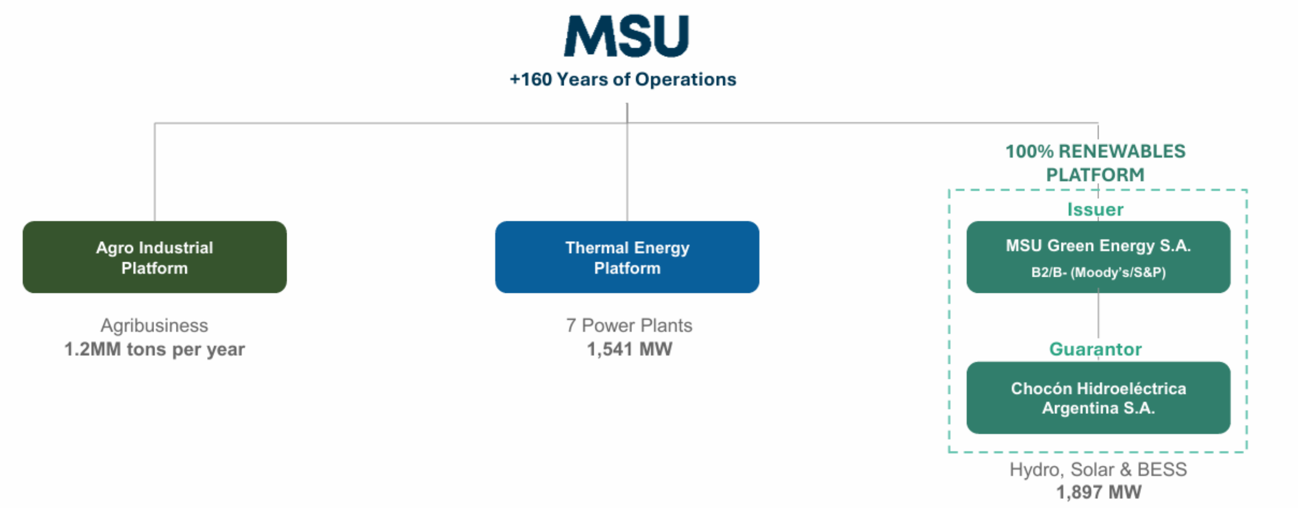
June 1, 2026

MSU Green Energy SA

MSU Green is a relatively new company focused on the development, construction, operation, and maintenance of renewable energy generation projects, supplying electricity both to the Wholesale Electricity Market (MEM) and to large users under the Renewable Energy Term Market (MATER) framework.

The portfolio includes the acquisition in 2026 of the El Chocón–Arroyito hydroelectric complex, located in the Comahue region, under a 30-year concession and with an installed capacity of 1,418 MW, (15% of Argentina's hydroelectric generation capacity). In addition, the company operates five solar parks located across different areas of NOA and NEA, with two additional projects expected to begin operations during the first semester of 2027. The company also has one battery energy storage park currently under construction. Overall, these projects represent an investment of more than USD 500 million aimed at developing close to 2 GW (1,897 MW) of renewable energy capacity. The combination of solar and hydroelectric generation provides a balanced energy mix that helps mitigate climate-related risks.

The company is part of MSU Group, owned by the Uribelarrea family, with more than 160 years of corporate history in Argentina. The group is a leading agribusiness player, with over 245 thousand hectares under management and an annual production of approximately 1.2 million tons of grains. In 2012, it expanded into the energy sector through MSU Energy. The company currently operates four combined-cycle thermal power plants and three simple-cycle plants, with a total installed capacity of 1.5 GW, fully contracted under long-term US dollar-denominated power purchase agreements (PPAs)



Source: Institutional Presentation MSU Green.

Results

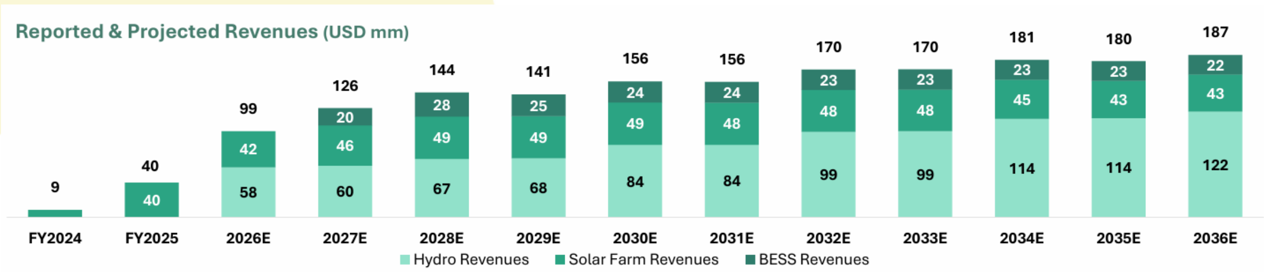
As is customary in our reports, we will analyze the company's financial statements in U.S. dollars, using either the average or closing wholesale exchange rate for each period, as appropriate. The latest financial statements, presented as of March 30, 2026, correspond to the first quarter of 2026 (1Q26), in which the Chocón-Arroyito hydroelectric complex is not yet included in operations. At present, 100% of the installed capacity, both operational and under construction, is contracted: 192 MW (58%) through agreements with large users under the MATER framework, with terms ranging from 5 to 10 years, and 137 MW (42%) through power supply agreements with CAMMESA under the RenMDI program, with a 15-year term.

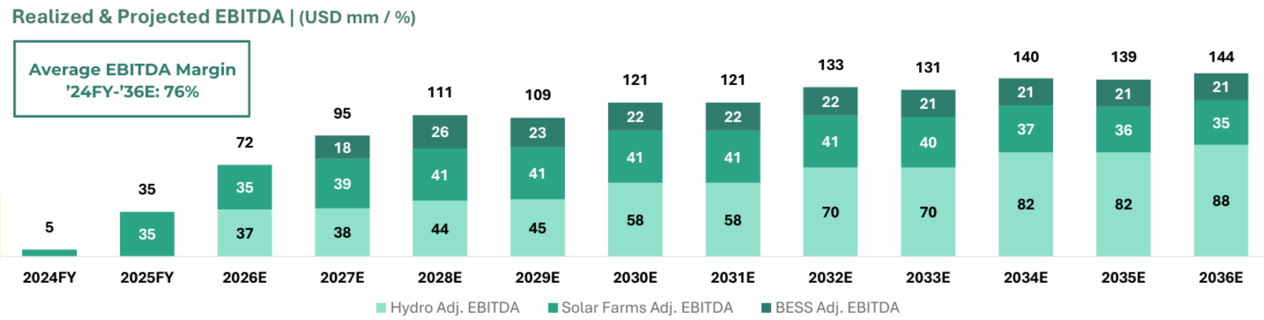
Therefore, when annualizing the latest quarter, both revenues and margins expand significantly compared to previous reporting periods, driven by the continuous incorporation of new solar parks. EBITDA reaches USD 43 million, representing an EBITDA margin of 87%.

USD MM	1Q26 LQA	2025	Var.	2024	Var.
Revenue	49	41	19%	9	434%
Costs	-14	-12	14%	-5	172%
Operating Result	33	28	17%	3	1015%
EBITDA	43	36	18%	6	641%
Net Income	15	-2	-	-4	-488%
Operating Margin	66%	68%	-100bp	32%	3600bp
EBITDA Margin	87%	88%	-100bp	63%	2500bp

Source: Sekoia Research based on Financial Statements.

Nevertheless, based on the company's own projections, the incorporation of the hydroelectric complex radically changes the company's scale, doubling revenues already in 2026, tripling them by 2030, and nearly quadrupling them by 2037, while maintaining an EBITDA margin between 72% and 78%. This is due to the current regulatory framework, which stipulates that the structure of electricity sales between CAMMESA and private operators will be modified, gradually shifting from the current arrangement—95% with CAMMESA (USD 22/MWh) and 5% with private operators (USD 55/MWh)—towards a system consisting entirely of private contracts as the concession progresses.). By year eleven of the concession, the company expects to reach a 50% CAMMESA and 50% private contracts mix.





Source: Institutional Presentation MSU Green.

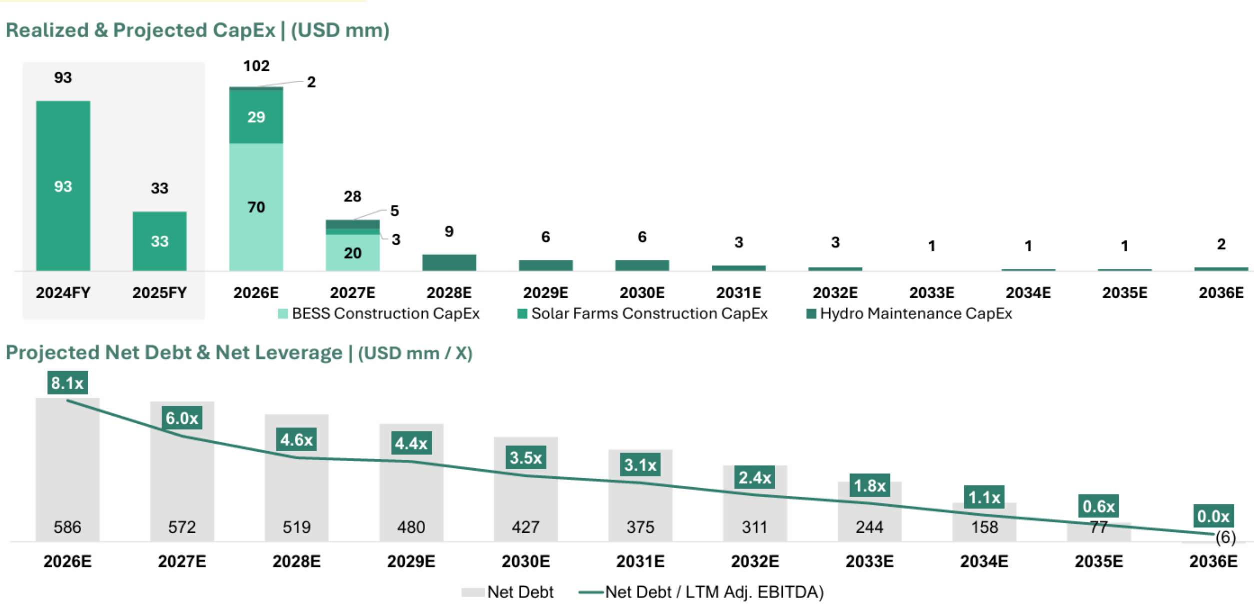
Debt Profile

As of 1Q26, the company reported total financial debt of USD 173 million. Approximately 83% of total debt corresponds to bonds, while the remaining 17% is related to short-term bank loans. Meanwhile, the company holds USD 48 million in cash and equivalents (including investments), resulting in a net leverage ratio of 2.9x current EBITDA.

USD MM	1Q26 LQA	2025	Var.	2024	Var.
Financial Debt	173	171	1%	145	19%
Cash & Equivalents	7	3	110%	29	-75%
Investments	41	41	0%	32	29%
Net Debt	125	127	-2%	85	47%
Net Leverage	2,9	3,5	-0,6	14,7	-11,8
Current Liquidity	1,0	1,1	-0,1	1,4	-0,4
Annual Interest Expense	8,6	6,2	38%	6,7	-7%
Interest Coverage	5,0	5,9	-0,9	0,9	5,0

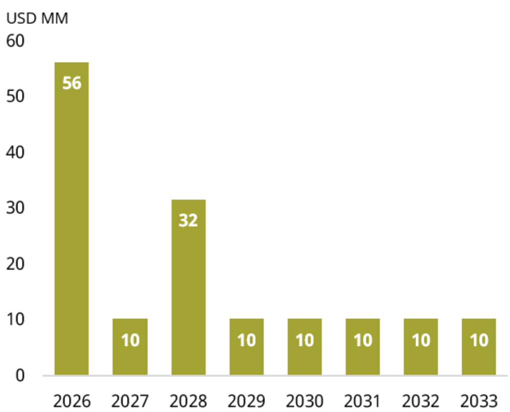
Source: Sekoia Research based on Financial Statements.

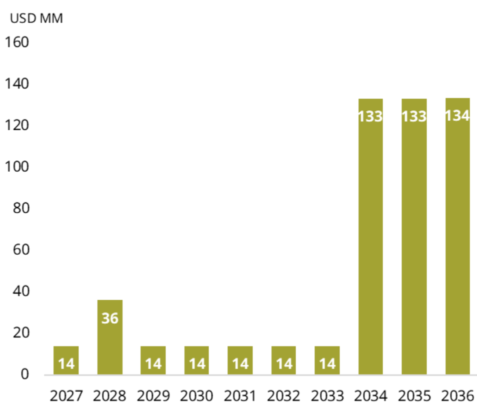
The acquisition of Chocón Hidroeléctrica Argentina S.A. (CHASA) involved a total investment of USD 236 million, financed through an equity contribution, a USD 60 million shareholder loan, and a USD 156 million syndicated bank loan. The bank facility amortizes over five years, matures in January 2031, and carries a 10% interest rate. In addition, the company aims to consolidate the entire financing structure of MSU Green and CHASA through the issuance of an international green bond for an amount of USD 400 million, expandable up to USD 500 million. Debt service payments will be matched against power purchase agreements, following a structure like the one used by MSU Energy, where debt repayments are backed by contracted sales agreements. If the new USD 400 million bond issuance is completed, the company's leverage would increase to 8.2x in 2026, although it is expected to decline consistently year after year, falling below 3x by 2031.



Source: Institutional Presentation MSU Green.

Current maturity profile (left) and projected (right)





Source: Sekoia Research based on Institutional Presentation.

MSU Green Energy currently has three bonds outstanding. Class I and Class II bonds are backed by payment flows under 15-year RenMDI power purchase agreements signed with CAMMESA. As previously mentioned, the company is expected to issue a new NY law-governed green bond in the coming days for up to USD 500 million. The bond will pay a semiannual coupon and amortize in three installments in 2034, 2035, and 2036, while pricing and coupon details will be disclosed at the time of the offering.

Bond	USD MM	Term	Currency	Rate	Frequency	Issue Date	Maturity	Amortization	Issue Price	Law
ON Class 1	23	36 months	DLK	1%	Semiannual	12/10/2023	12/10/2026	Bullet	103	Arg
ON Class 2	92	120 months	DLK	4,5%	Semiannual	12/10/2023	12/10/2033	36 installments	100	Arg
ON Class 3	21	48 months	USD	8,5%	Semiannual	20/12/2024	20/12/2028	Bullet	100	Arg

Source: Sekoia Research based on Financial Statements.

In addition, the new bond's collateral package (Senior Secured) is structured through a trust assigned with collections from receivables generated under the hydroelectric complex concession agreement in both the spot market and the MATER framework. Furthermore, following the maturity of Class II bonds, the collateral package will also include the assignment of receivables under 15-year PPA and RenMDI power purchase agreements signed with CAMMESA. Combined, these guarantees represent approximately USD 100 million per year. The trust collateral is passive in nature, following a structure like that used by MSU Energy. It is triggered only in the event of default, if bondholders request the trustee to enforce the assigned contracts, subject to a 25% holder threshold.

Outlook

The initial leverage profile will likely lead the market to demand a yield somewhat above the Argentine corporate curve under New York law. Net debt to projected EBITDA remains elevated during the first years of the bond's life. Nevertheless, the bond presents several attractive features. First, the sponsor has a strong track record in meeting its financial obligations. MSU Energy's history followed a similar path: leverage was initially high and gradually declined over time. Throughout this process, the company honored its commitments and successfully executed voluntary exchanges with bondholders, often under challenging or adverse market conditions. The logic is similar: matching the cash flows generated by the power generation business with the debt service obligations of the international bond. As a reference, MSU Energy's 2030 bond currently trades at around a 9.5% yield. The collateral trust structure is, of course, another positive aspect. Lastly, an additional factor supporting the development of a long-term investor base is that the new issuance is certified as a Green Bond under ICMA standards.

Thanks,

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