

Inversiones Latin America Power Ltda | ILAPCL

1Q2022 Operational Report

San Juan & Totoral Wind Farms

April, 2022

Figures are unaudited and may be subject to change during the auditors' review.

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
6.7 Projected: 7.9 (-1.3 -16.16%)	9.0 Projected: 10.2 (-1.1 -11.25%)	-2.4 Projected: -2.2 (-0.1 -6.31%)	149.8 Projected: 133.2 (+16.6 +12.5%)	71.7 Projected: 79.2 (-7.5 -9.46%)	96.3 Projected: 81.9 (+14.42 +17.62%)	33.9 % Projected: 33.8 % (+0.09 %)	86.2 % Projected: 97.0 % (-10.79 %)	96.6 % Projected: 97.0 % (-0.35 %)	29.0 % Projected: 25.8 % (+3.2 %)	33.2 % Projected: 25.8 % (+7.46 %)

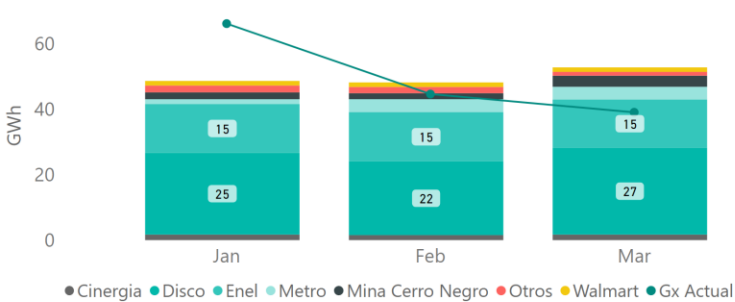
	QUARTER			YTD		
P&L SubTotal	Actual	Projected	Desv Q	Actual YTD	Projected ...	Desv YTD
Comercial Margin	9.0	10.16	-1.14	9.0	10.2	-1.14
Net Spot Energy Revenues	-3.9	-2.59	-1.33	-3.9	-2.6	-1.33
PPA Energy Revenues	14.4	13.37	1.05	14.4	13.4	1.05
Net Capacity Revenue	0.6	0.91	-0.31	0.6	0.9	-0.31
Net Tollways revenues	-1.6	-0.93	-0.65	-1.6	-0.9	-0.65
Land Lease	-0.4	-0.59	0.22	-0.4	-0.6	0.22
Other Income/Cost	-0.1	0.00	-0.13	-0.1	0.0	-0.13
OpEx	-2.4	-2.22	-0.14	-2.4	-2.2	-0.14
Maintenance	-1.1	-1.30	0.16	-1.1	-1.3	0.16
Software and equipment acquisition	-0.1	-0.03	-0.05	-0.1	0.0	-0.05
Consultancies	-0.1	-0.04	-0.02	-0.1	0.0	-0.02
Social contributions	-0.1	-0.03	-0.02	-0.1	0.0	-0.02
Environmental	-0.1	-0.04	-0.01	-0.1	0.0	-0.01
Communications	0.0	-0.03	0.00	0.0	0.0	0.00
General expenses	-0.1	-0.04	-0.01	-0.1	0.0	-0.01
Municipal permits	0.0	-0.01	0.01	0.0	0.0	0.01
Regulatory	0.0	-0.03	0.01	0.0	0.0	0.01
Health seafety and security	-0.1	-0.06	-0.02	-0.1	-0.1	-0.02
Land permits		-0.01	0.01		0.0	0.01
Insurance	-0.3	-0.25	-0.04	-0.3	-0.3	-0.04
General and Administrative	-0.5	-0.35	-0.16	-0.5	-0.3	-0.16
EBITDA (MM)	6.7	7.94	-1.28	6.7	7.9	-1.28

- Q1 of 2022 is presented as a change in the generation trend seen in 2021, in fact in Q1 generation was at P25 for San Juan and P0 for Totoral. Consolidated generation reached 149.8GWh, 12.5% higher than initial projections
- Despite the high generation, it is important to take into consideration that we are still in the same hydrological year (Mar-Apr) which has been one of the driest years in Chile history (P97), this has meant that the volatility remains in the spot market. Even though marginal costs are lower compared to July and August of 2021, volatility remains in the spot market. Dry hydrology forces the system to operate with energy flows from the north zone towards the south zone, mostly removable plants in the north, generating energy surpluses in the north zone and shortfalls in the central and south zone, thus generating decoupling in injection and withdrawals prices. Decoupling during 1Q 2022 averaged US\$24.6/GWh, not allowing ILAP to capture the full margin of the PPA contracts, thus affecting the spot balance.
- On the other hand, by means of the regulators, the sale and purchase contracts between generators were separated into two types: Physical and Financial, where in financials the purchase of energy is not associated with an actual physical measurement recorded by metering equipment. This means that for contracts that SJU and NOR have with generation companies (Pacific Hydro and Enel) are out of valued balances published by the Coordinator. The implication on results is an increase in PPA Energy Revenues together with an increase in Spot Energy Purchases in the same amount, thus not affecting ILAP commercial margin
- The company's EBITDA during Q1 amounted to \$6.7M, being \$1.28M lower than projected, this difference is explained mainly by a lower commercial margin due to a high volatility in spot prices and high decoupling, as explained above. In terms of OpEx, the results were in line with the projections, reaching a difference of \$0.1M during the period

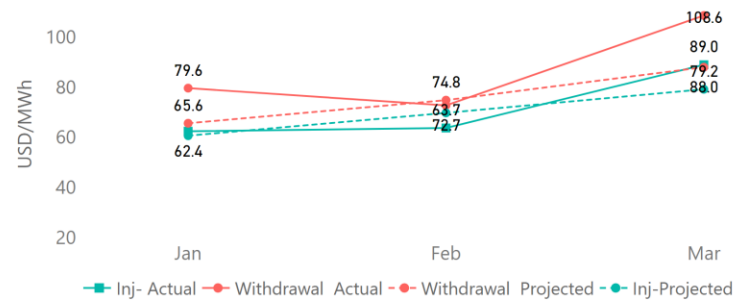
Quarter KPI

EBITDA [MM]	Comm. Margin [MM]	OpEx [MM]	Generation [GWh]	MgC Inj [\$ /MWh]	MgC W/D [\$ /MWh]	Oversupply	Performance	Availability	Capacity Factor	Corrected Cap. Factor
6.7	9.0	-2.4	149.8	71.7	96.3	33.9 %	86.2 %	96.6 %	29.0 %	33.2 %
Projected: 7.9 (-1.3 -16.16%)	Projected: 10.2 (-1.1 -11.25%)	Projected: -2.2 (-0.1 -6.31%)	Projected: 133.2 (+16.61 +12.47%)	Projected: 69.9 (+1.8 +2.63%)	Projected: 81.9 (+14.42 +17.62%)	Projected: 33.8 % (+0.11 %)	Projected: 97.0 % (-10.79 %)	Projected: 97.0 % (-0.35 %)	Projected: 25.8 % (+3.2 %)	Projected: 25.8 % (+7.46 %)

GENERATION VS PPA CONSUMPTION



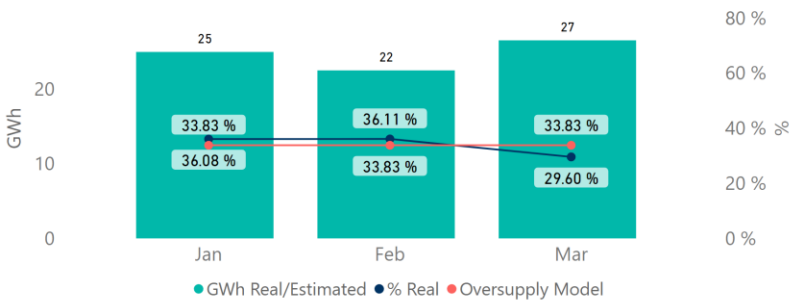
MARGINAL COST (SPOT PRICES)



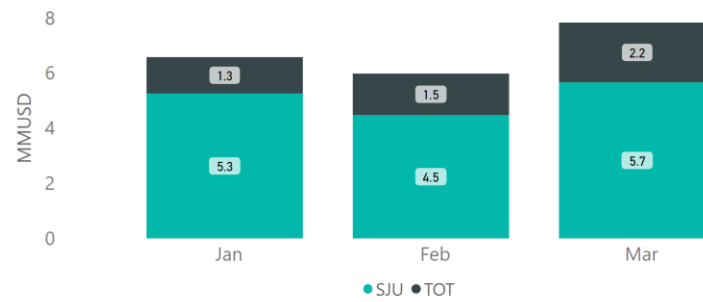
PPA DETAIL CONSUMPTION

PPA	Precio PPA	CMg Retiro	GWh Real	GWh Budget
Disco	97.96	106.17	73.95	72.95
Enel	49.93	82.94	44.70	44.74
Metro	108.16	95.93	9.35	14.37
Mina Cerro Negro	42.13	90.17	7.32	9.53
Otros	49.93	84.23	5.16	8.28
Cinergia	42.67	77.88	4.93	4.93
Walmart	57.20	77.46	4.15	4.46

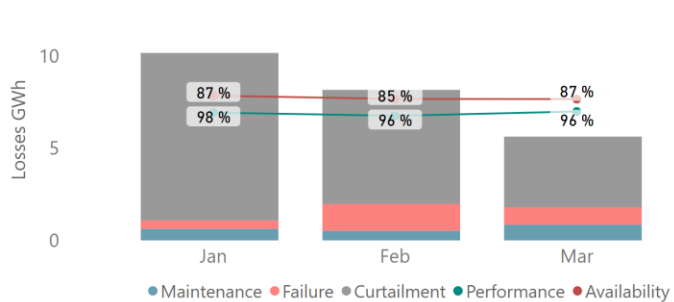
DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



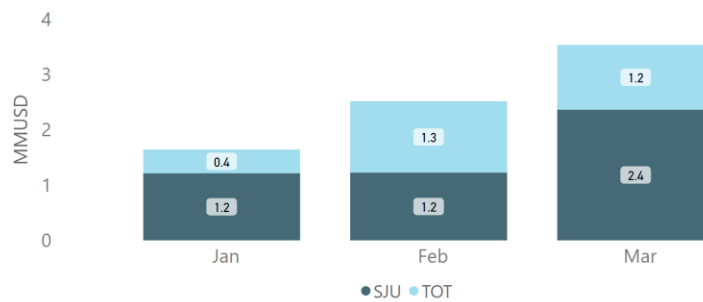
REVENUES BY SPV



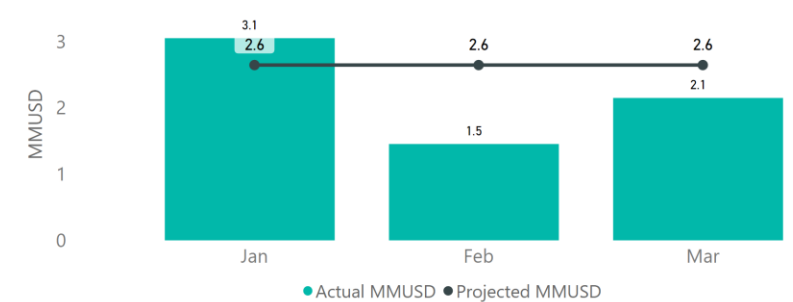
LOSSES (GWH) / AVAILABILITY(%) / PERFORMANCE(%)



ENERGY PURCHASE BY SPV



EBITDA



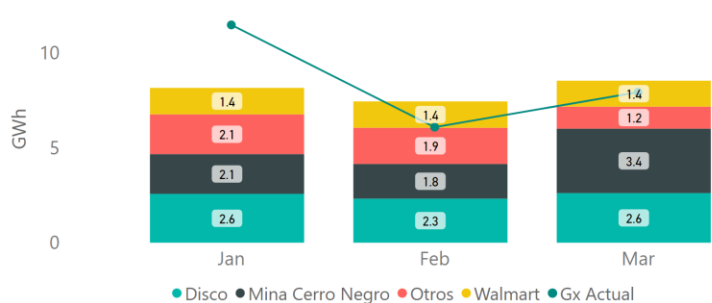
Quarter KPI	EBITDA [MM] 6.0 Projected: 9.3 (-3.3 -35.35%)	Comm. Margin [MM] 7.8 Projected: 10.9 (-3.1 -28.21%)	OpEx [MM] -1.8 Projected: -1.6 (-0.2 -12.01%)	Generation [GWh] 124.3 Projected: 113.7 (+10.61 +9.33%)	MgC Inj [\$ /MWh] 76.2 Projected: 66.8 (+9.4 +14.11%)	MgC W/D [\$ /MWh] 97.7 Projected: 82.9 (+14.84 +17.9%)	Oversupply 33.5 % Projected: 33.8 % (-0.26 %)	Performance 85.6 % Projected: 97.0 % (-11.38 %)	Availability 96.8 % Projected: 97.0 % (-0.23 %)	Capacity Factor 29.8 % Projected: 27.3 % (+2.5 %)	Corrected Cap. Factor 34.4 % Projected: 27.3 % (+7.11 %)
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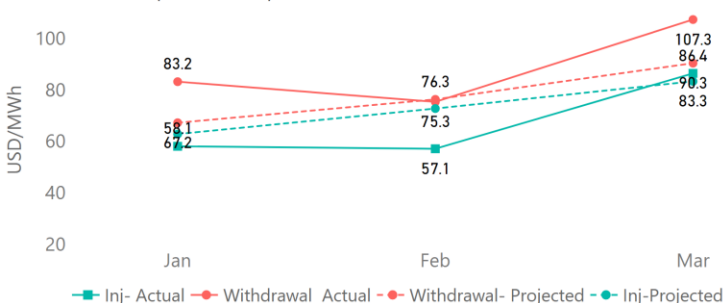
YTD KPI	EBITDA [MM] 6.0 Projected: 9.3 (-3.3 -35.35%)	Comm. Margin [MM] 7.8 Projected: 10.9 (-3.1 -28.21%)	OpEx [MM] -1.8 Projected: -1.6 (-0.2 -12.01%)	Generation [GWh] 124.3 Projected: (Blank) (+124.31 +Infinity%)	MgC Inj [\$ /MWh] 76.2 Projected: 75.1 (+1.1 +1.47%)	MgC W/D [\$ /MWh] 97.7 Projected: 82.9 (+14.84 +17.9%)	Oversupply 33.5 % Projected: 33.8 % (-0.28 %)	Performance 85.6 % Projected: 97.0 % (-11.38 %)	Availability 96.8 % Projected: 97.0 % (-0.23 %)	Capacity Factor 29.8 % Projected: 27.3 % (+2.5 %)	Corrected Cap. Factor 34.4 % Projected: 27.3 % (+7.11 %)
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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
	0.7	1.2	-0.5	25.5	67.2	89.0	37.0 %	89.2 %	96.3 %	25.7 %	28.5 %
	Projected: -1.2 (+1.9 +154.77%)	Projected: -0.8 (+1.9 +255.49%)	Projected: -0.5 (-0.0 -10.84%)	Projected: 19.5 (+6.00 +30.77%)	Projected: 72.9 (-5.7 -7.88%)	Projected: 77.1 (+11.83 +15.33%)	Projected: 33.8 % (+3.19 %)	Projected: 97.0 % (-7.84 %)	Projected: 97.0 % (-0.66 %)	Projected: 19.6 % (+6.1 %)	Projected: 19.6 % (+8.95 %)

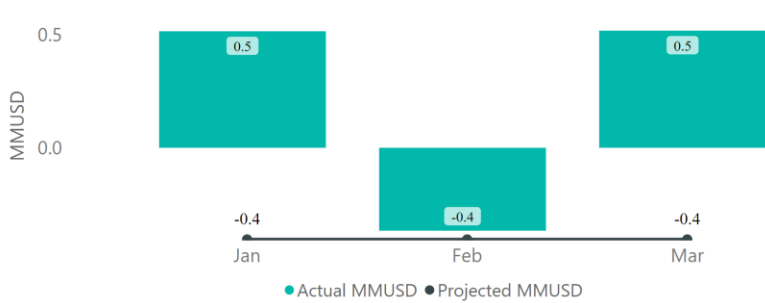
GENERATION VS PPA CONSUMPTION



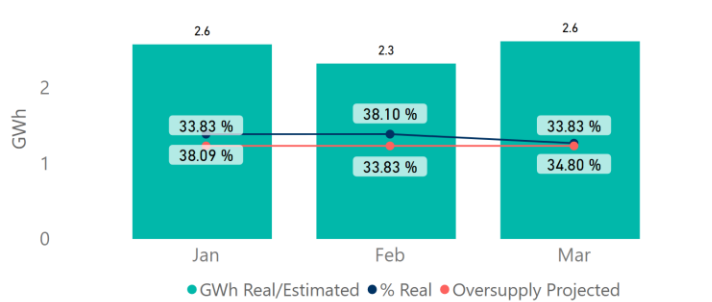
MARGINAL COST (SPOT PRICES)



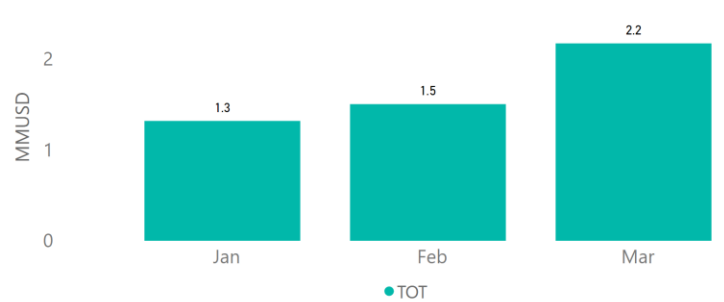
EBITDA



DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



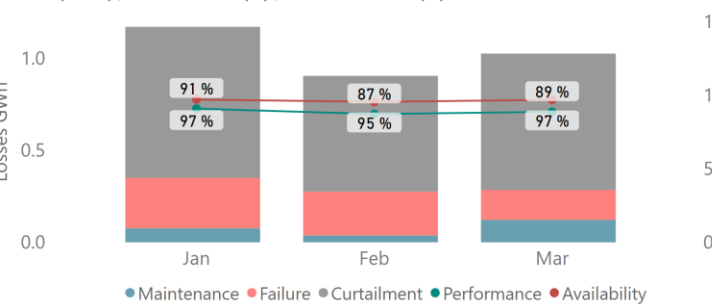
REVENUES



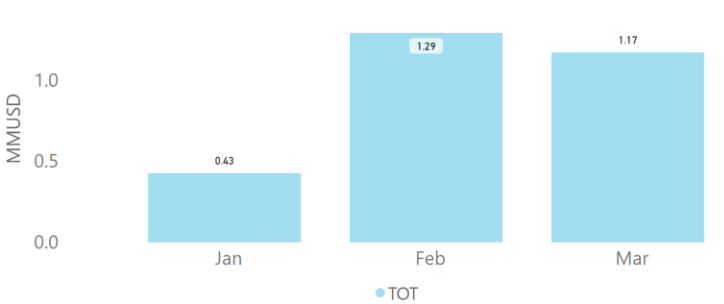
PPA DETAIL CONSUMPTION

PPA	Precio PPA	CMg Retiro	GW/h Real	GW/h Projected
Disco	102.88	102.59	7.51	7.77
Mina Cerro Negro	42.13	90.17	7.32	9.53
Otros	49.93	84.23	5.16	8.28
Walmart	57.20	77.46	4.15	4.46

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



ENERGY PURCHASE

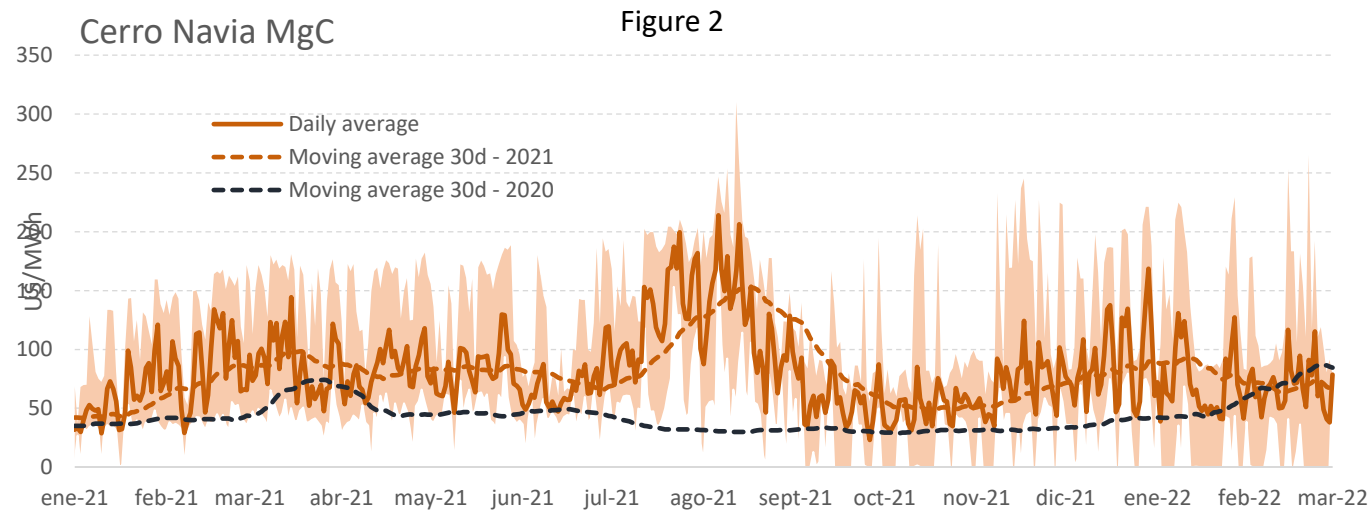
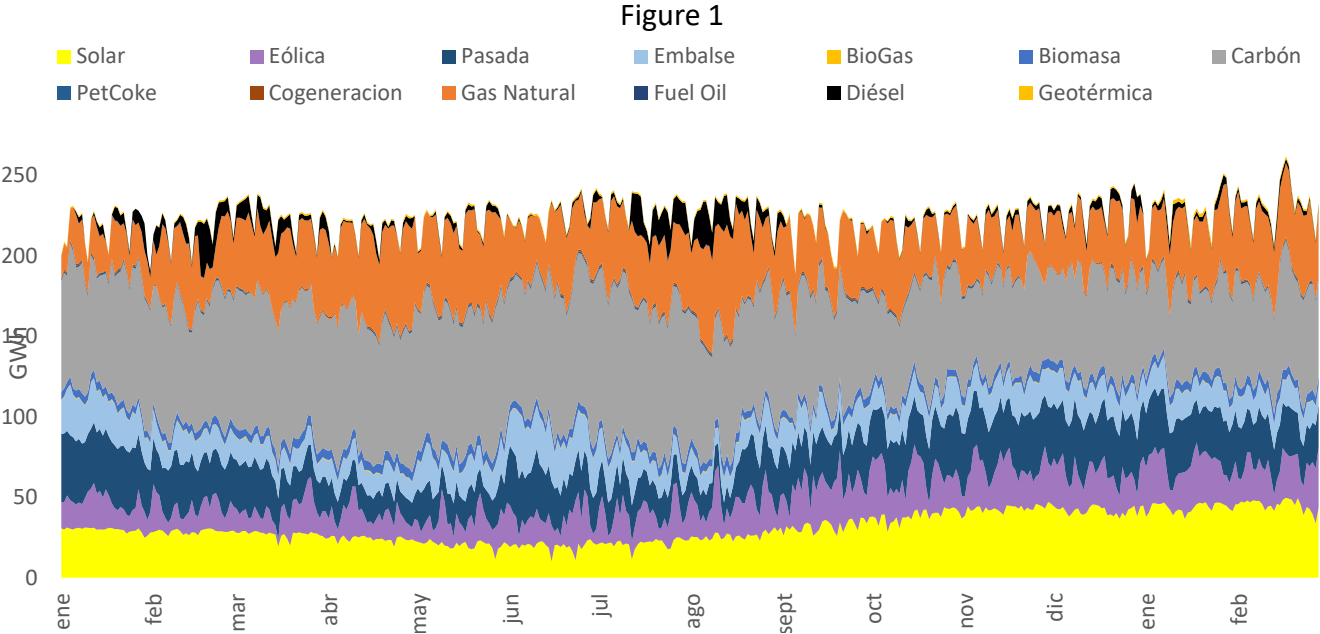


P&L SubTotal

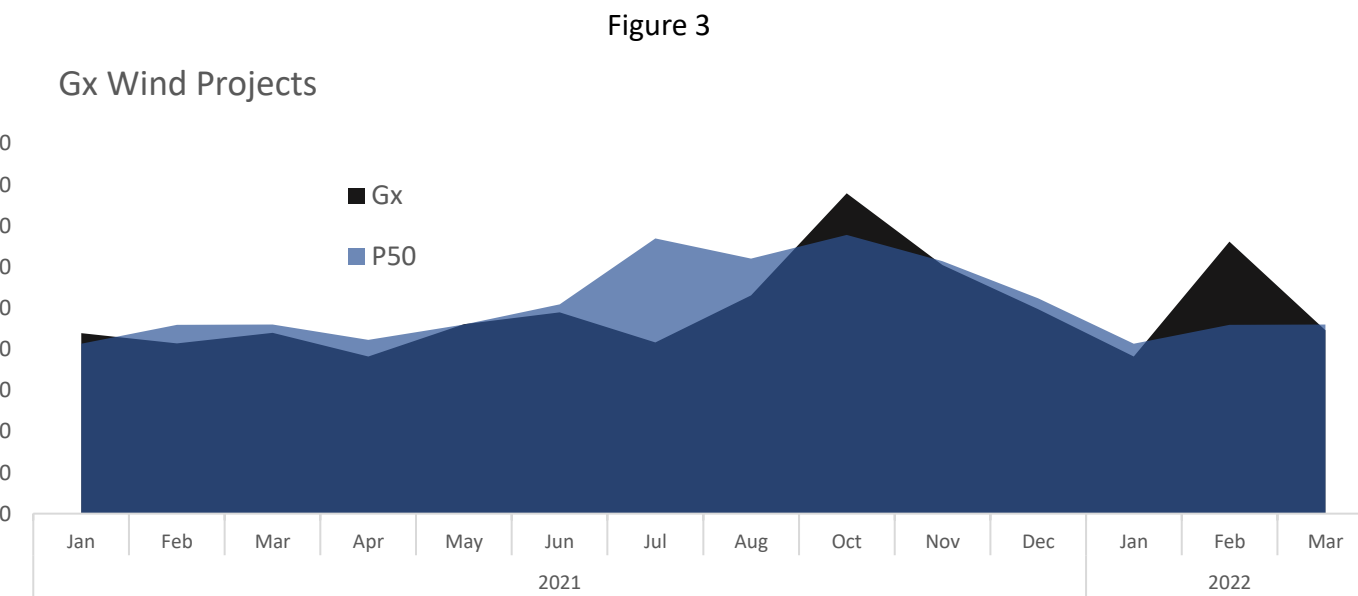
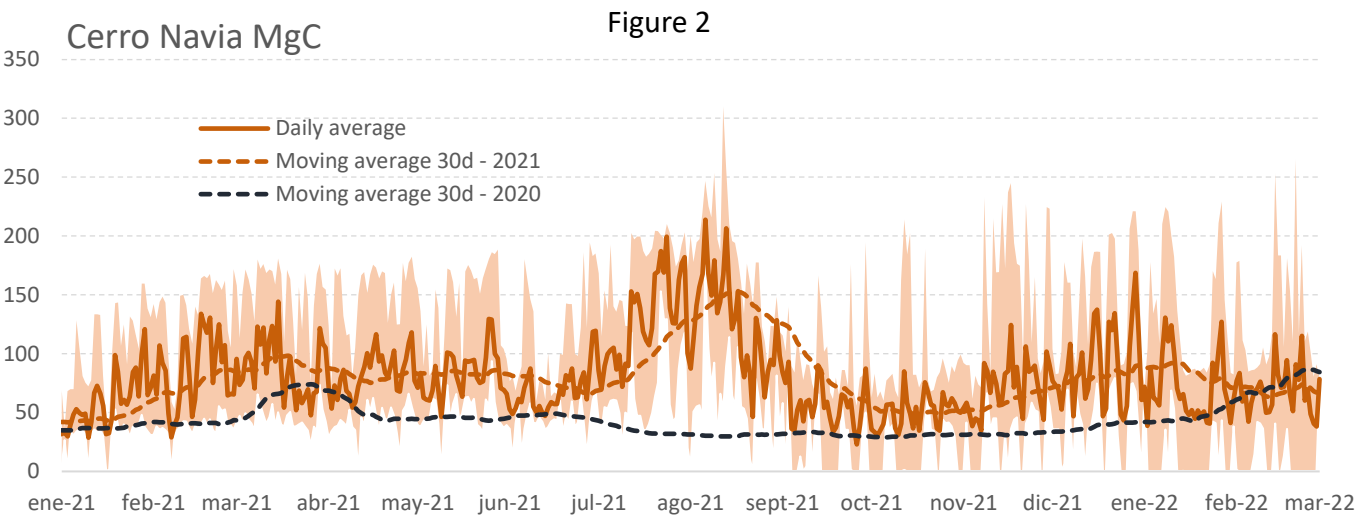
	QUARTER			YTD		
	Actual	Projected	Desv Q	Actual YTD	Projected...	Desv YTD
Commercial Margin	1.2	-0.76	1.94	1.2	-0.8	1.94
Net Spot Energy Revenues	-0.4	-2.58	2.21	-0.4	-2.6	2.21
PPA Energy Revenues	1.9	1.97	-0.07	1.9	2.0	-0.07
Net Capacity Revenue	0.0	0.13	-0.12	0.0	0.1	-0.12
Net Tollways revenues	-0.3	-0.29	-0.05	-0.3	-0.3	-0.05
Other Income/Cost	0.0	0.00	-0.03	0.0	0.0	-0.03
OpEx	-0.5	-0.46	-0.05	-0.5	-0.5	-0.05
EBITDA (MM)	0.7	-1.22	1.89	0.7	-1.2	1.89

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
	0.7	1.2	-0.5	25.5	67.2	89.0	37.0 %	89.2 %	96.3 %	25.7 %	28.5 %
	Projected: -1.2 (+1.9 +154.77%)	Projected: -0.8 (+1.9 +255.49%)	Projected: -0.5 (-0.0 -10.84%)	Projected: (Blank) (+25.50 +Infinity%)	Projected: 83.3 (-16.1 -19.32%)	Projected: 77.1 (+11.83 +15.33%)	Projected: 33.8 % (+3.17 %)	Projected: 97.0 % (-7.84 %)	Projected: 97.0 % (-0.66 %)	Projected: 19.6 % (+6.1 %)	Projected: 19.6 % (+8.95 %)

- Spot prices during the 1Q continue the trend registered after August 2021, i.e. they were between 50 US\$/MWh and 100 US\$/MWh in monthly term. Prices have not increased since August 2021 due to a higher generation level from solar and wind power plants, as well as a higher availability of thermal generators, either coal or gas fired. Additionally, hydro generation had a slightly increase during the 4Q 2021 because of snowmelt condition, but it did not have the same production of 4Q 2020. Figure 1 depicts the increase in renewable, and thermal dispatch during the last months
- The previous figure also depicts that the 1Q demand is higher than 2021 levels, as well as the hydro generation had a downward trend, because of the low levels of rainfall occurred during April 2021 – March 2022 period. Despite of these factors, coal and gas fired power plants could increase their generation levels and thus, to avoid partially the diesel dispatch, in which case the spot price had been above 200 US\$/MWh, as occurred in August 2021



- ILAP’s spot balance relies on the spot prices and the generation levels of its power plants. For instance, if ILAP’s power plants register low generation levels it must purchase the energy shortages in the spot market, producing high purchases levels when the spot prices present high values. Such situation occurred during July August 2021, as can be seen in figure 2 and 3
- The last figure also shows ILAP’s wind farm registered generation levels above P50 levels, therefore, they could comply their commitments in the spot market and even sell surpluses. Accordingly, ILAP had a good performance in the spot market during the 1Q considering their power plants had generation above P50 and the spot prices were between 50 and 100 US\$/MWh.
- On the other hand, Chilean government modified in March 2022 the rationing decree (issued in August 2021) in order to set additional measures to mitigate the risks of hydro generation shortfall during winter months. Among such measures, it was defined the creation of a hydric reserve into the dams for the next three months in order to store enough water to be used in winter months. The hydric reserve along with the renewable power plants put into operation in the last months will allow to get a generation dispatch in winter months made up by efficient power plants, reducing meaningly the diesel dispatch. As a result, it is expected that 2022 will have a lower marginal cost and volatility than the ones registered in 2021





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