

Inversiones Latin America Power Ltda | ILAPCL

3Q2021 Operational Report

San Juan & Totoral Wind Farms

November, 2021

YTD KPI

| EBITDA [MM] | Comm. Margin [MM] | OpEx [MM] | Generation [GWh] | MgC Inj [\$ /MWh] | MgC W/D [\$ /MWh] | Oversupply | Performance | Availability | Capacity Factor | Corrected Cap. Factor |
|--------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 16.20 | 22.95 | -6.75 | 434.90 | 66.40 | 81.3 | 27.3 % | 95.06 % | 96.60 % | 27.75 % | 28.44 % |
| Projected: 29.45 (-13.25 -44.99%) | Projected: 36.16 (-13.21 -36.52%) | Projected: -6.71 (-0.04 -0.66%) | Projected: 465.01 (-30.11 -6.47%) | Projected: 34.84 (+31.56 +90.6%) | Projected: 35.1 (+46.23 +131.87%) | Projected: 33.8 % (-6.50 %) | Projected: 97.00 % (-1.94 %) | Projected: 97.00 % (-0.40 %) | Projected: 32.45 % (-4.70 %) | Projected: 32.45 % (-4.01 %) |

| P&L SubTotal | QUARTER | | | YTD | | |
|------------------------------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | Actual | Projected | Desv Q | Actual YTD | Projected ... | Desv YTD |
| Comercial Margin | 7.74 | 15.40 | -7.66 | 22.95 | 36.16 | -13.21 |
| Net Spot Energy Revenues | -6.68 | 1.27 | -7.95 | -13.04 | -0.37 | -12.67 |
| PPA Energy Revenues | 15.44 | 14.81 | 0.63 | 38.20 | 38.65 | -0.45 |
| Net Capacity Revenue | 1.47 | 0.90 | 0.57 | 3.64 | 2.51 | 1.13 |
| Net Tollways revenues | -1.85 | -0.95 | -0.90 | -4.54 | -3.12 | -1.42 |
| Land Lease | -0.39 | -0.62 | 0.23 | -0.89 | -1.44 | 0.55 |
| Other Income/Cost | -0.25 | 0.00 | -0.25 | -0.42 | -0.07 | -0.35 |
| OpEx | -2.22 | -2.25 | 0.03 | -6.75 | -6.71 | -0.04 |
| Maintenance | -1.24 | -1.32 | 0.08 | -3.76 | -3.93 | 0.17 |
| Software and equipment acquisition | 0.00 | -0.01 | 0.01 | -0.03 | -0.01 | -0.02 |
| Consultancies | -0.04 | -0.03 | -0.01 | -0.31 | -0.12 | -0.19 |
| Social contributions | 0.00 | -0.02 | 0.02 | -0.03 | -0.06 | 0.03 |
| Environmental | -0.05 | -0.03 | -0.01 | -0.09 | -0.09 | 0.00 |
| Communications | -0.03 | -0.04 | 0.01 | -0.09 | -0.10 | 0.01 |
| General expenses | -0.07 | -0.06 | -0.01 | -0.19 | -0.16 | -0.02 |
| Municipal permits | 0.00 | -0.01 | 0.01 | -0.01 | -0.02 | 0.01 |
| Regulatory | -0.03 | -0.04 | 0.01 | -0.05 | -0.09 | 0.04 |
| Health safety and security | -0.08 | -0.07 | -0.01 | -0.21 | -0.22 | 0.00 |
| Land permits | 0.00 | -0.01 | 0.01 | 0.00 | -0.01 | 0.01 |
| Insurance | -0.29 | -0.26 | -0.03 | -0.82 | -0.79 | -0.03 |
| General and Administrative | -0.39 | -0.35 | -0.05 | -1.15 | -1.08 | -0.07 |
| EBITDA (MM) | 5.52 | 13.15 | -7.63 | 16.20 | 29.45 | -13.25 |

- Year 2021 in Chile has been characterized by a high instability with high average prices in the national electricity system, mainly generated by the intense drought, which caused hydrology during some months of the year to reach levels never seen before in the country in the last 60 years (P99). This hydrological situation was unfortunately coupled with a poor planning for natural gas supplies (even though it was planned for a dry condition (P75) it wasn't expected to be as dry as it was), the accelerated decarbonization program, scheduled maintenance in dams, coal and GNL power plant and the forced outage of diesel power plants (see annexes). This instability was accompanied by a low level of wind generation from our wind farms, especially during the months of July and August, which implied an important level of energy purchase at high prices in the spot market, in order to comply with the energy committed in our PPA contracts (see annexes).
- The effect on ILAP results can be seen in the Net Spot Energy Balance during 3Q2021, which resulted in purchases of \$6.68M, while projections were expecting sales of \$1.27M.
- As of September 2021, ILAP has had a Net Spot Energy Balance of -\$13.04M, being \$12.67M lower than initial projections.
- The aforementioned was partially offset by a decrease in oversupply during the period. Distribution Companies, our main customers, consumed a higher amount of energy than expected during 3Q2021, in line with a rapid recovery of the Chilean economy as Covid-19 restrictions have been slowly eased. As a result, our PPA Energy Revenues reached \$15.44M during 3Q2021, being \$0.63M million higher than projected.
- The company's EBITDA during 3Q2021 amounted to \$5.52M, being \$7.63M lower than projected, this difference is explained mainly by a lower commercial margin due to a lower generation by our wind farms and a high volatility in spot prices, as explained above. In terms of OpEx, the results were in line with the projections, reaching a slight difference of \$0.03M in the analyzed period.

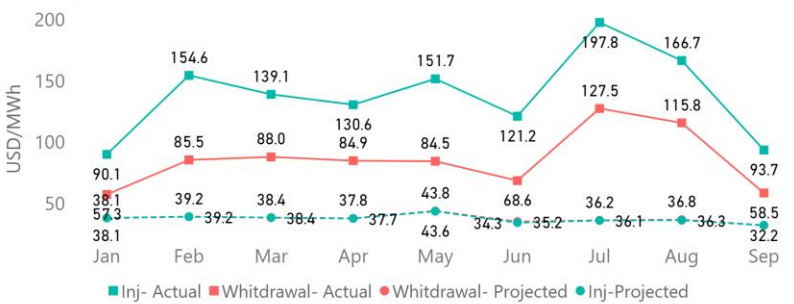
Quarter KPI

| EBITDA [MM] | Comm. Margin [MM] | OpEx [MM] | Generation [GWh] | MgC Inj [\$/MWh] | MgC W/D [\$/MWh] | Oversupply | Performance | Availability | Capacity Factor | Corrected Cap. Factor |
|-------------------------------------|-------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 5.52 | 7.74 | -2.22 | 172.56 | 76.36 | 103.2 | 22.6 % | 91.37 % | 96.51 % | 32.67 % | 33.96 % |
| Projected: 13.15 (-7.63 -58.05%) | Projected: 15.40 (-7.66 -49.74%) | Projected: -2.25 (+0.03 +1.12%) | Projected: 196.70 (-24.14 -12.27%) | Projected: 34.84 (+41.52 +119.19%) | Projected: 35.1 (+68.13 +194.35%) | Projected: 33.8 % (-11.17 %) | Projected: 97.00 % (-5.63 %) | Projected: 97.00 % (-0.49 %) | Projected: 40.43 % (-7.76 %) | Projected: 40.43 % (-6.47 %) |

GENERATION VS PPA CONSUMPTION



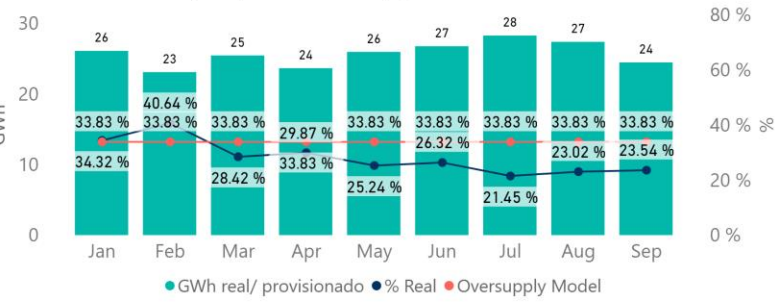
MARGINAL COST (SPOT PRICES)



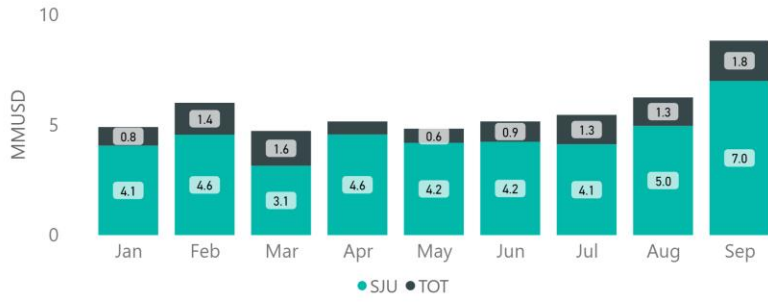
PPA DETAIL CONSUMPTION

| PPA | Precio PPA | CMg Retiro | GWh Real | GWh Budget |
|---------------|------------|------------|----------|------------|
| Discos | 105.85 | 87.05 | 257.11 | 234.09 |
| Enel | 49.38 | 82.86 | 144.62 | 150.39 |
| Metro | 104.00 | 93.70 | 45.41 | 47.81 |
| Pacific Hydro | 72.49 | | 35.00 | 35.00 |
| Walmart | 59.83 | 75.90 | 11.81 | 13.91 |
| Otros | 54.48 | 81.65 | 12.50 | 11.57 |
| Cinergia | 41.00 | 81.19 | 11.59 | |

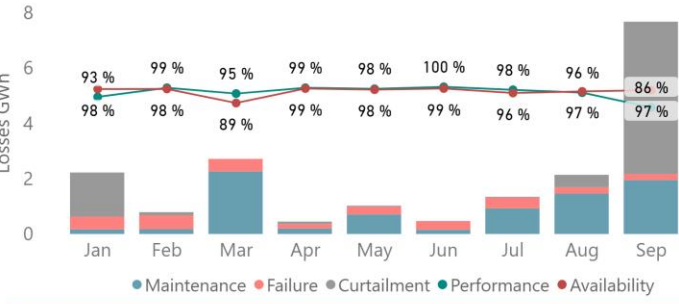
DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



REVENUES BY SPV



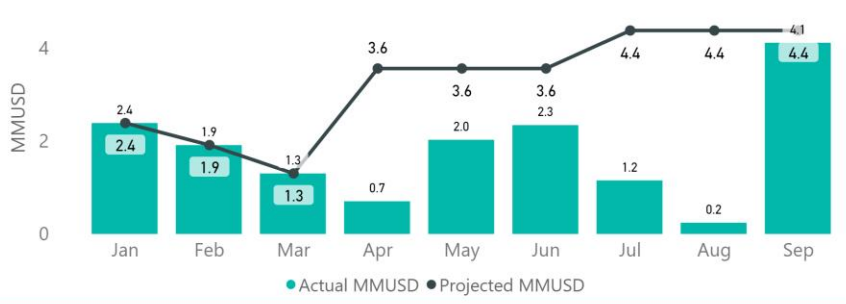
LOSSES (GWH) / AVAILABILITY(%) / PERFORMANCE(%)



ENERGY PURCHASE BY SPV

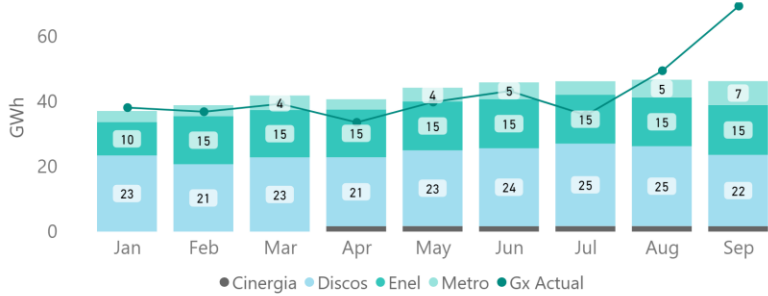


EBITDA

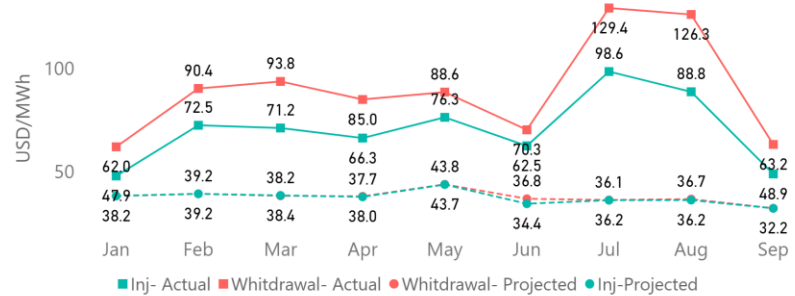


| Quarter KPI | EBITDA [MM] | Comm. Margin [MM] | OpEx [MM] | Generation [GWh] | MgC Inj [\$/MWh] | MgC W/D [\$/MWh] | Oversupply | Performance | Availability | Capacity Factor | Corrected Cap. Factor |
|-------------|-------------------------------------|-------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 5.59 | 7.25 | -1.66 | 154.48 | 78.73 | 106.3 | 22.4 % | 91.44 % | 96.63 % | 36.21 % | 37.47 % |
| | Projected: 10.07 (-4.48 -44.51%) | Projected: 11.71 (-4.46 -38.09%) | Projected: -1.64 (-0.02 -1.29%) | Projected: 176.10 (-21.62 -12.28%) | Projected: 34.80 (+43.93 +126.22%) | Projected: 35.0 (+71.28 +203.58%) | Projected: 33.8 % (-11.41 %) | Projected: 97.00 % (-5.56 %) | Projected: 97.00 % (-0.37 %) | Projected: 45.03 % (-8.82 %) | Projected: 45.03 % (-7.56 %) |

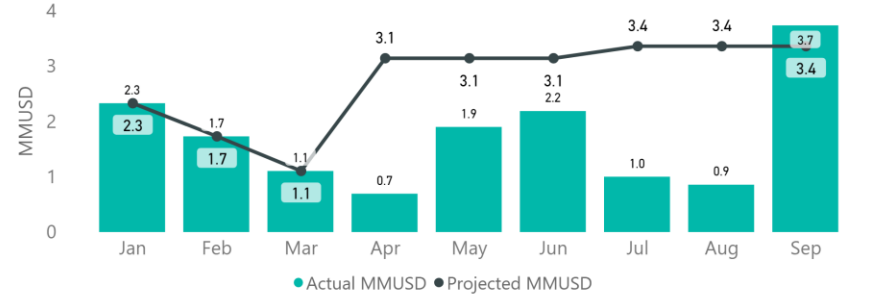
GENERATION VS PPA CONSUMPTION



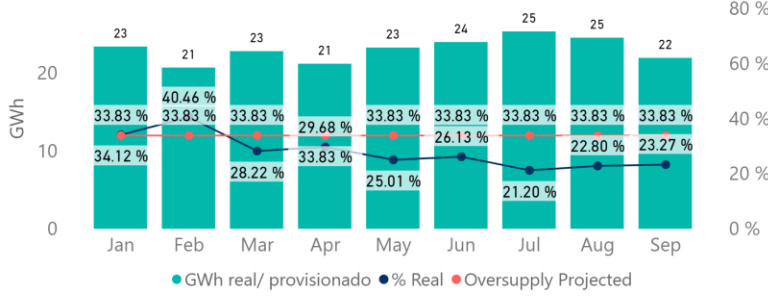
MARGINAL COST (SPOT PRICES)



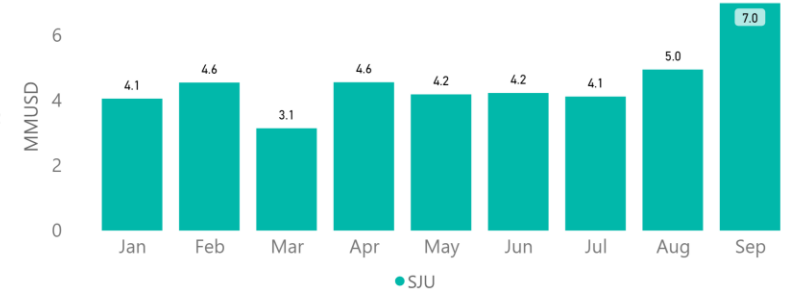
EBITDA



DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



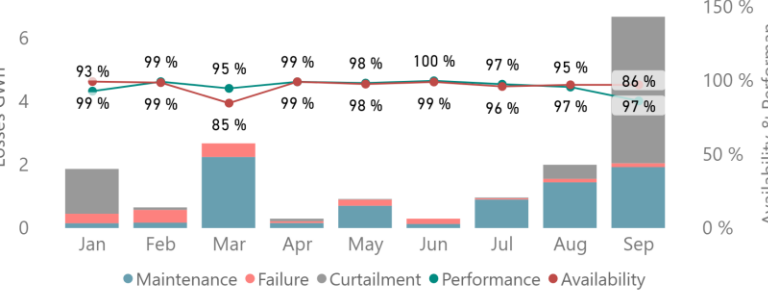
REVENUES BY SPV



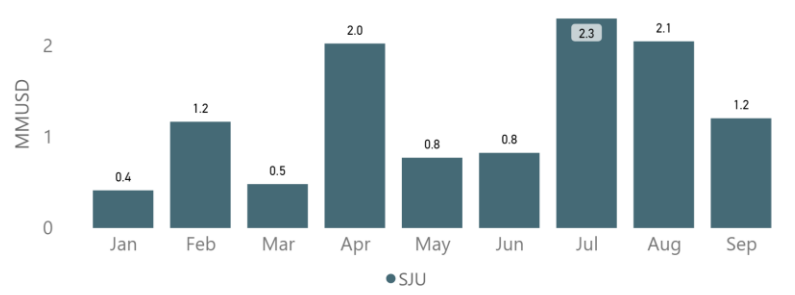
PPA DETAIL CONSUMPTION

| PPA | Precio PPA | CMg Retiro | GWh Real | GWh Projected |
|----------|------------|------------|----------|---------------|
| Discos | 100.06 | 89.06 | 230.33 | 209.16 |
| Enel | 49.38 | 82.86 | 144.62 | 150.39 |
| Metro | 104.00 | 93.70 | 45.41 | 47.81 |
| Cinergia | 41.00 | 81.19 | 11.59 | |

LOSSES (GWH) / AVAILABILITY(%) / PERFORMANCE(%)



ENERGY PURCHASE BY SPV

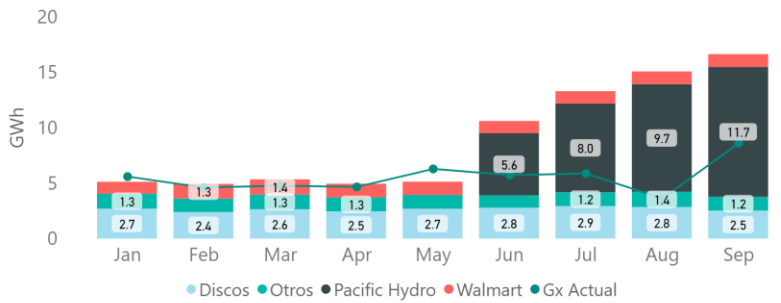


| P&L SubTotal | QUARTER | | | YTD | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Actual | Projec... | Desv Q | Actual YTD | Projected... | Desv YTD |
| Comercial Margin | 7.25 | 11.71 | -4.46 | 20.46 | 29.51 | -9.05 |
| Net Spot Energy Revenues | -3.46 | 1.11 | -4.57 | -9.06 | -0.46 | -8.60 |
| PPA Energy Revenues | 11.79 | 11.14 | 0.65 | 31.56 | 31.72 | -0.16 |
| Net Capacity Revenue | 1.03 | 0.76 | 0.27 | 2.80 | 2.02 | 0.78 |
| Net Tollways revenues | -1.53 | -0.68 | -0.85 | -3.64 | -2.31 | -1.33 |
| Land Lease | -0.39 | -0.62 | 0.23 | -0.89 | -1.44 | 0.55 |
| Other Income/Cost | -0.20 | 0.00 | -0.20 | -0.31 | -0.02 | -0.29 |
| OpEx | -1.66 | -1.64 | -0.02 | -4.94 | -4.86 | -0.07 |
| EBITDA (MM) | 5.59 | 10.07 | -4.48 | 15.52 | 24.65 | -9.12 |

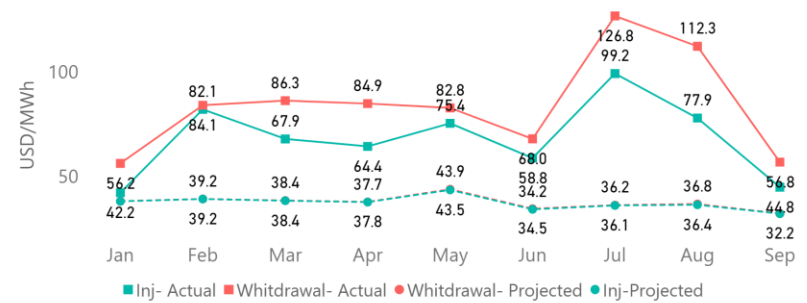
| YTD KPI | EBITDA [MM] | Comm. Margin [MM] | OpEx [MM] | Generation [GWh] | MgC Inj [\$/MWh] | MgC W/D [\$/MWh] | Oversupply | Performance | Availability | Capacity Factor | Corrected Cap. Factor |
|---------|-------------------------------------|-------------------------------------|------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 15.52 | 20.46 | -4.94 | 385.20 | 70.32 | 90.6 | 28.1 % | 95.05 % | 96.37 % | 30.43 % | 32.05 % |
| | Projected: 24.65 (-9.12 -37.02%) | Projected: 29.51 (-9.05 -30.67%) | Projected: -4.86 (-0.07 -1.53%) | Projected: 410.06 (-24.86 -6.06%) | Projected: 32.15 (+38.16 +118.69%) | Projected: 32.2 (+58.42 +181.57%) | Projected: 33.8 % (-5.70 %) | Projected: 97.00 % (-1.95 %) | Projected: 97.00 % (-0.63 %) | Projected: 35.30 % (-4.87 %) | Projected: 35.88 % (-3.83 %) |

| Quarter KPI | EBITDA [MM] | Comm. Margin [MM] | OpEx [MM] | Generation [GWh] | MgC Inj [\$/MWh] | MgC W/D [\$/MWh] | Oversupply | Performance | Availability | Capacity Factor | Corrected Cap. Factor |
|-------------|-------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------------|-----------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | -0.05 | 0.49 | -0.54 | 18.09 | 74.00 | 102.0 | 24.7 % | 90.82 % | 96.23 % | 17.81 % | 19.24 % |
| | Projected: 3.19 (-3.24 -101.62%) | Projected: 3.69 (-3.20 -86.77%) | Projected: -0.50 (-0.04 -8.72%) | Projected: 20.60 (-2.51 -12.2%) | Projected: 34.88 (+39.12 +112.17%) | Projected: 35.1 (+66.98 +191%) | Projected: 33.8 % (-9.10 %) | Projected: 97.00 % (-6.18 %) | Projected: 97.00 % (-0.77 %) | Projected: 21.11 % (-3.30 %) | Projected: 21.11 % (-1.87 %) |

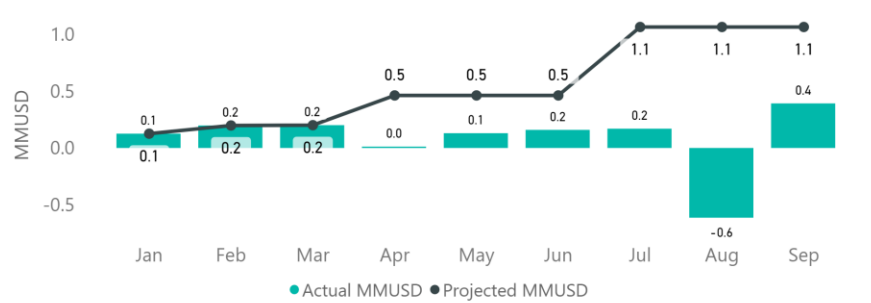
GENERATION VS PPA CONSUMPTION



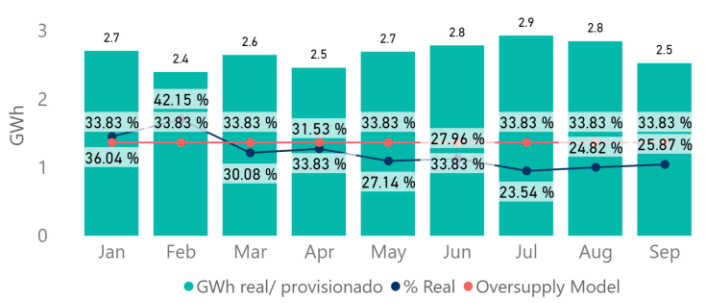
MARGINAL COST (SPOT PRICES)



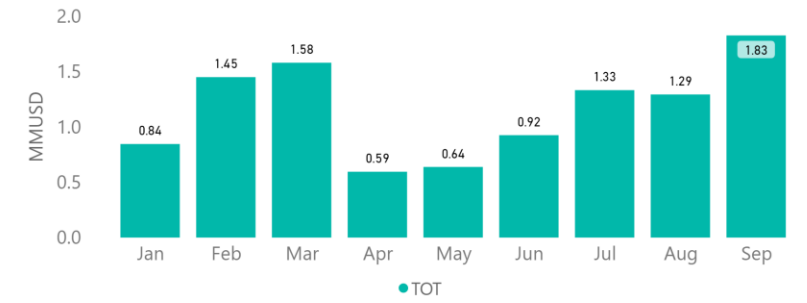
EBITDA



DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



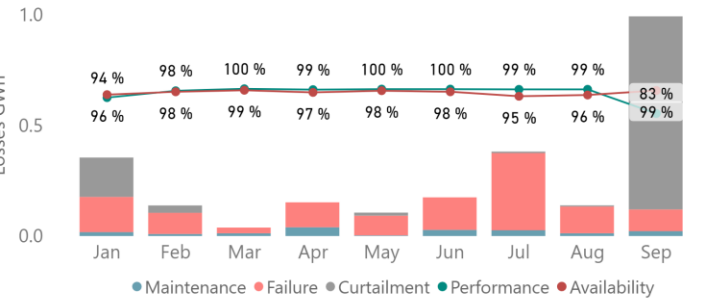
REVENUES BY SPV



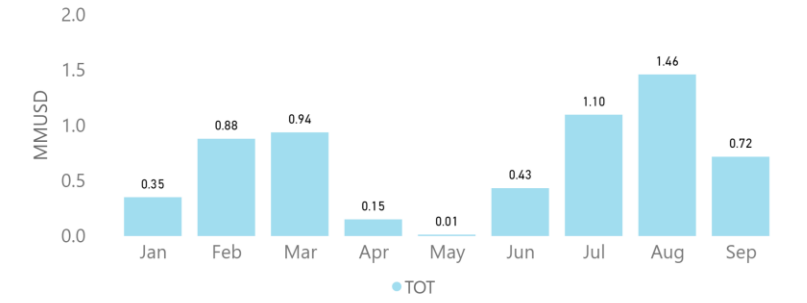
PPA DETAIL CONSUMPTION

| PPA | Precio PPA | CMg Retiro | GWh Real | GWh Projected |
|---------------|------------|------------|----------|---------------|
| Pacific Hydro | 72.49 | | 35.00 | 35.00 |
| Discos | 111.65 | 85.04 | 26.78 | 24.93 |
| Otros | 54.48 | 81.65 | 12.50 | 11.57 |
| Walmart | 59.83 | 75.90 | 11.81 | 13.91 |

LOSSES (GWH) / AVAILABILITY(%) / PERFORMANCE(%)



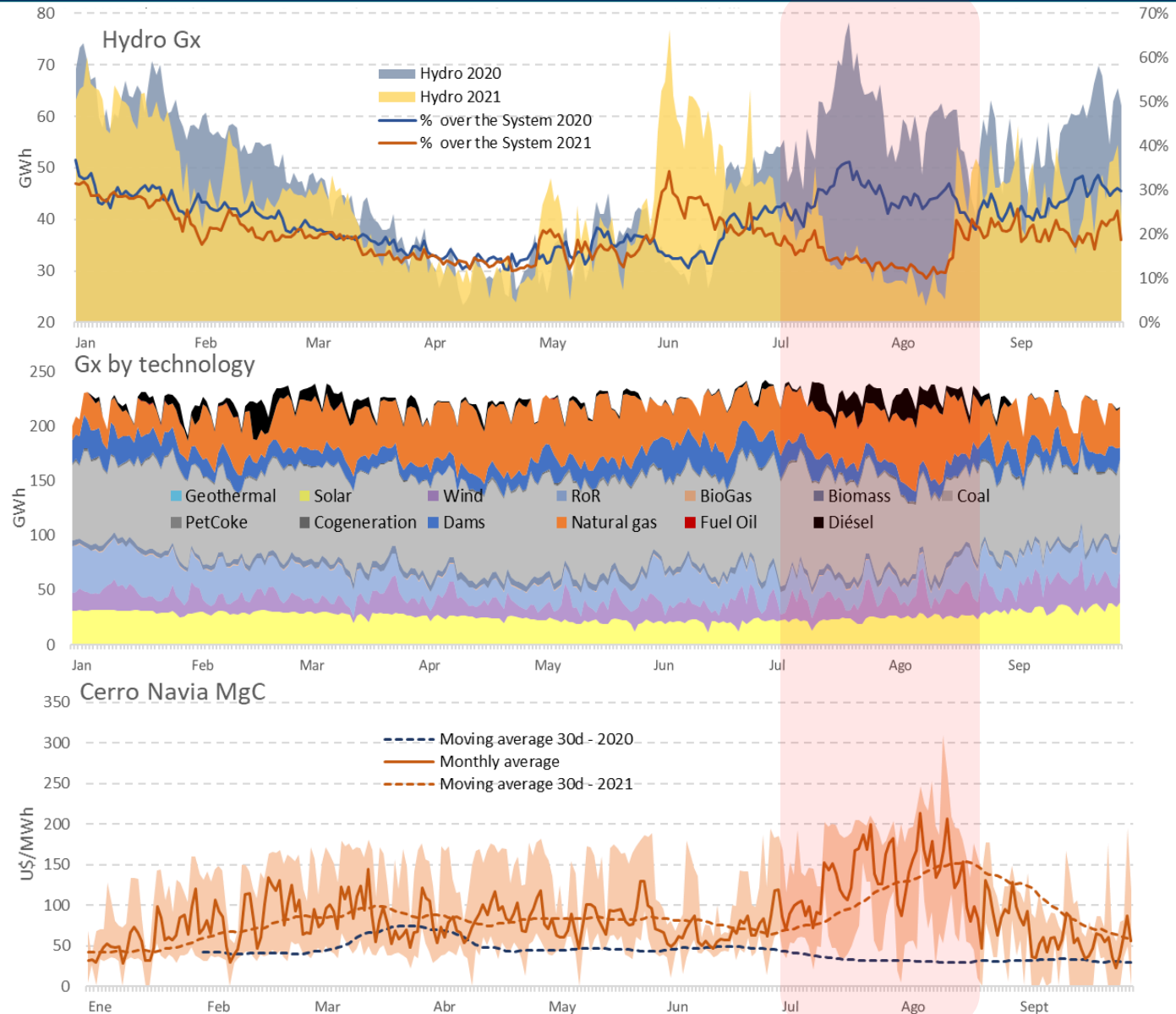
ENERGY PURCHASE BY SPV



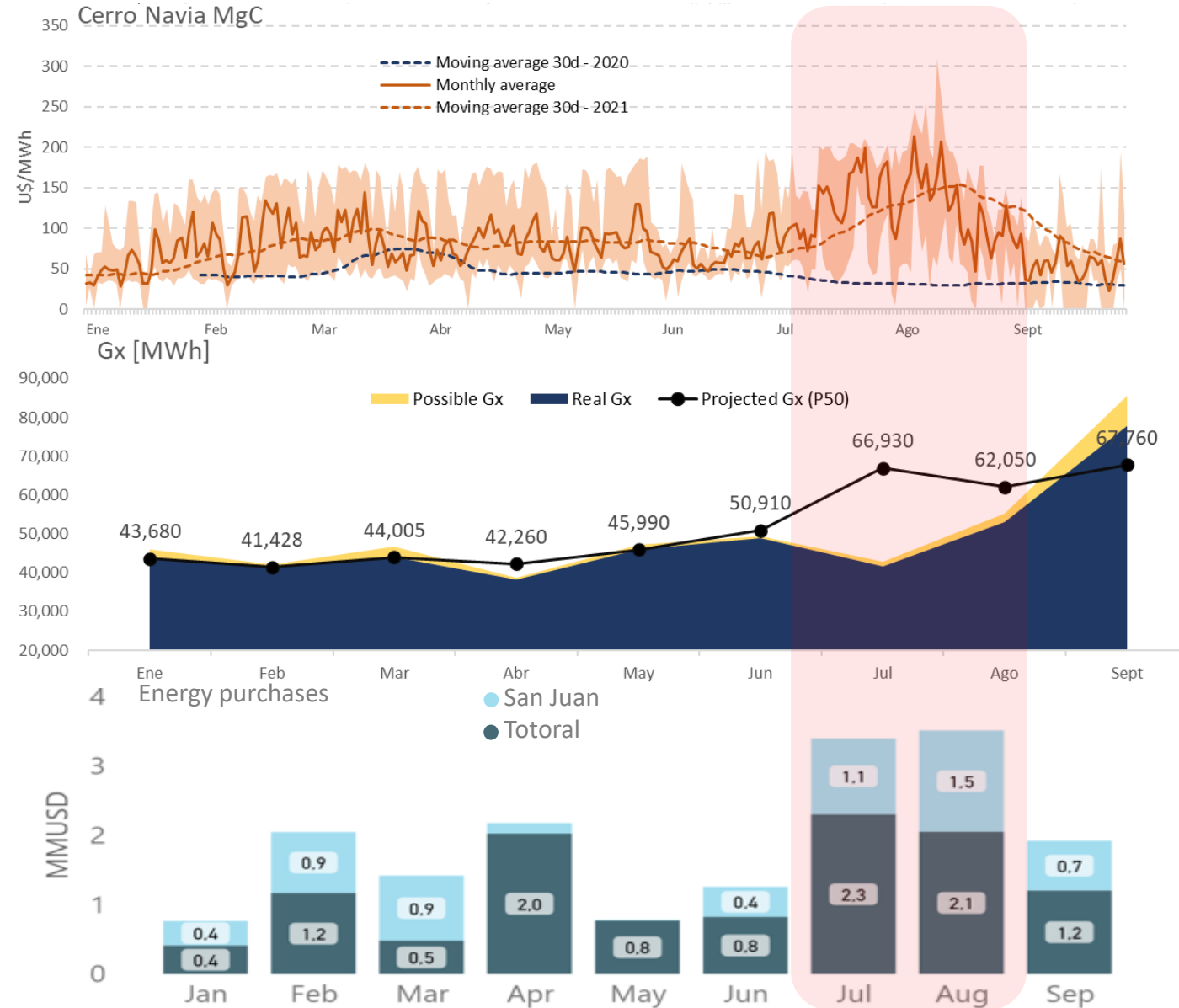
| | QUARTER | | | YTD | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| P&L SubTotal | Actual | Projec... | Desv Q | Actual YTD | Projected... | Desv YTD |
| Comercial Margin | 0.49 | 3.69 | -3.20 | 2.49 | 6.65 | -4.15 |
| Net Spot Energy Revenues | -3.23 | 0.16 | -3.38 | -3.98 | 0.09 | -4.07 |
| PPA Energy Revenues | 3.65 | 3.67 | -0.02 | 6.64 | 6.93 | -0.29 |
| Net Capacity Revenue | 0.43 | 0.13 | 0.30 | 0.84 | 0.49 | 0.35 |
| Net Tollways revenues | -0.33 | -0.27 | -0.05 | -0.90 | -0.81 | -0.09 |
| Other Income/Cost | -0.05 | 0.00 | -0.05 | -0.11 | -0.06 | -0.06 |
| OpEx | -0.54 | -0.50 | -0.04 | -1.72 | -1.55 | -0.17 |
| EBITDA (MM) | -0.05 | 3.19 | -3.24 | 0.77 | 5.10 | -4.32 |

| YTD KPI | EBITDA [MM] | Comm. Margin [MM] | OpEx [MM] | Generation [GWh] | MgC Inj [\$/MWh] | MgC W/D [\$/MWh] | Oversupply | Performance | Availability | Capacity Factor | Corrected Cap. Factor |
|---------|------------------------------------|------------------------------------|-------------------------------------|------------------------------------|---------------------------------------|--------------------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 0.77 | 2.49 | -1.72 | 49.70 | 68.08 | 85.0 | 30.1 % | 95.11 % | 97.15 % | 16.49 % | 18.16 % |
| | Projected: 5.10 (-4.32 -84.83%) | Projected: 6.65 (-4.15 -62.52%) | Projected: -1.55 (-0.17 -10.96%) | Projected: 54.95 (-5.25 -9.55%) | Projected: 32.15 (+35.93 +111.77%) | Projected: 32.2 (+52.80 +164.08%) | Projected: 33.8 % (-3.68 %) | Projected: 97.00 % (-1.89 %) | Projected: 97.00 % (+0.15 %) | Projected: 20.50 % (-4.01 %) | Projected: 20.66 % (-2.51 %) |

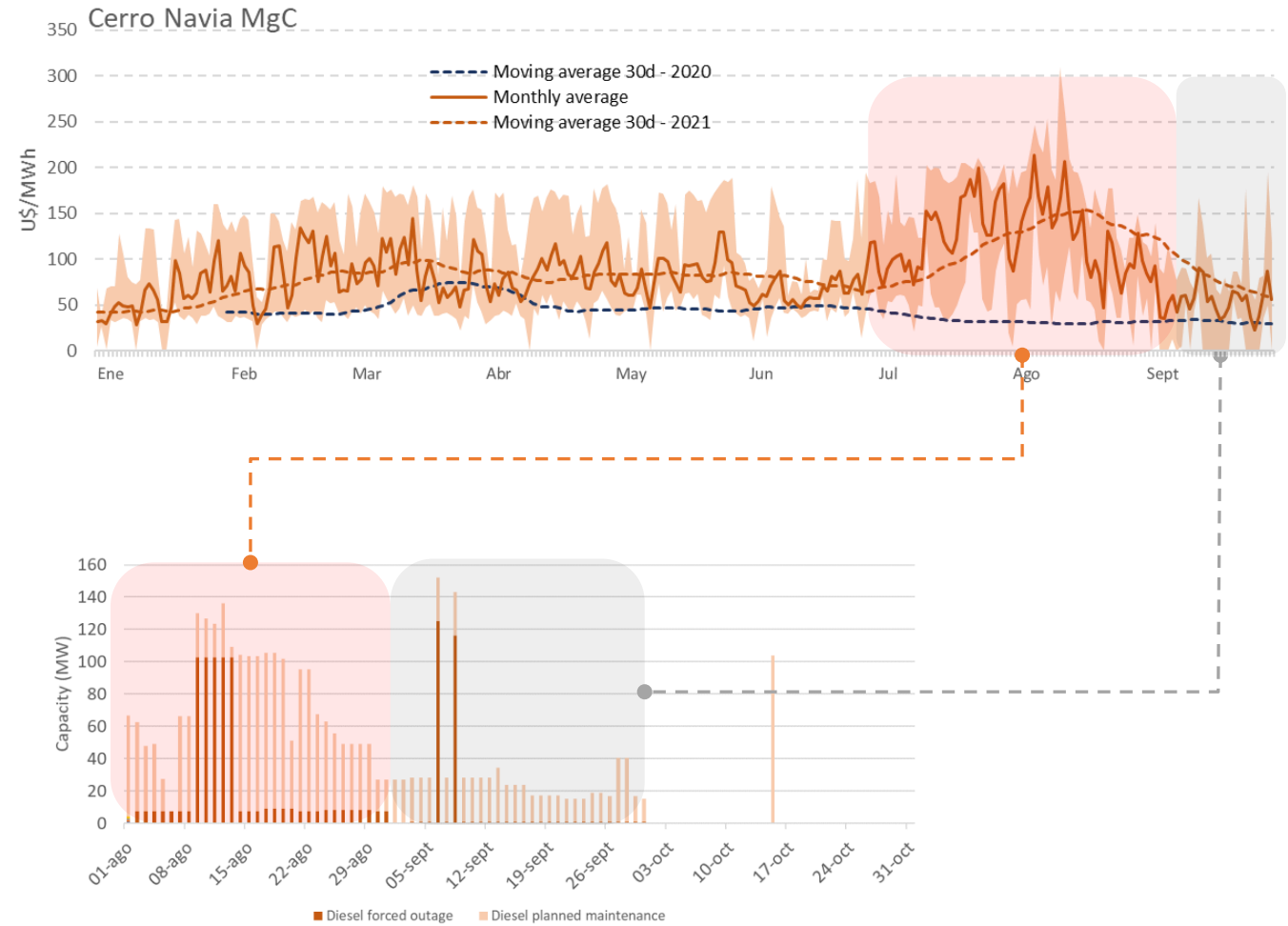
- In Chile, 2021 hydrological year has been an extremely dry year, especially during the months of June to August, where the water resource was only 10% of the total generation of the system. In fact, the hydrology for the month of August was P97, which improved at the end of August as a result of the rains that allowed the operation of run-of-river power plants, the hydrological improvement of the basins and dams, and also an improvement in the snowpack.
- The extreme hydrological conditions required the inclusion of more thermal generation to the system, which unfortunately occurred in a context of accelerated decarbonization of the energy matrix, an insufficient GNL supply schedule for the hydrological reality (even though it was planned for a dry condition (P75) it wasn't expected to be as dry as it was) and additionally scheduled and unscheduled maintenance of coal and diesel power plants, forcing the system to rely on high marginal cost diesel power plants, soaring the marginal cost of the system during those periods of time.
- The aforementioned factors together brought instability to the system resulting in extreme price volatility in the spot energy market, reaching maximum prices of 300US\$/MWh (which implied that the system was operating with the last backup units) and average energy prices that exceeded 150US\$/MWh in the months of July and August.



- Marginal costs on dry hydrology periods are usually in the 40-50U\$/MWh range, which can be seen in the graph, which shows the average prices of the system for the year 2020, which was a year with P90 hydrology, being an acceptable scenario within the business risks. But the situation was more complex as the prices from June to August were much higher, and even higher than the value of the Power Purchase Agreements (PPA's), which in the case of DisCos PPAs are above 110U\$/MWh and in the case of the free customers 55U\$/MWh.
- This instability was accompanied by a low level of wind generation from our wind farms during the months of July and August, which implied an important level of energy purchase at high prices in the spot market, in order to comply with the energy committed in our PPA contracts (see annexes).
- Even though the generation during September was above projections, the economic energy balance didn't follow that pattern as ILAP generation had a negative correlation with high marginal cost hours. The lack of hydro resources, unavailability of coal, GNL and low marginal cost diesel power plants (schedule maintenance and forced outage), forced the system to rely on wind and solar sources not to use high marginal cost diesel power plants (back up power plants), therefore during hours of low wind resources the system was operating with high marginal cost diesel back up power plants thus forcing the company to buy energy at high prices to supply the PPAs demand.



- The improvements in the hydrological conditions during September and August, together with measures taken by the Ministry of Energy and the coordinated companies regarding better coordination in the maintenance of hydro and thermo plants, plus a better programming of GNL purchases, have allowed stability to the system and maintaining the marginal energy costs at values expected for low hydrological conditions. Currently, the hydrology is at P90 and average system prices have dropped from an average of US\$150/MWh in August to an average of US\$53.4/MWh in November.
- Additionally, generation from the San Juan and Totoral wind farms improved significantly during September (~P10 at San Juan and ~P10 at Totoral), allowing a decrease in energy purchases by both societies. This trend of improvements in wind power generation has continued during the months of October and November.





Inversiones Latin America Power Ltda | ILAPCL

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