

Inversiones Latin America Power Ltda | ILAPCL

1Q2023 Operational Report

San Juan & Totoral Wind Farms

April, 2023

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

Financial & Operational Results ILAP Q1 2023

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
	0.8	3.4	-2.6	93.3	101.3	117.5	29.0 %	82.7 %	95.3 %	18.1 %	21.2 %
	Projected: 9,9 (-9,1 -91.96 %)	Projected: 12,2 (-8,8 -71.8 %)	Projected: -2,3 (-0,4 -16.58 %)	Projected: 133,2 (-39,9 -29.9 %)	Projected: 36,5 (+64,8 +177.57 %)	Projected: 43,7 (+73,84 +169.16 %)	Projected: 38,8 % (-9,87 %)	Projected: 97,0 % (-14,30 %)	Projected: 97,0 % (-1,68 %)	Projected: 25,5 % (-7,4 %)	Projected: 25,5 % (-4,32 %)

QUARTER	YTD
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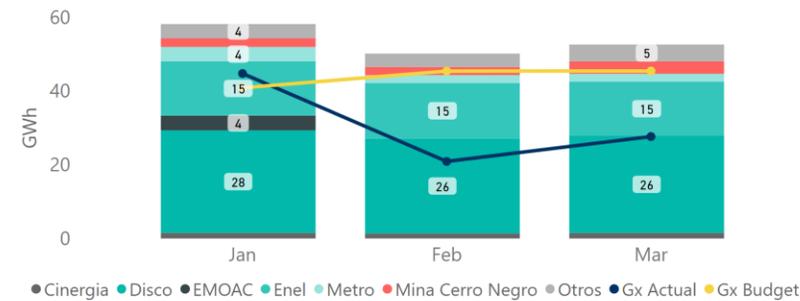
P&L SubTotal	Actual	Projected	Desv Q	Actual YTD	Projected YTD	Desv YTD
Comercial Margin	3,4	12,21	-8,77	3,4	12,2	-8,77
Net Spot Energy Revenues	-6,9	-1,37	-5,57	-6,9	-1,4	-5,57
PPA Energy Revenues	12,0	14,09	-2,06	12,0	14,1	-2,06
Net Capacity Revenue	0,7	0,93	-0,22	0,7	0,9	-0,22
Net Tollways revenues	-1,3	-0,84	-0,49	-1,3	-0,8	-0,49
Land Lease	-0,6	-0,59	0,02	-0,6	-0,6	0,02
Other Income/Cost	-0,5	0,00	-0,46	-0,5	0,0	-0,46
OpEx	-2,6	-2,27	-0,38	-2,6	-2,3	-0,38
Maintenance	-1,6	-1,32	-0,28	-1,6	-1,3	-0,28
Software and equipment acquisition	-0,1	-0,03	-0,06	-0,1	0,0	-0,06
Consultancies	0,0	-0,04	0,04	0,0	0,0	0,04
Social contributions	0,0	-0,03	0,03	0,0	0,0	0,03
Environmental	0,0	-0,04	0,02	0,0	0,0	0,02
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	-0,1	-0,03	-0,06	-0,1	0,0	-0,06
Health safety and security	-0,1	-0,06	-0,03	-0,1	-0,1	-0,03
Land permits		-0,01	0,01		0,0	0,01
Insurance	-0,3	-0,26	-0,01	-0,3	-0,3	-0,01
General and Administrative	-0,4	-0,36	-0,02	-0,4	-0,4	-0,02
EBITDA (MM)	0,8	9,95	-9,15	0,8	9,9	-9,15

- 20231Q continued with generation below projections as this period's generation was below P99 for San Juan and Totoral. Consolidated generation reached 93.3GWh, 29.9% lower than initial projections.
- Hidrology was below P98 as commodity prices remained high. Dry hydrology forced the system to operate with energy flows from the north zone towards the south zone, generating energy surpluses in the north zone and shortfalls in the central and south zone, therefore generating decoupling in injection and withdrawals prices. Decoupling during 20231Q averaged US\$27.5/MWh, not allowing ILAP to capture the full margin of the PPA contracts, hence affecting the spot balance.
- The company's EBITDA during 2023Q1 amounted to \$0.8M, \$9.1M lower than projected. This difference, as stated above, is explained mainly by a lower commercial margin due to a high volatility in spot prices and high decoupling. In terms of OpEx, the results were in line with the projections, reaching a difference of \$-0.4M during the period.

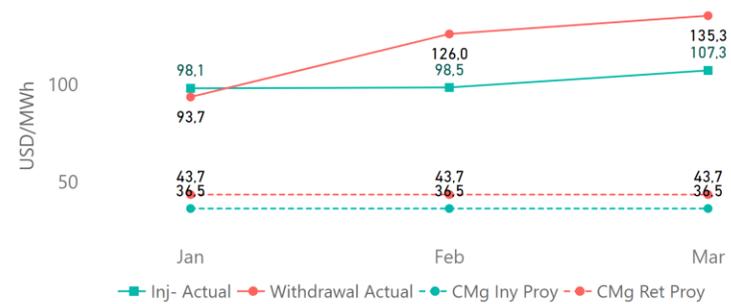
Financial & Operational Results ILAP Q1 2023

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
	0.8	3.4	-2.6	93.3	101.3	117.5	29.0 %	82.7 %	95.3 %	18.1 %	21.2 %
	Projected: 9,9 (-9,1 -91.96 %)	Projected: 12,2 (-8,8 -71.8 %)	Projected: -2,3 (-0,4 -16.58 %)	Projected: 133,2 (-39,86 -29.93 %)	Projected: 36,5 (+64,8 +177.57 %)	Projected: 43,7 (+73,84 +169.16 %)	Projected: 33,8 (-4,82 %)	Projected: 97,0 % (-14,30 %)	Projected: 97,0 % (-1,68 %)	Projected: 25,5 % (-7,4 %)	Projected: 25,5 % (-4,32 %)

GENERATION VS PPA CONSUMPTION



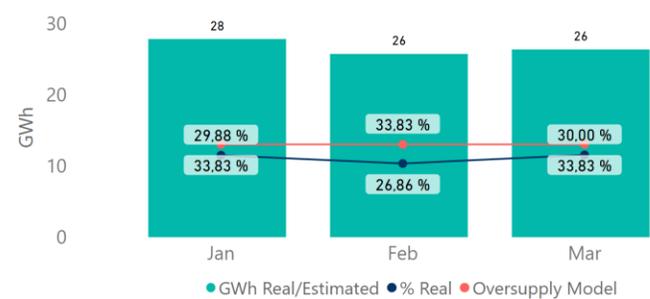
MARGINAL COST (SPOT PRICES)



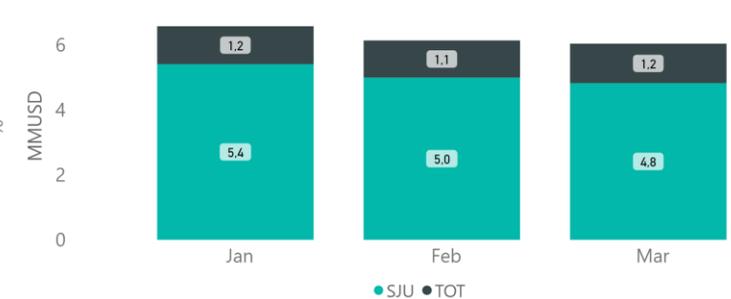
PPA DETAIL CONSUMPTION

PPA	Precio PPA	CMg Retiro	GWh Real	GWh Budget
Disco	92,33	124,32	79,94	68,83
Enel	50,20	103,26	44,50	44,74
Metro	116,80	171,30	8,17	14,36
EMOAC	100,00	89,90	4,00	12,00
Otros	52,15	112,65	12,05	11,64
Mina Cerro Negro	42,13	111,36	7,94	9,53
Cinergia	43,50	101,77	4,41	4,41

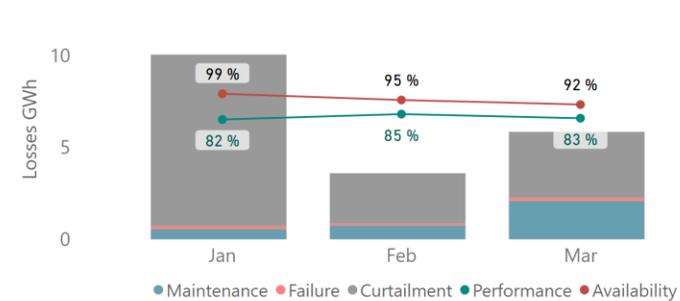
DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



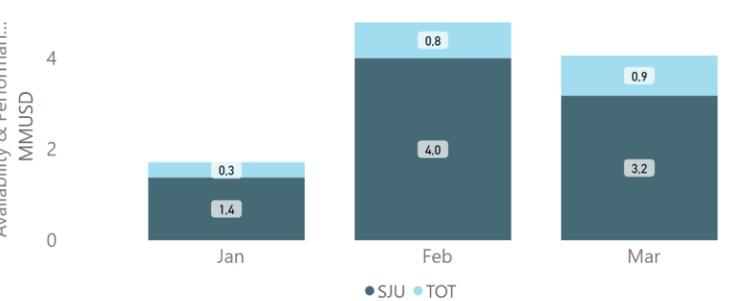
REVENUES BY SPV



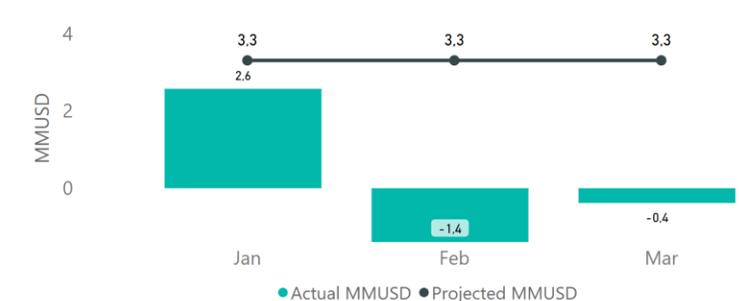
LOSSES (GWH) / AVAILABILITY(%) / PERFORMANCE(%)



ENERGY PURCHASE BY SPV

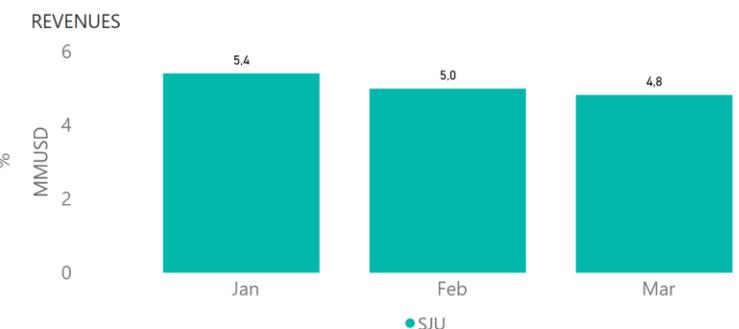
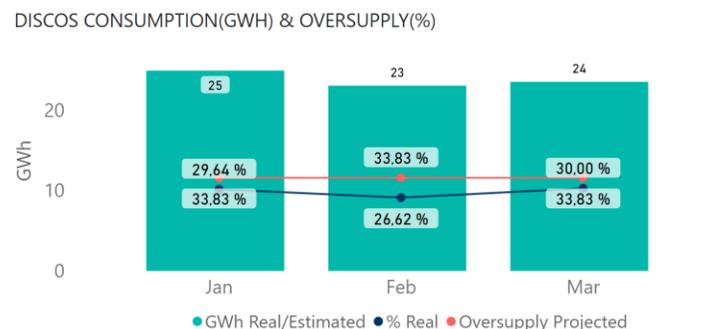
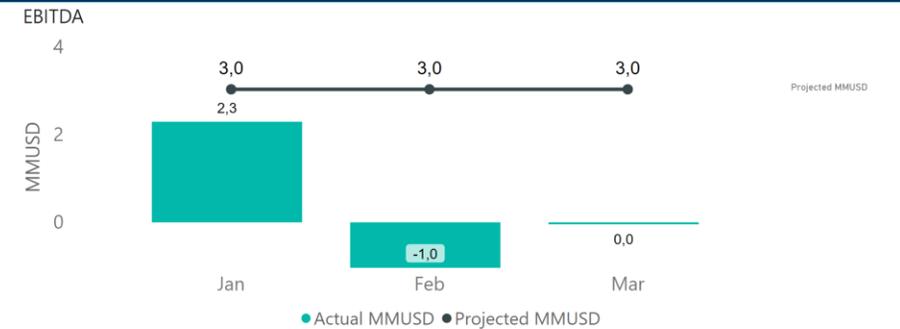
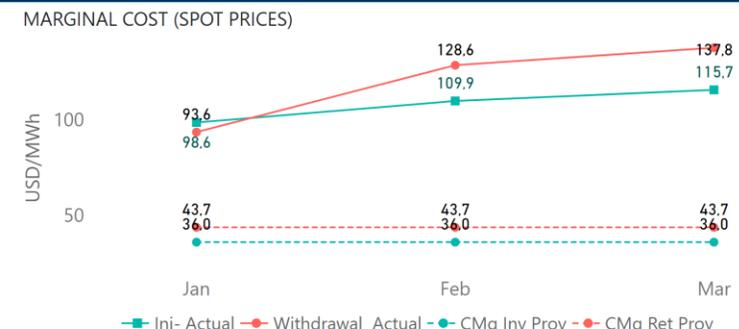
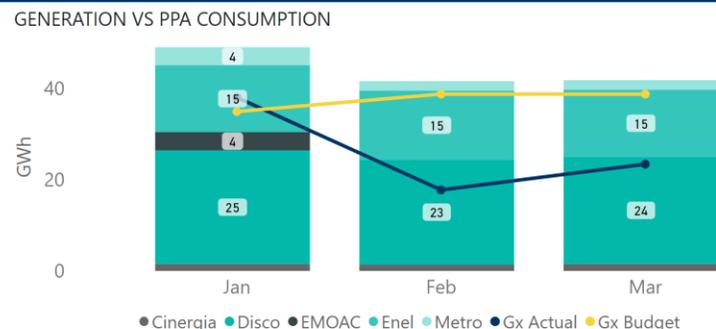


EBITDA



Financial & Operational Results San Juan Q1 2023

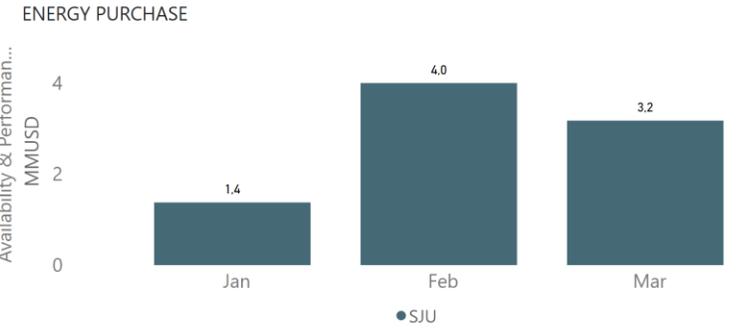
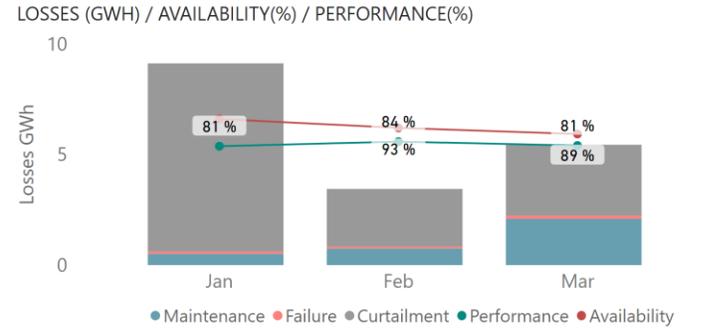
Quarter KPI	EBITDA [MM]	Comm. Margin [MM]	OpEx [MM]	Generation [GWh]	MgC Inj [\$/MWh]	MgC W/D [\$/MWh]	Oversupply	Performance	Availability	Capacity Factor	Corrected Cap. Factor
	1.2	3.2	-2.0	79.3	108.1	118.5	28.8 %	81.5 %	93.8 %	19.0 %	22.5 %
	Projected: 9,1 (-7,9 -86.66 %)	Projected: 10,8 (-7,5 -70.1 %)	Projected: -1,7 (-0,3 -19.47 %)	Projected: 113,7 (-34,39 -30.24 %)	Projected: 36,0 (+72,1 +200.2 %)	Projected: 43,7 (+74,80 +171.05 %)	Projected: 33,8 % (-4,99 %)	Projected: 97,0 % (-15,51 %)	Projected: 97,0 % (-3,24 %)	Projected: 27,0 % (-8,0 %)	Projected: 27,0 % (-4,47 %)



PPA DETAIL CONSUMPTION

PPA	Precio PPA	CMg Retiro	GWh Real	GWh Projected	
Disco		87,73	130,14	71,59	61,53
Enel		50,20	103,26	44,50	44,74
Metro		116,80	171,30	8,17	14,36
Cinergia		43,50	101,77	4,41	4,41
EMOAC		100,00	89,90	4,00	12,00

	QUARTER			YTD		
	Actual	Projected	Desv Q	Actual YTD	Projected...	Desv YTD
P&L SubTotal						
Comercial Margin	3,2	10,77	-7,55	3,2	10,8	-7,55
Net Spot Energy Revenues	-5,1	-0,86	-4,24	-5,1	-0,9	-4,24
PPA Energy Revenues	9,8	12,07	-2,28	9,8	12,1	-2,28
Net Capacity Revenue	0,6	0,79	-0,16	0,6	0,8	-0,16
Net Tollways revenues	-0,9	-0,64	-0,26	-0,9	-0,6	-0,26
Land Lease	-0,6	-0,59	0,02	-0,6	-0,6	0,02
Other Income/Cost	-0,6	0,00	-0,64	-0,6	0,0	-0,64
OpEx	-2,0	-1,68	-0,33	-2,0	-1,7	-0,33
EBITDA (MM)	1,2	9,09	-7,88	1,2	9,1	-7,88



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
	1.2	3.2	-2.0	79.3	108.1	118.5	28.8 %	81.5 %	93.8 %	19.0 %	22.5 %
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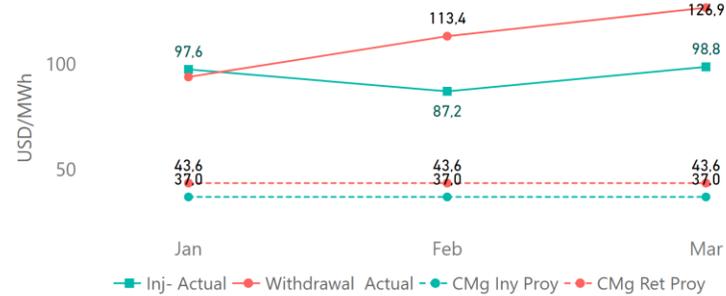
Financial & Operational Results Totoral Q1 2023

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
	-0.4	0.2	-0.6	14.0	94.6	112.9	30.3 %	90.3 %	99.1 %	14.1 %	15.6 %
	Projected: 1,0 (-1,4 -139.64 %)	Projected: 1,4 (-1,2 -84.42 %)	Projected: -0,5 (-0,1 -29.42 %)	Projected: 19,5 (-5,47 -28.07 %)	Projected: 37,0 (+57,6 +155.54 %)	Projected: 43,6 (+69,32 +159.09 %)	Projected: 33,8 % (-3,46 %)	Projected: 97,0 % (-6,75 %)	Projected: 97,0 % (+2,12 %)	Projected: 19,3 % (-5,2 %)	Projected: 19,3 % (-3,70 %)

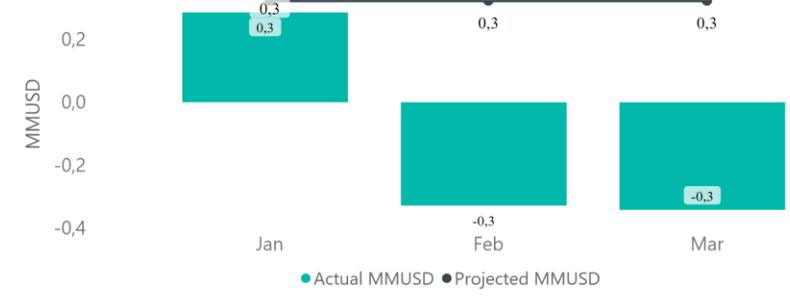
GENERATION VS PPA CONSUMPTION



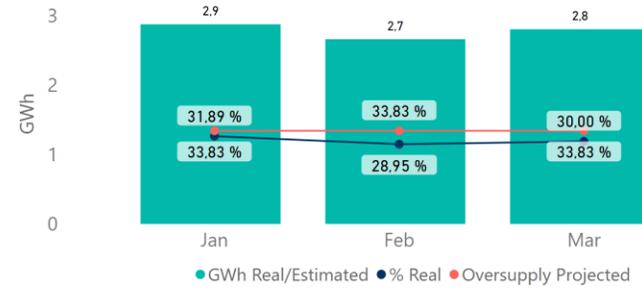
MARGINAL COST (SPOT PRICES)



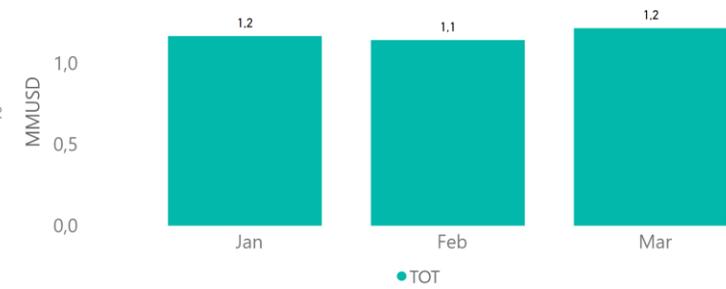
EBITDA



DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



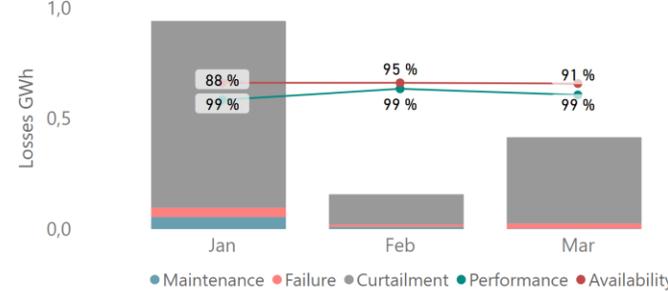
REVENUES



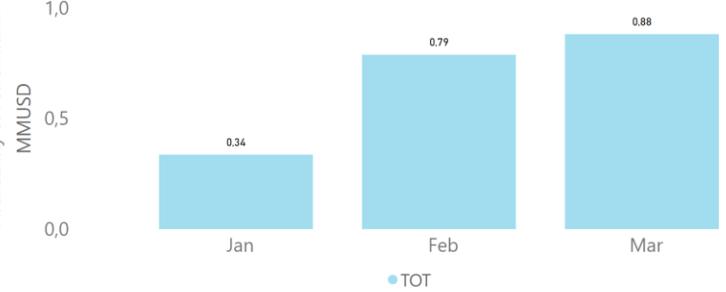
PPA DETAIL CONSUMPTION

PPA	Precio PPA	CMg Retiro	GWh Real	GWh Projected
Otros	52,15	112,65	12,05	11,64
Disco	96,93	118,50	8,35	7,30
Mina Cerro Negro	42,13	111,36	7,94	9,53

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



ENERGY PURCHASE



P&L SubTotal	QUARTER			YTD		
	Actual	Projected	Desv Q	Actual YTD	Projected...	Desv YTD
Comercial Margin	0,2	1,45	-1,22	0,2	1,4	-1,22
Net Spot Energy Revenues	-1,9	-0,52	-1,34	-1,9	-0,5	-1,34
PPA Energy Revenues	2,2	2,02	0,23	2,2	2,0	0,23
Net Capacity Revenue	0,1	0,14	-0,05	0,1	0,1	-0,05
Net Tollways revenues	-0,4	-0,20	-0,23	-0,4	-0,2	-0,23
Other Income/Cost	0,2	0,00	0,17	0,2	0,0	0,17
OpEx	-0,6	-0,47	-0,14	-0,6	-0,5	-0,14
EBITDA (MM)	-0,4	0,97	-1,36	-0,4	1,0	-1,36

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
	-0.4	0.2	-0.6	14.0	94.6	112.9	30.3 %	90.3 %	99.1 %	14.1 %	15.6 %
	Projected: 1,0 (-1,4 -139.64 %)	Projected: 1,4 (-1,2 -84.42 %)	Projected: -0,5 (-0,1 -29.42 %)	Projected: 19,5 (-5,47 -28.07 %)	Projected: 37,0 (+57,6 +155.54 %)	Projected: 43,6 (+69,32 +159.09 %)	Projected: 39,1 % (-8,73 %)	Projected: 97,0 % (-6,75 %)	Projected: 97,0 % (+2,12 %)	Projected: 19,3 % (-5,2 %)	Projected: 19,3 % (-3,70 %)

- The national electricity system prices were very volatile during 20231Q as historical low levels of rainfalls were registered, fossil fuel prices remained high and diesel technology had to be used in numerous occasions during that period.
- During 20231Q the spot prices reduced their volatility, keeping up with 20224Q trend due to the use of the hydro reserve. However, daily average prices registered an increase due to the low levels of rainfall and wind resource. As shown in figure 2, average prices of \$110/MWh were registered in the central nodes. On the other hand, renewable energy generation maintained 20224Q production levels, which led to prices equal to \$0/MWh most of the days during the solar block and prices above \$150/MWh during the night block. A price behavior change is expected during the next months considering the reduction in solar production, with which price decoupling would be reduced in the event of hydro plants´ affluents having hydrology below P80 with average injection prices close to withdrawal prices. However, if there is no stable generation, it may be detrimental to the projects because energy would have to be bought during the night block.
- In addition, the southern zone was decoupled with the rest of the electricity grid, due to the low production of its main hydro plant, Canutillar, because of the reduction in its affluents, as well as the low production in its main wind plant, Puelche Sur. The southern region is expected to operate in a more coupled way with the central and northern regions during next months due to the beginning of the rain season.

Figure 1

Gx by technology 2022-2023

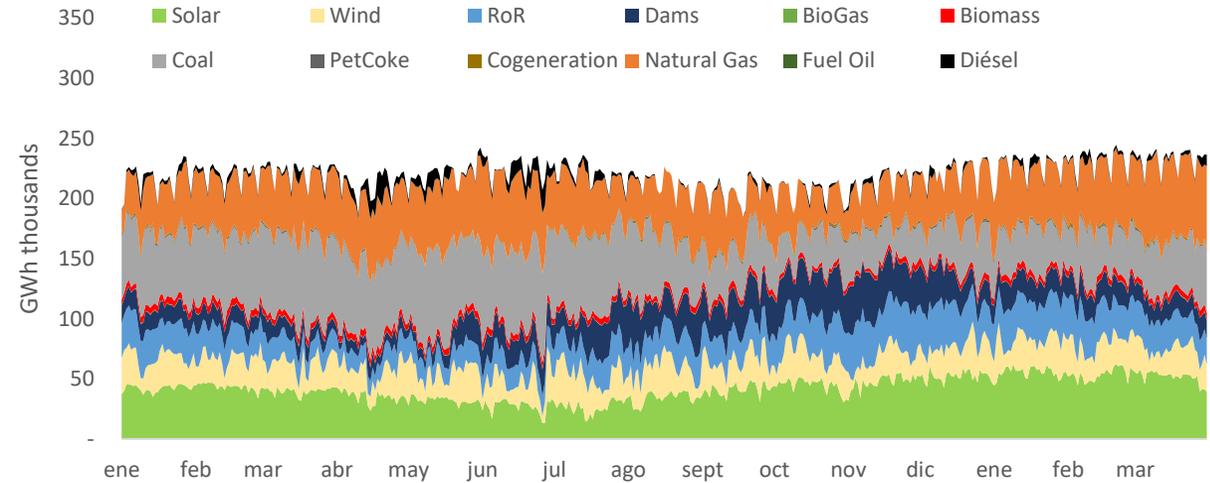
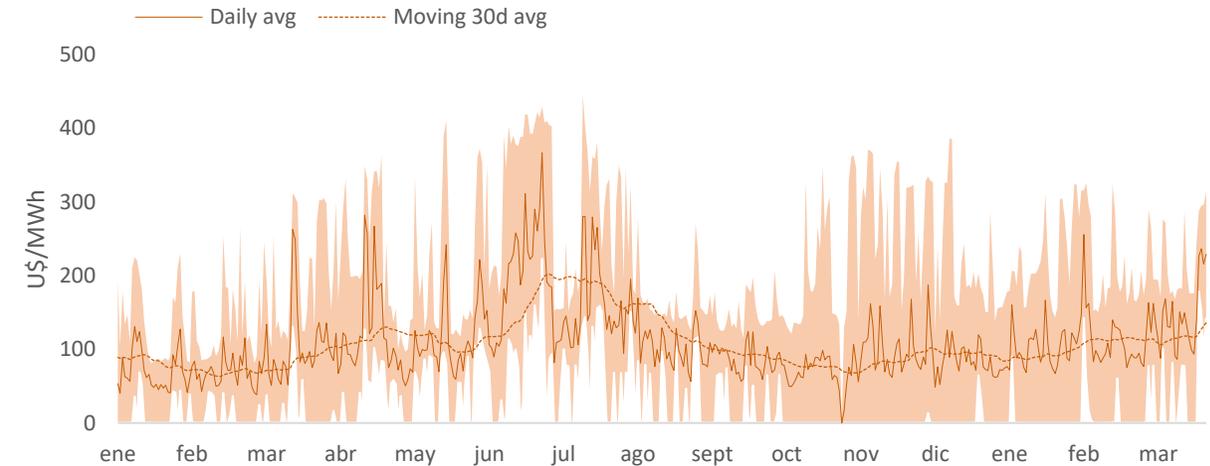


Figure 2

Cerro Navia MgC



- ILAP's spot balance is the result of the net injection/withdrawal and marginal cost in the relevant nodes. For instance, if ILAP's power plants register low generation levels it must purchase the energy shortages in the spot market to comply with PPA energy commitments, producing high purchases levels when the spot prices present high values.
- As shown in Figure 3, apart from January, generation levels were below P50 and contractual obligations. Due to the low production levels, ILAP had to purchase energy in the spot market in order to comply with the PPAs. Since marginal costs were around 110 USD/MWh in average, it caused losses in most of the PPAs. Decoupled prices between injections and withdrawals points also contributed to ILAP's PPA losses.
- Although low generation has had an impact on results, what has the greatest impact in EBITDA is the behavior of marginal costs and the volatility of the system.
- Even though hydrology was below P98 during this quarter, the hydric reserve, which was set at 65 GWh for April 23 – March 24 period by the regulator, has already been stored in the dams during the 2022 year. Therefore, the hydric reserve formation will not mean additional costs for the system in the next months.

Figure 3
Gx Wind Projects 2022-2023

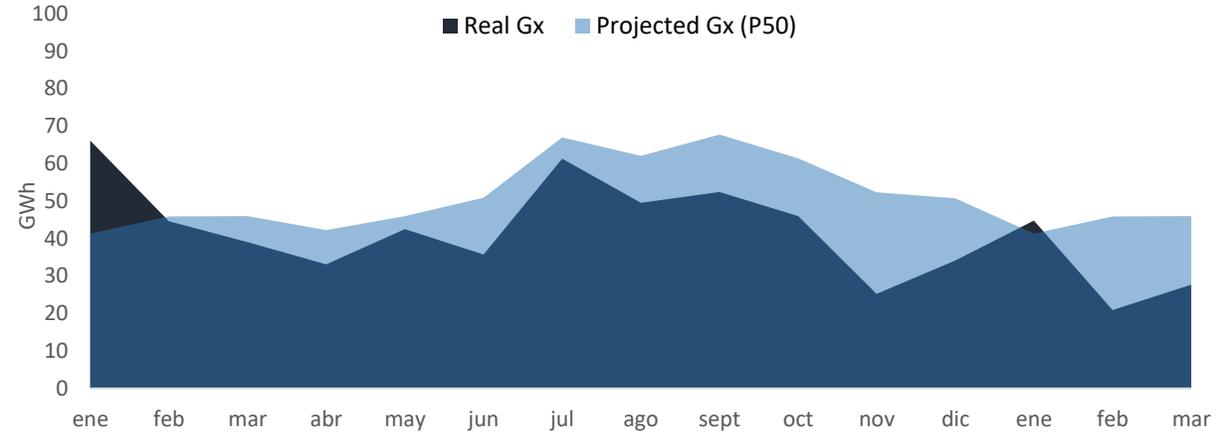
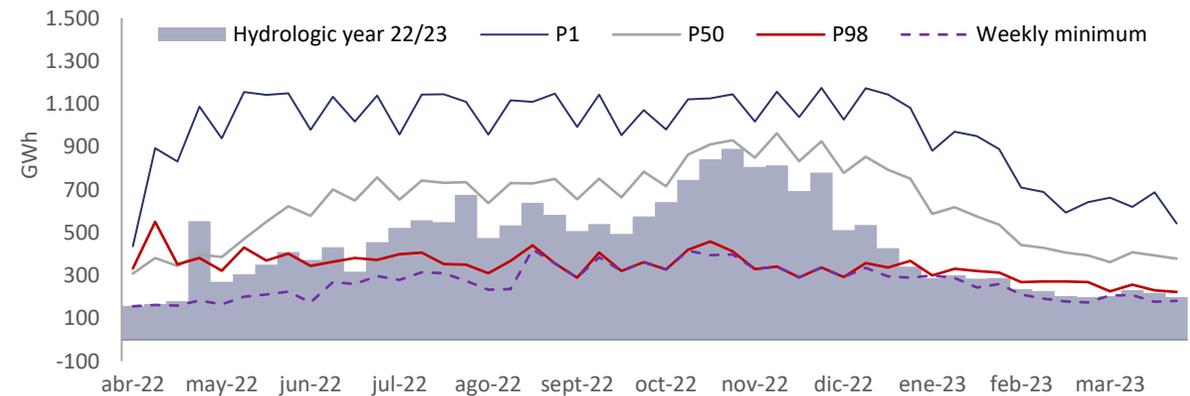


Figure 4

Hidrology 2022-2023



- International Rating Agencies:

S&P Global
Ratings

CCC Apr-23

MOODY'S

B3 Mar-23

FitchRatings

CC Apr-23

- National Rating Agencies:



SJU BBB- Mar-23

NVD BBB- Mar-23

- Rating agencies incorporated a higher risk due to volatility in the spot market, lower funds in the reserve accounts after LC withdrawal and delays in the PECs monetization process
- Agencies remain expectant as to how the PEC I and PEC II monetization processes will develop.
- Management maintains fluid communication with all agencies regarding project performance and market conditions.

- A BB+ local credit rating is required under the DisCos PPA
- In case the local rating is lower than BB+, the company has 6 months to improve the rating, otherwise DisCos have the right to early terminate the PPAs.
- Local and international rating agencies present different measurement methodologies.



Inversiones Latin America Power Ltda | ILAPCL

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