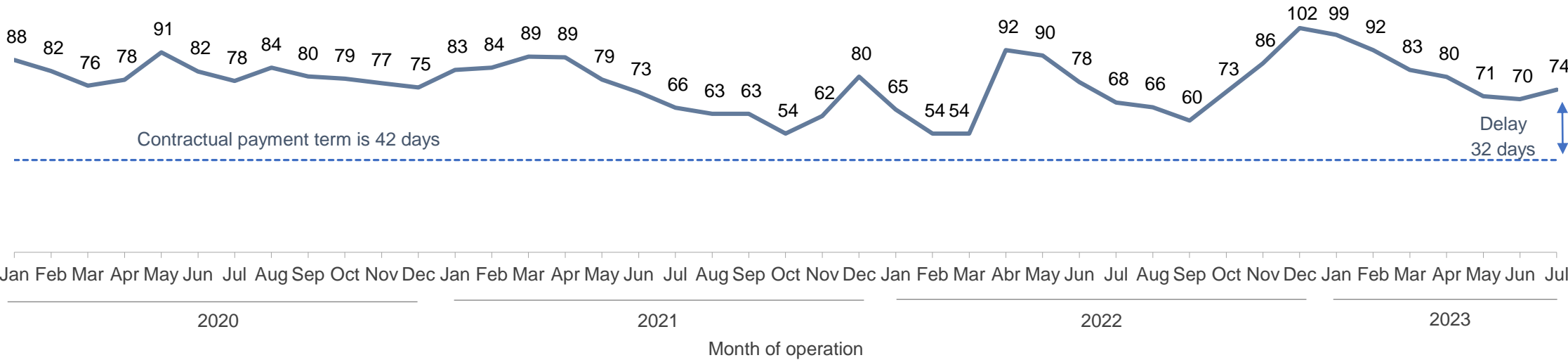
- Net Income was negative USD (19.6) million during 3Q23, compared to USD 9.1 million in 3Q22.

	3Q22	3Q23	9M22	9M23
<b>EBITDA</b>	17.6	16.3	51.0	51.9
(-) Net financial gain/loss	0.7	(33.9)	18.5	(50.6)
(-) Income tax expense	(3.4)	10.6	(13.5)	9.3
(-) Depreciation and amortization	(6.5)	(5.9)	(18.4)	(17.5)
(+/-) Non-recurrent settlement gain and others	0.7	(6.8)	10.6	(6.3)
<b>Net income breakdown</b>	<b>9.1</b>	<b>(19.6)</b>	<b>48.2</b>	<b>(13.2)</b>

# Accounts receivables

Cammesa collections – weighted average

- As of September 30<sup>th</sup>, 2023 overdue Cammesa receivables amounted to USD 9.8 million.
- July invoice which matured on September 12<sup>th</sup>, was paid during October at a weighted average of 74 days.





# Balance Sheet highlights

## Net Financial Debt

In USD millions

Debt breakdown (USD MM)	As of September 30. 2023
SCC Power Secured First Lien Notes	17.9
SCC Power Secured Second Lien Notes	328.0
SCC Power Secured Third Lien Notes	211.2
San Pedro CC Local Notes	145.1
Others and accrued interest. net <sup>(i)</sup>	(25.0)
<b>Total financial debt</b>	<b>677.2</b>
Restricted Cash <sup>(iii)</sup>	14.9
Unrestricted Cash	51.8
<b>Total Cash</b>	<b>66.7</b>
<b>Net financial debt</b>	<b>610.5</b>

(i) Net of capitalized issuance expenses and fair value assessment of the management service agreement compensation

(ii) Includes USD 12.4 million cash in DSRA pursuant to SCC Power Secured Senior Notes and USD 2.5 million related to the San Pedro Combined Cycle local bond proceeds

- Bank Loans have been fully pre-paid during July.

## Financial Debt Breakdown

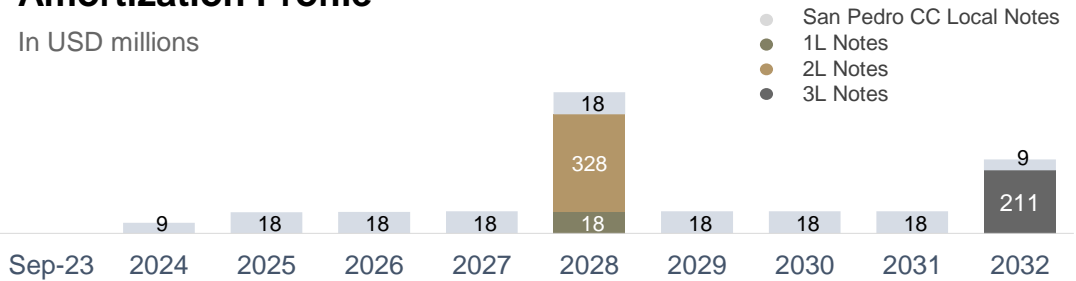
In USD

Secured Notes	First Lien	Second Lien	Third Lien
Outstanding Amount	17,909,125	327,981,023	211,226,848
Interest Rate	6%	8%	4%
PIK Option Period	no	50%, first 24-months	100%, first 24-months
Grace Period	24-months	24-months	24-months
Amortization	cash sweep	cash sweep	cash sweep
Maturity Date	Dec 31, 2028	Dec 31, 2028	May 17, 2032

San Pedro CC	Class I	Class II
Outstanding amount	35,115,021	109,981,617
Interest rate	4.00%	6.75%
Term	48 months (4 years)	120 months (10 years)
PIK Option Period	24-months	
Grace period	24-months	48-months
Amortization	8 quarterly installments as of month 27	24 quarterly installments as of month 51

## Amortization Profile

In USD millions



# Annex

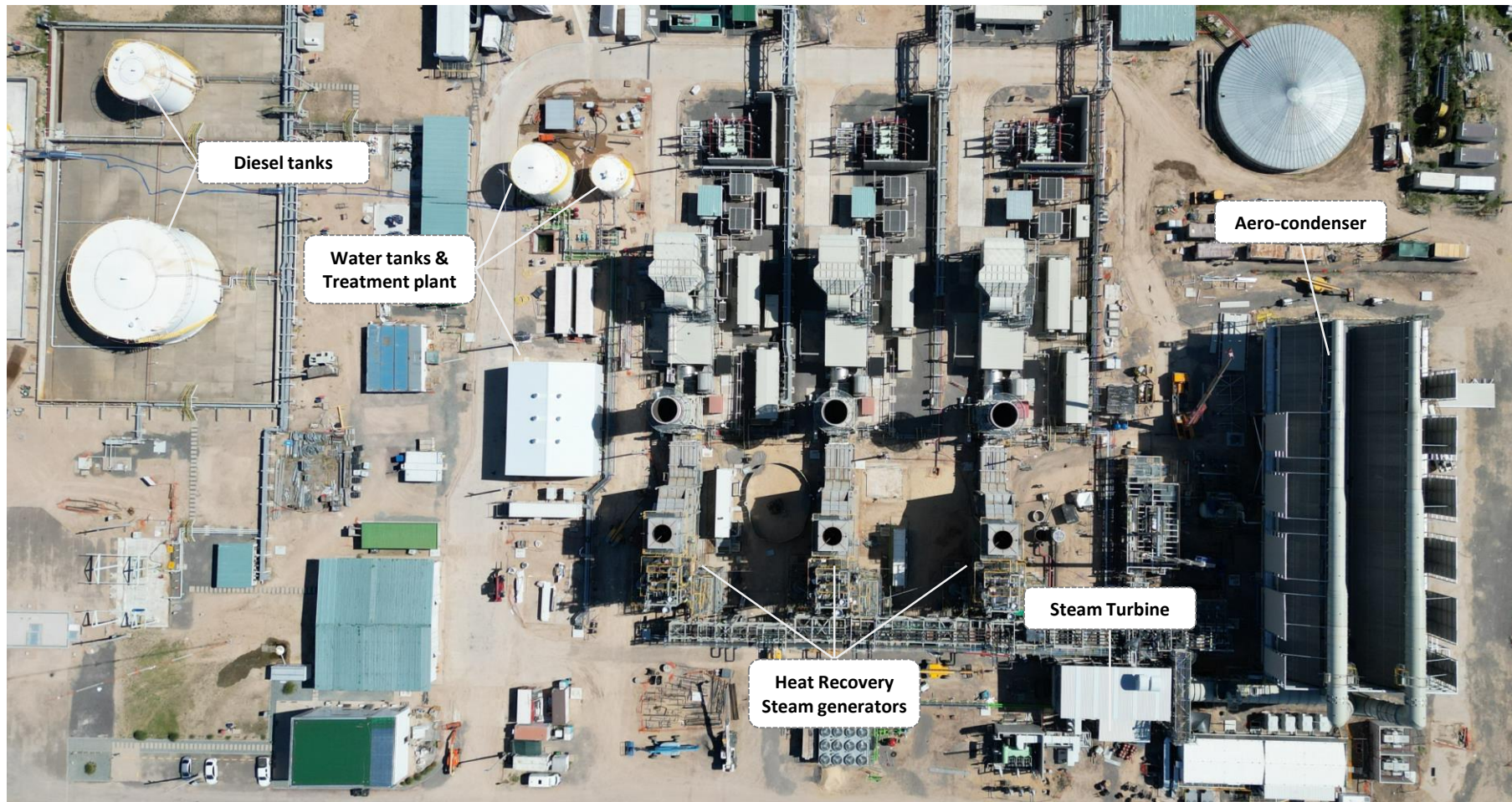
Recent Developments  
& Plants Status





## San Pedro combined-cycle project: initiating commissioning phase

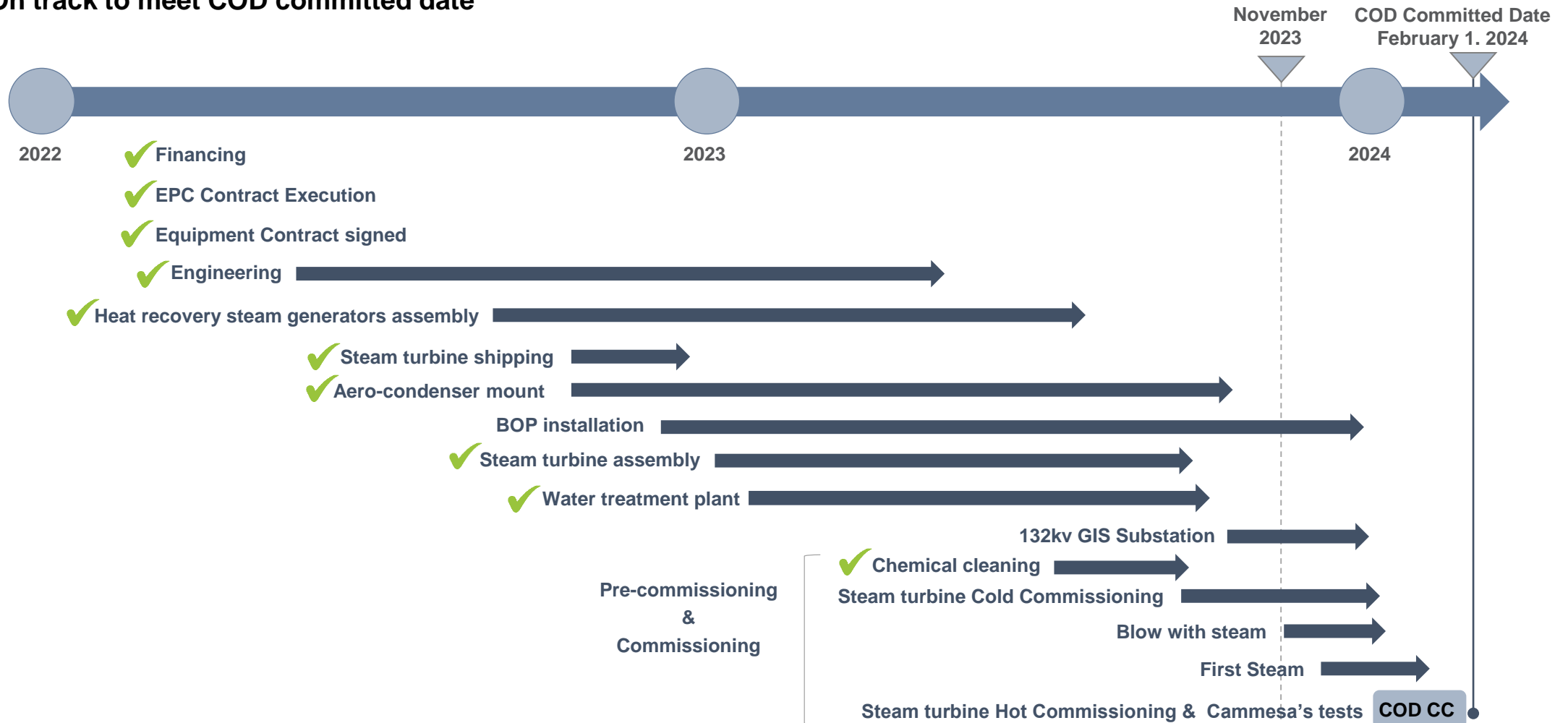
The conversion to combined cycle will enhance energy efficiency by 25%, placing San Pedro amongst the most efficient thermal generators in the Argentine power matrix. The project consists on the installation of a 55 MW steam turbine, three heat recovery steam generators, an aero-condenser and various other auxiliary components which will increase installed capacity to 208.5MW.



# San Pedro combined-cycle project (cont'd)

## Timeline

> On track to meet COD committed date



# Recent Developments

## > Las Palmas and San Pedro Plants O&M Contracts

- On September 22, 2023, SCC and Siemens entered into an agreement for the early termination of the O&M Contracts related to the Las Palmas and the San Pedro.
- Going forward, the plants will be operated by a qualified operating team hired and managed directly by SCC. Having full control of the operation of the assets, will allow us to improve overall plant performance, improve safety and working conditions, enhance efficiency and reduce operating costs.
- The company expects to generate operation savings of approximately USD 2.5 million per year.
- The termination cost negotiated with Siemens amounts to USD 4.8 million and represents roughly a 50% discount according to the contract terms.

## > Matheu Plant Relocation

- On July 26, 2023, Secretariat of Energy through Resolution 621/2023, launched a national and international tender named “TerConf” to incorporate 3 Gigawatts of incremental thermal capacity into the local power matrix with focus on the expansion of existing combined cycles and to increase reliability and enhance efficiency in various nodes.
- The main terms of the tender included:
  - 15-year dollar denominated take or pay PPAs with Cammesa.
  - New and used turbines with a utilization rate of up to 15,000 hours qualified
  - Remuneration scheme: Fixed Capacity payment in US\$/MW-month + Fixed O&M Payment of 1,000 US\$/MW-month + Variable O&M in US\$/MWh
- On September 26, the Company submitted an offer install 242 MW of capacity in the Abasto Plant, utilizing the turbines and equipment currently installed in the Matheu Plant. The new Abasto Plant will be located in the Municipality of Brandsen in the Province of Buenos Aires.
- **On November 24, Energy Secretariat issued Resolution 961/2023 by which the Company was awarded a new 15-year PPA for the construction and operation of the new Abasto Plant.**
- The existing PPA for the Matheu Plant pursuant to Resolution 21/2016 will be terminated prior to executing the new PPA for the Abasto Project.



# Recent Developments

- The new Abasto Plant will be located in the Municipality of Brandsen in the Province of Buenos Aires near Abasto Substation



> PPA terms and conditions comparison

	New Abasto PPA (Res 961/2023)	Existing Matheu PPA (Res 21/2016)
Contracted Capacity (MW)	242	254
PPA currency denomination	USD	USD
Fixed Capacity + O&M Payment (USD/MW per month)	16,600	17,800
Variable Payment (USD/MWh)	3.5 (Natural Gas)	8.0 (Natural Gas) / 11.0 (Diesel oil)
PPA Tenor (years)	15	10 (Dec 1 <sup>st</sup> , 2027)

# Annex

## Financial Statements





# Income statement

In thousands of USD	3Q23	3Q22	9M23	Pro-forma 9M22
Net revenue	25.0	25.4	79.5	76.0
Cost of sales	(10.4)	(11.4)	(34.2)	(25.0)
<b>Gross profit</b>	<b>14.6</b>	<b>14.1</b>	<b>45.3</b>	<b>51.0</b>
General and administrative expenses	(4.1)	(3.0)	(10.9)	(18.4)
Other income	(6.8)	0.7	(6.3)	10.6
<b>Operating profit</b>	<b>3.7</b>	<b>11.8</b>	<b>28.1</b>	<b>43.2</b>
Net finance cost	(33.9)	0.7	(50.6)	18.5
<b>Net income before income tax</b>	<b>(30.2)</b>	<b>12.5</b>	<b>(22.5)</b>	<b>61.7</b>
Income tax expense	10.6	(3.4)	9.3	(13.5)
<b>Net income for the period</b>	<b>(19.6)</b>	<b>9.1</b>	<b>(13.2)</b>	<b>48.2</b>

# Financial Highlights - Cash Flows

In millions of USD	As of September 30, 2023
<b>Cash Flow from operating activities</b>	
Net income for the period	(13.2)
<b>Adjustments for:</b>	
Income tax expense	(9.3)
Depreciation of property, plant and equipment	17.5
Result of changes in fair value of financial assets	4.2
Gain on disposal of short-term investments	(30.4)
Change in fair value of derivative instruments	0.9
Net foreign exchange loss	41.6
Net accrued interest	34.4
Net other income and expenses	6.3
<b>Changes in operating assets and liabilities</b>	
Increase in trade receivables	(7.3)
Decrease in prepayments	3.1
(Increase) decrease in materials and spare parts	(1.4)
(Increase) decrease in tax assets	(28.4)
Decrease in trade and other payables	(4.6)
Decrease in salaries and social charges to be paid	0.001
Decrease increase in tax liabilities	(0.04)
<b>Net cash flows from operating activities</b>	<b>13.2</b>
<b>Cash flow from investing activities</b>	
Net proceeds from financial assets and short-term investments	103.2
Acquisitions of property, plant and equipment	(68.0)
<b>Net cash flows from investing activities</b>	<b>35.2</b>
<b>Cash flow from financing activities</b>	
Payments of loans	(5.6)
Payments of interest on bank loans	(2.9)
Payment of interest on senior secured notes	(10.4)
<b>Net cash flows used in financing activities</b>	<b>(18.9)</b>
Cash and cash equivalents at the beginning of year	43.4
Exchange rate difference	(8.9)
Net increase in cash	29.5
<b>Cash and cash equivalents at the end of period</b>	<b>64.0</b>

# Financial Highlights - Balance Sheet

In millions of USD	As of September 30, 2023	As of December 31, 2022 236 days
<b>Assets</b>		
Property, plant and equipment	633.9	579.8
Deferred income tax assets	80.5	68.7
Prepayments	3.1	4.0
Tax assets	34.3	38.2
<b>Total non-current assets</b>	<b>751.8</b>	<b>690.7</b>
Prepayments	12.7	15.8
Tax assets	19.2	21.1
Spare parts	3.5	2.2
Trade receivables	26.7	24.2
Investments	2.7	72.0
Cash and cash equivalents	64.0	43.4
<b>Total current assets</b>	<b>128.8</b>	<b>178.6</b>
<b>Total assets</b>	<b>880.7</b>	<b>869.3</b>
<b>Shareholders' equity</b>		
Share capital	200.1	200.1
Additional Paid-in capital	(200.0)	(200.0)
Retained earnings	129.4	142.5
<b>Total equity</b>	<b>129.4</b>	<b>142.6</b>
<b>Liabilities</b>		
Loans	673.5	649.5
Trade and other payables	27.5	37.6
<b>Total non-current liabilities</b>	<b>700.9</b>	<b>687.1</b>
Loans	3.8	9.3
Tax liabilities	0.1	0.1
Salaries and social security	0.1	0.2
Trade and other payables	46.4	30.0
<b>Total current liabilities</b>	<b>50.3</b>	<b>39.6</b>
<b>Total liabilities</b>	<b>751.2</b>	<b>726.7</b>
<b>Total liabilities and equity</b>	<b>880.7</b>	<b>869.3</b>

## Financial Highlights - EBITDA Reconciliation

In thousands of USD	3Q23	3Q22	9M23	Pro-forma 9M22
Net income for the period	(19.6)	9.1	(13.2)	48.2
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# SCC Power

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