

Operator:

Good morning, ladies and gentlemen. Welcome to Central Puerto's 1Q25 earnings conference call.

A slide presentation is accompanying today's webcast, and will also be available on the Investors section of the Company's website, www.centralpuerto.com/en/investors.

All participants will be in a listen-only mode during the presentation. After that, there will be an opportunity for you to ask questions.

Please note this event is being recorded. If you do not have a copy of the press release, please refer to Investor Relations Support Section on the Company's corporate website, at www.centralpuerto.com. In addition, a replay of today's call will be available in upcoming days by assessing the webcast link at the same section of the Central Puerto's website.

Before we proceed, please be aware that all financial figures were prepared in accordance with IFRS and were converted from ARS to USD for comparison purposes only. The exchange rate used to convert ARS to USD was the reference exchange rate reported by the Central Bank for USD for the end of each period. The information presented in USD is for the convenience of the reader only, and you should not consider these translations to be representations that the ARS amount actually represents this USD amount or could be converted into USD at the rate indicated.

Finally, it is worth noting that the financial statements for the 1Q ended on March 31, 2025, include the effects of the inflation adjustments. Also, please take into consideration that certain statements made by the Company during this conference call and answer to your questions may include forward-looking statements, which are subject to risks and uncertainties that could cause actual results to be materially different from the expectations contemplated by industry remarks. Thus, we refer you to the forward-looking statements sections of our earnings release and recent filings with the SEC. Central Puerto assumes no obligation to update forward-looking statements, except as required under applicable securities laws.

To follow the discussion better, please download the webcast presentation available on the Company's website. Please be aware that some of the numbers mentioned during the call may be rounded to simplify the discussion.

On the call today from Central Puerto is Fernando Bonnet, Chief Executive Officer; Enrique Terraneo, Chief Financial Officer; and Alejandro Diaz Lopez, Head of Corporate Finance and Investor Relations Officer.

And now I will turn the call over to Alejandro Diaz Lopez. Please, Alejandro, you may begin.

Alejandro Diaz Lopez:

Thank you very much, and good morning, everybody. Thank you for joining us today on a new session of earnings presentation, where we are going to discuss our financial results for the 1Q25.

As usual, I will begin the presentation by addressing shortly the main figures of the quarter, followed by a quick update of the regulatory framework and relevant news. Then, I will show an overview of the Argentine electricity industry, moving afterwards to our

operational and financial results. Finally, at the end of the presentation, we will be happy to address any questions you may have.

Before going into a more extensive analysis of our financial and operational results, let me briefly review Central Puerto's main figures for the 1Q25. The Group's installed capacity remains at 6,703 megawatts, and energy generation amounted to 5.7 terawatt hour during the 1Q25, increasing 4% year-over-year.

Regarding our financial results, it should be noted that due to Central Puerto's accounting methodology, all items in ARS must be adjusted for inflation to the end of the quarter, local currency, while the Company reports its results in USD by converting them at the end of the period official exchange rate, I mean the so-called Central Bank 83,500 exchange rate. This causes a noncash impact that affects positively or negatively as appropriate our financial metrics and affects the comparability.

Revenues for the 1Q25 amounted to US\$196 million, increasing 31% year-over-year compared to the 1Q24, while adjusted EBITDA rose 8% year-over-year for the 1Q25 to US\$90 million.

Net income for the first 3 months of 2025 was positive in US\$80 million, rising 150% year-over-year. Finally, net debt as of March 31 of 2025 amounted to US\$132 million, keeping almost constant vis-à-vis December of 2024, showcasing a net debt ratio to adjusted EBITDA of about 0.5x.

Now let's move to the most recent regulatory updates and news. During the 1Q25, spot prices have been adjusted once a month, 4% in January and February and 1.5% in March. As of the date of this conference call for April and May, we have a cumulative increase of 3.5%.

Regarding our investment project currently in execution, Brigadier Lopez keeps its status. It is on schedule, moving at a good pace. Important milestones have been accomplished with regards to water intake, electromechanical works and the installation of the heat recovery steam generator. About San Carlos, let me tell you that after solving out some issues, the project is back on track. Expected COD for Brigadier Lopez is the end of 2025, while for San Carlos is the end of the 3Q25.

As you may recall, in our last call, we commented our most recent acquisition in the mining sector. We increased our equity stake in AbraSilver from 4% to 9.9% as a result of a new share subscription agreement.

Continuing with news and regulatory updates, as you may know, the Secretariat of Energy aims to regulate the industry and normalize the wholesale market. We discussed in our last conference call the well-known Resolution 21 issued last January and the so-called Lineamientos CAMMESA. As a result of Resolution 21, we see some interesting and possible opportunities in the management of alternative fuels as well as with natural gas, though more marginal in this later case given the existence of the planned gas. We have been strongly working on this, and of course, we will continue doing so.

With respect to the Lineamientos CAMMESA and the potential new regulatory framework, the Secretariat of Energy continues working on this subject. We also anticipated in our last presentation, the storage auction. On April 22, CAMMESA issued a note amending some terms and conditions, including the submission and awarding dates.

As we mentioned previously, we are carefully analyzing this project since we are interested in participating in this process. The last concluding remark concerning the industry. The hydro tender process by means of presidential decree number 263, a new extension for the process was set 15 days. As we publicly commented in several opportunities, we will carefully analyze the terms and conditions of this process since we are interested in operating hydro assets.

Moving now to Central Puerto's corporate news and updates, let me summarize some recent corporate reorganizations. On January 1, the merger of Vientos La Genoveva II, Manque, Los Olivos and CPR Energy Solutions, being Vientos La Genoveva II the absorbing company. Then on March 31, the Board of Directors approved a reorganization subject to approval by a shareholders' meeting and the Argentine Securities and Exchange Commission, whereby Central Puerto will absorb CP Renovables assets and liabilities, and also Central Puerto will spin off part of its assets to be absorbed by Ecogas Inversiones.

Finally, on March 31, the Board of Directors of Empresas Verdes Argentina, Forestal Argentina, Estancia Celina and Las Misiones approved a corporate reorganization, whereby, subject to approval by the shareholders' meetings of the both companies, EVASA will absorb the asset and liabilities of all of the above-mentioned companies.

Now let's skip to the Argentine electricity market picture for this quarter that will be shown on slide 8 and 9. By the end of the 1Q25, the country's installed capacity reached 43,554 megawatts, which means a decrease of 1% or 319 megawatts compared to the 43,873 megawatts recorded as of March 31 of 2024.

The variation of results from the installation of new power facilities, a reduction in installed capacity and adjustment and repowering to power plants already in operations. The contraction of 319 megawatts is composed as follows: a reduction of 1,195 megawatts in hydraulic sources, a reduction of 224 megawatts in thermal sources being all partially offset by the addition of 637 megawatts of wind farms; of these, 23 megawatts were installed during the 1Q25. Then the addition of 423 megawatts of solar plants where 205 megawatts were installed during the 1Q25. The addition of 37 megawatts of biomass facilities, all during the 1Q25, and the addition of 4 megawatts of biogas power plants.

It is worth to highlight that the decline of 1,195 megawatts in hydro installed capacity is basically explained by our assessment of Yacyretá's power availability between Argentina and Paraguay. Since August of 2024, 50% of Yacyretá's installed capacity is allocated to Argentina, whereas it used to be approximately 88% before that.

Electricity generation shrunk 1% during the quarter on a year-over-year basis. The contraction was driven by nuclear and hydro generation. Nuclear generation decreased basically by the 2-year maintenance shutdown of Atucha I, which started in November of 2024. Hydro generation shrank due to a combination of factors. First, the aforementioned change in the allocation of Yacyretá's installed capacity and energy generation upon Paraguay's claim and a reduction of river flows.

Renewable and thermal generation rose 10% and 9%, respectively. The growth in thermal generation led to a rise of 9% in natural gas consumption. Alternative fuels consumption was significantly lower.

Focusing now on the demand, as you can see, electricity demand rose 1% during the first 3 months of 2025, vis-à-vis the same period of 2024. There was a slight contraction in residential consumption that was totally offset by commercial and major demand. Big industrial user consumption rose during the whole quarter, reflecting stronger economic

activity levels. This was especially remarkable for mining, trade and services, automotive and food and beverage.

Finally, the electricity trade balance resulted in a net import situation during the whole quarter, with the peak in February.

We now go to slide 10 to our key operating indicators for the quarter. We can see that electricity generated by Central Puerto rose 4% to 5,731 gigawatt hour compared to 5,520 gigawatt hour during the 1Q24. Hydro energy generation from Piedra del Águila dropped 2%, reaching 793 gigawatt hour from 807 gigawatt hour in the 1Q24. This decline was primarily due to a reduction in river flows, 27% in the Collón Cura River and 25% in the Limay river, this resulting in lower availability of water for generation.

Wind generation rose 3%, reaching 373 gigawatt hour during the 1Q25 compared to 358 gigawatt hour during the same period of 2024. This increment was mainly due to higher generation from Achiras' La Castellana I and La Castellana II wind farms as a consequence of better operation performance. We should recall that during the same period of 2024, these facilities were either out of service or with reduced operation because of some maintenance works and failures.

On the other hand, solar energy generation reached 78 gigawatt hour during the 1Q25 compared to 82 gigawatt hour in the same period of 2024, basically as a result of some restriction in the now of injection and also weather conditions.

Finally, thermal generation increased 5% during the first 3 months of 2025 compared to the same period of previous year, reaching 4,487 gigawatt hour from 4,272 gigawatt hour. The growth was mainly due to higher dispatch of some steam turbines in Puerto and Costanera sites and some steam and gas turbines in Lujan de Cuyo as well as higher generation registered in the combined cycle of Santa Fe.

To a lesser extent, a higher availability was recorded in the Buenos Aires combined cycle and higher dispatch was registered for the Mitsubishi combined cycle, both located in the Costanera site.

Now let's move to our revenues breakdown. As you can see on slide 11, this amounted to US\$196 million in the quarter as compared to US\$150 million in the same period of 2024. The variation in revenues is a consequence mainly of a US\$36 million increase in spot market revenues driven by a cash effect on the gap between currency devaluation and a spot remuneration increases, higher thermal generation, mainly in some turbines located in Lujan de Cuyo, Puerto and Costanera sites, and a noncash effect on the gap between currency devaluation and inflation. Also a US\$5 million increase in sales under contract, driven by higher energy sales of San Lorenzo cogeneration plant and higher wind generation of Achiras' La Genoveva I and II. Finally, it was also an important a noncash effect on the gap between currency devaluation and inflation.

On slide 12, we can see the dynamic of our adjusted EBITDA. During the 1Q25, the Group's adjusted EBITDA amounted to US\$90 million, rising 8% or US\$6 million when compared to the 1Q24. When analyzing the adjusted EBITDA, we can observe that the variation is mainly explained by the previously stated higher aggregate sales driven by spot sales and sales under contract, a US\$27 million increase in cost of sales, explained basically by higher maintenance expenses and consumption of materials due to higher dispatch, higher operating costs, mostly related to the real appreciation of the ARS and a noncash effect on the gap between currency devaluation and inflation.

SG&A rose US\$5 million, mainly by the real appreciation of the ARS. Similar to production costs, SG&A were also negatively impacted by a noncash effect on the gap between currency devaluation and inflation.

Finally, there was a negative impact of US\$8 million in other operating results, net basically as a consequence of lower interest from clients due to lower CAMMESA delays and negative noncash effect on the gap between currency devaluation and inflation.

Moving to the next slide, the consolidated net income. During the 1Q25, Central Puerto's net income amounted to a gain of US\$80 million. This is basically the result of the previously explained adjusted EBITDA dynamic and the net financial results, which were driven by lower foreign exchange differences on financial liabilities, lower interest on loans, higher share of the profit of associates, higher holding results on financial assets.

These effects were partially offset by a noncash effect driven by lower FX difference due to lower FX variation, lower variation in biological assets and results driven by the change in the purchasing power of the currency.

Lastly, on slide 14, we have the cash flow dynamic during the first 3 months of 2025. Net cash provided by operating activities was US\$44 million. This cash flow arises mainly from US\$106 million of net income for the period before income tax properly adjusted to reconcile with net cash flows, US\$4 million in collection of interest from clients and US\$3 million in insurance recovery.

These cash flows were partially offset by US\$18 million in working capital variations and US\$1 million in income tax and other taxes payments. Then the net cash used by investing activities was US\$60 million. This amount is mainly explained by US\$44 million in acquisitions of property, plant and equipment and inventory and US\$27 million in acquisition of other financial assets, being all partially offset by US\$11 million in dividends collections.

Finally, we have the net cash provided by financing activities that was US\$6 million. This is basically the result of US\$8 million in long-term debt repayments, US\$6 million in interest and other long-term debt cost paid, partially offset by US\$20 million in banks and investment accounts overdraft received net. Consequently, our cash position as of March 31, 2025, amounted to US\$6 million. If financial assets are included, our total current liquidity amounts to US\$250 million.

With this, I conclude the presentation. Now we invite you to ask any questions to our team. Thank you very much for your attention.

Martin Arancet, Balanz Capital:

Thank you for the presentation, as always. I have three questions. I would like to run them one by one, if that's okay. My first question is regarding the possible hydro auction that is coming soon. I do not know if the Secretariat of Energy or CAMMESA disclosed the possible pricing conditions, or if you have any guesses on pricing. Because on one hand, we understand that the government wants to be as free as possible in terms of a free market. But at the same time, hydro's low pricing is what is pushing down tariffs for regulated consumers. So I think that there is a trade-off there that I do not know how the government is going to tackle that. And also, regarding the same subject, we have seen other companies interested in participating in the auction, I do not know if you expect a lot of competition. Thanks.

Fernando Bonnet:

Thank you, Martin for your interest and your questions. Yes. As you mentioned, in terms of pricing, we do not have a confirmation about the pricing yet because the auction is being delayed, the processes are being delayed. The government wants to agree some scheme with two provinces where the hydros are placed and the process is being delayed by a few days. I do not know when they are planning to be made public, the conditions of the auction.

But, as you mentioned, we hear the same points that you see, which is, if they increase the actual price of the remuneration, of course, it will impact on the tariff at the end. And on the other hand, they want to go to a free market sooner or later.

So, the thing that we hear about is they are planning to establish a pricing similar more or less to that we have right now, but in a transition scheme in which we can sell some portion of the generation in the private contracts, starting with the 5% of the generation of the hydros and then going to, I think, 10% additionally each 2 years, and then reach 50% and so on.

So they are thinking in that mix between a fixed price similar, or perhaps a little bit higher than that we have right now, but then a transition to a private contract scheme, increasing percentage every 2 years to reach perhaps 100% in the 10 years after. So that is the idea that they are thinking on, but it's not public yet. So it's only things that we hear.

Martin Arancet:

Okay. And just a follow-up on that. What you are probably going to be careful there is the guarantees, right? I do not know if you have been talking about possible guarantees that this 5% is going to increase gradually and that it's going to be respected or something like that?

Fernando Bonnet:

Yes. We do not talk about guarantees. They are thinking to establish that in the auction, but they are not talking about any additional guarantee. Of course, that is something that we need to consider at the moment of setting prices.

Martin Arancet:

Sure. And, sorry, just the last point regarding competition, I do not know if you are seeing a lot of interest in the auction.

Fernando Bonnet:

For sure, the hydros are very efficient equipment. Also, you need to have some experience to operate it. So I think the people with experience, the ones that have the concession or even had another hydros operating here, of course, will be possible competition. We hear from another big generators in Argentina that they are going to see it.

For now, we are not hearing any external or foreign companies, but depending on the conditions. One point that you mentioned is guarantees. International companies need some additional guarantees or certainties. But for sure, the big locals, we are going to see in the auction, and perhaps have some interest in participating, yes.

Martin Arancet:

Then my second question, and sorry if you already mentioned this, but I was wondering if you could give us some additional color on why we saw lower availability in Brigadier Lopez in the 1Q. If you expect this to continue this year, if it should be solved or if it's something related to the construction of the close cycle.

Fernando Bonnet:

No, it was not related to the construction. Brigadier Lopez have a big maintenance. We want the gas turbine be ready for the combined cycle, and we made a big maintenance there. I do not remember exactly the date, but more than about 40 days in maintenance, and we have that done.

So we do not expect additional availability from Brigadier Lopez, and we expect that entering a combined cycle at the end of the year with full dispatch and full speed. So we do not see additional maintenance coming in the next years for Brigadier Lopez.

Martin Arancet:

Thanks. And my last question then, regarding the utilization of the market. I was wondering what is your point of view regarding the schedule, if you think that it is possible to have this fully implemented by year-end, or do you think that it is probably too optimistic, and since it's a big change, it could present some issues at the time of implementation?

Fernando Bonnet:

We think that they are going to move forward in stages, like not everything at the same time. As Alejandro mentioned, we are seeing some deregulation in terms of fuel, especially in liquid fuels that we can acquire and we can buy, by our own selves, and CAMMESA is giving a space there for us.

In terms of natural gas, which is the main fuel that we use. We need to wait and for the full liberalization there. We need to wait until the ending of the Plan Gas because CAMMESA, with the Plan Gas contracts until 2028, are the main buyers. So there is a small room for us to buy when they have that contracts, and they require a reduction in that price to buy if we want to buy, and you only have a spot volumes. So it's not easy for us to start moving forward there.

So if you do not have a liberalization of the natural gas, it's difficult to deregulate all the legacy market. If we cannot buy the gas, it's very difficult to sign a contract for the legacy equipment.

But on the other hand, they are willing to move forward, as I mentioned, in liquid fuels, give some space for perhaps a new capacity so that we can sign contracts directly with the demand. We are seeing some signings moving forward to contracts with the distribution companies, all related to this new auction of batteries, that they are willing to do set contracts between generators and distribution companies.

So that is a good sign to move forward, but we are not seeing perhaps a complete turnover in the free market at once. We are seeing some improvements and some deregulation, perhaps schemes, but not in one shot.

Martin Arancet:

Very clear. Just one last question. Regarding your projects, you are moving forward with Brigadier Lopez, San Carlos, and I understand that you have intention to participate if we have a new formal action, the battery auction and also the hydro auction. But I guess that all of them somehow are uncertain. We do not know the pricing yet and the conditions, if you are going to get awarded and everything. So I was wondering if you are targeting possibly other projects beyond those, probably this year.

Fernando Bonnet:

The ones that you mentioned are the most important ones for us. So those are the most important. But also, we are developing some wind farm in Bahía Blanca city. Perhaps the starting of the construction of that project is the end of the year or perhaps the beginning of the next one. But for this year, the ones that you mentioned are the bigger ones. We are also looking for opportunities in solar and wind, but nothing certain yet. So the ones that you mentioned are the bigger ones, the most relevant.

Operator:

This concludes the question-and-answer session. I would like to turn the conference back over to Mr. Fernando Bonnet for any closing remarks.

Fernando Bonnet:

Thank you to everyone for your interest in Central Puerto. We encourage you to call us for any information that you may need. Have a great day.

Operator:

Central Puerto's conference call is now closed.

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