

Inversiones Latin America Power Ltda | ILAPCL

2Q2023 Operational Report

San Juan & Totoral Wind Farms

July, 2023

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

Market Situation

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
	5.2	10.5	-5.3	230.0	99.4	117.0	26.9 %	87.0 %	95.9 %	22.1 %	24.9 %
	Projected: 19,9 (-14,7 -73.99 %)	Projected: 24,5 (-14,0 -57.05 %)	Projected: -4,6 (-0,8 -17.01 %)	Projected: 272,4 (-42,4 -15.6 %)	Projected: 46,5 (+52,9 +113.86 %)	Projected: 52,6 (+64,37 +122.38 %)	Projected: 35,0 % (-8,11 %)	Projected: 97,0 % (-9,97 %)	Projected: 97,0 % (-1,10 %)	Projected: 25,8 % (-3,7 %)	Projected: 25,8 % (-0,89 %)

	QUARTER			YTD		
P&L SubTotal	Actual	Projected	Desv Q	Actual YTD	Projected YTD	Desv YTD
<input type="checkbox"/> Comercial Margin	7,1	12,2	-5,2	10,5	24,5	-14,0
<input type="checkbox"/> Net Spot Energy Revenues	-5,3	-1,4	-3,9	-12,2	-2,8	-9,5
<input type="checkbox"/> PPA Energy Revenues	13,5	14,1	-0,7	25,5	28,2	-2,7
<input type="checkbox"/> Net Tollways revenues	-1,6	-0,8	-0,8	-2,9	-1,7	-1,3
<input type="checkbox"/> Other Income/Cost	0,0	0,0	0,0	-0,5	0,0	-0,5
<input type="checkbox"/> Net Capacity Revenue	0,8	0,9	-0,1	1,5	1,9	-0,3
<input type="checkbox"/> Land Lease	-0,3	-0,6	0,3	-0,9	-1,2	0,3
<input type="checkbox"/> OpEx	-2,7	-2,3	-0,4	-5,3	-4,6	-0,8
<input type="checkbox"/> Maintenance	-1,5	-1,4	-0,1	-3,1	-2,7	-0,4
<input type="checkbox"/> Regulatory	-0,2	0,0	-0,1	-0,2	-0,1	-0,2
<input type="checkbox"/> General and Administrative	-0,5	-0,4	-0,1	-0,8	-0,7	-0,1
<input type="checkbox"/> Software and equipment acquisition	0,0	0,0	0,0	-0,1	0,0	-0,1
<input type="checkbox"/> Health seafety and security	-0,1	-0,1	0,0	-0,2	-0,1	0,0
<input type="checkbox"/> Environmental	-0,1	0,0	-0,1	-0,1	-0,1	0,0
<input type="checkbox"/> Insurance	-0,3	-0,3	0,0	-0,5	-0,5	0,0
<input type="checkbox"/> General expenses	0,0	0,0	0,0	-0,1	-0,1	0,0
<input type="checkbox"/> Municipal permits		0,0	0,0	0,0	0,0	0,0
<input type="checkbox"/> Land permits		0,0	0,0		0,0	0,0
<input type="checkbox"/> Communications	0,0	0,0	0,0	-0,1	-0,1	0,0
<input type="checkbox"/> Consultancies	0,0	0,0	0,0	0,0	-0,1	0,0
<input type="checkbox"/> Social contributions	0,0	0,0	0,0	0,0	-0,1	0,0
EBITDA (MM)	4,4	10,0	-5,6	5,2	19,9	-14,7

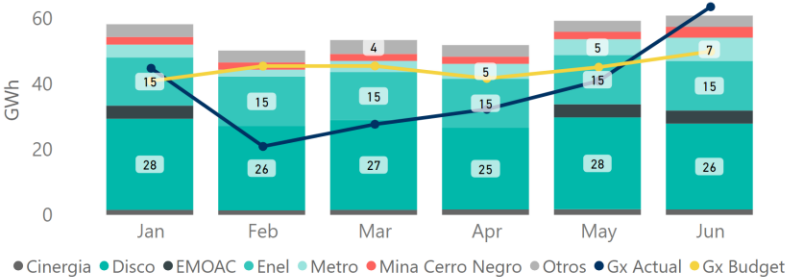
- During the months of April and May, generation of both wind parks maintained its trend below P50 exceedance. However, June was a month with an extremely high resource, particularly for San Juan. As a result, generation exceedance during the period was P50 for San Juan and P95 for Totoral. Consolidated generation reached 136.7 GWh, 1.8% lower than projections.
- Hydrology during the quarter was below P80 as heavy rainfalls kicked in during June while fuel prices started to decrease as the effects of the Ukraine-Russia war fade away. Even though price decoupling decreased compared to 1Q2023 due to the increase in hydro and wind resource in the southern zone and the rainfalls above hydrological average in the center zone during June, it remains high as 2Q2023 price decoupling averaged US\$18.1/MWh, not allowing ILAP to capture the full margin of the PPA contracts, hence affecting the energy spot balance.
- The company's EBITDA during 2Q2023 amounted to \$4.4M, being \$5.6M lower than projections. This difference, is explained mainly by a lower commercial margin due a high volatility in spot prices and high price decoupling between injection and withdrawal nodes, increasing energy purchases in both wind farms and reducing ILAP's PPAs margins.
- Regarding PEC II monetization, according to the latest information available, GenCos are expected to monetize accumulated PEC II receivables from August onward at face value. For future receivables accrued, monetizations will be made every two months.

Financial Results 2Q2023 – ILAP

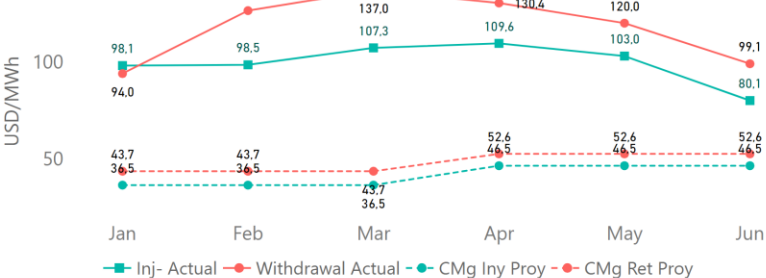


Quarter KPI	EBITDA [MM]	Comm. Margin [MM]	OpEx [MM]	Generation [GWh]	MgC Inj [\$ /MWh]	MgC W/D [\$ /MWh]	Oversupply	Performance	Availability	Capacity Factor	Corrected Cap. Factor
	4.4	7.1	-2.7	136.7	97.6	115.7	25.8 %	90.3 %	96.5 %	26.2 %	28.7 %
	Projected: 10,0 (-5,6 -56.04 %)	Projected: 12,2 (-5,2 -42.34 %)	Projected: -2,3 (-0,4 -17.44 %)	Projected: 139,2 (-2,52 -1.81 %)	Projected: 46,5 (+51,1 +109.84 %)	Projected: 52,6 (+63,12 +120.01 %)	Projected: 33,8 % (-8,04 %)	Projected: 97,0 % (-6,74 %)	Projected: 97,0 % (-0,51 %)	Projected: 26,2 % (+0,0 %)	Projected: 26,2 % (+2,50 %)

GENERATION VS PPA CONSUMPTION



MARGINAL COST (SPOT PRICES)

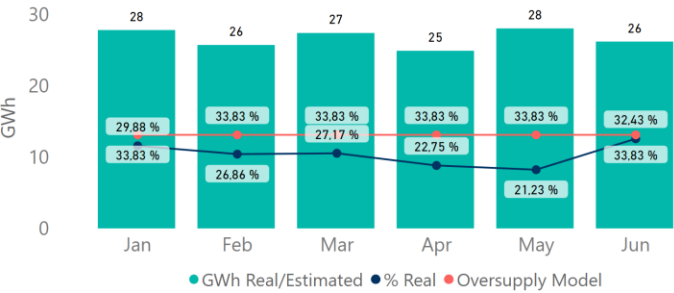


PPA DETAIL CONSUMPTION

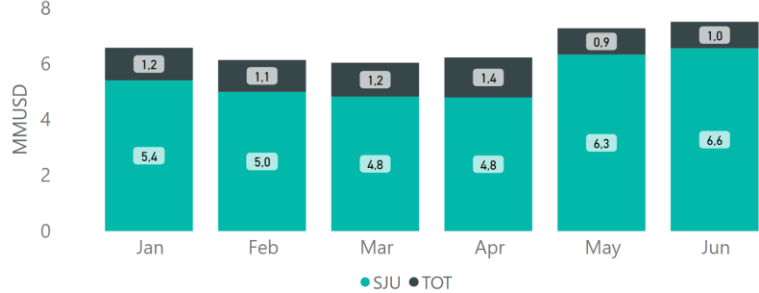
PPA	Precio PPA	CMg Retiro	GWh Real	GWh Budget
Disco ⁽¹⁾	97,78	122,00	160,21	142,44
Enel	50,20	108,07	89,60	89,76
Metro	116,80	162,30	26,00	31,76
EMOAC	100,00	106,94	12,00	24,00
Otros	52,13	116,27	22,13	22,47
Mina Cerro Negro	42,13	114,49	14,40	19,82
Cinergia	43,50	96,28	9,40	9,40

(1) Disco PPA prices consider tariff stabilization effect.

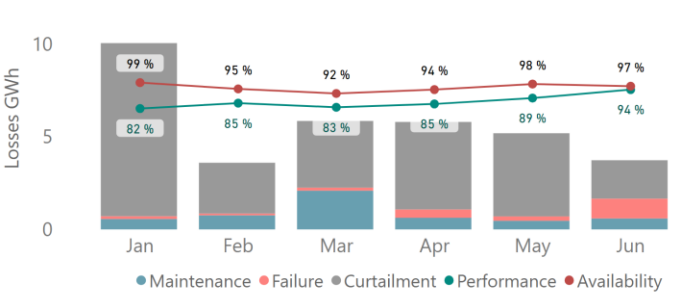
DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



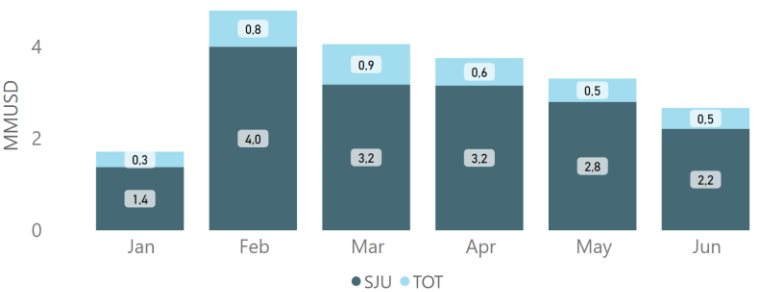
REVENUES BY SPV



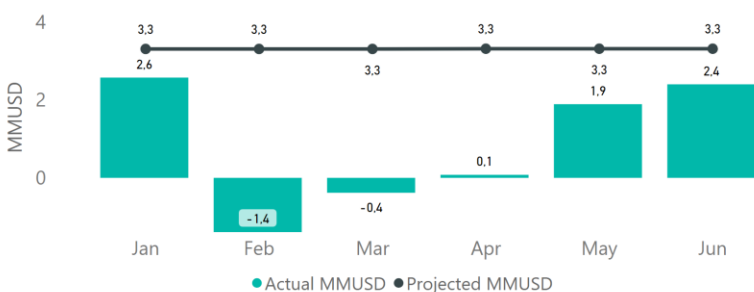
LOSSES (GWH) / AVAILABILITY(%) / PERFORMANCE(%)



ENERGY PURCHASE BY SPV



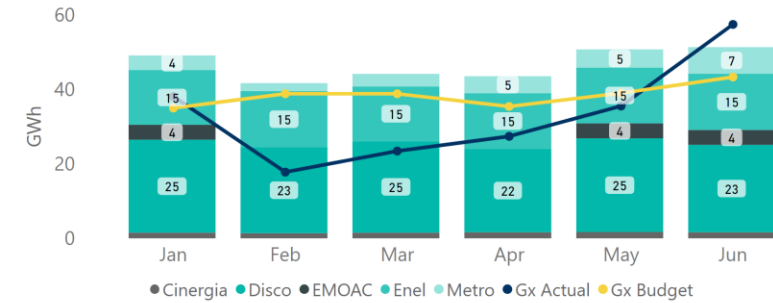
EBITDA



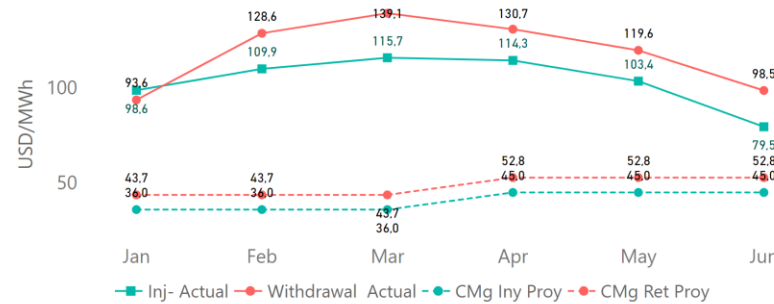
Financial Results 2Q2023 – San Juan Wind Farm

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
	4.6	6.5	-1.9	120.4	99.1	115.5	25.5 %	90.0 %	95.8 %	28.5 %	31.3 %
	Projected: 9,1 (-4,6 -50.06 %)	Projected: 10,8 (-4,3 -40.09 %)	Projected: -1,7 (-0,2 -13.82 %)	Projected: 119,8 (+0,56 +0.47 %)	Projected: 45,0 (+54,1 +120.19 %)	Projected: 52,8 (+62,68 +118.72 %)	Projected: 33,8 % (-8,25 %)	Projected: 97,0 % (-6,98 %)	Projected: 97,0 % (-1,17 %)	Projected: 27,9 % (+0,6 %)	Projected: 27,9 % (+3,40 %)

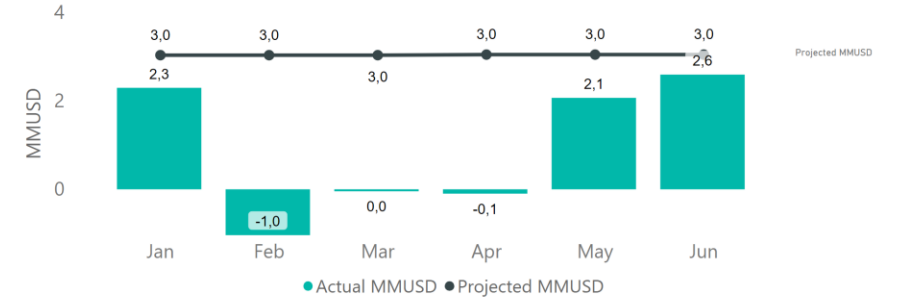
GENERATION VS PPA CONSUMPTION



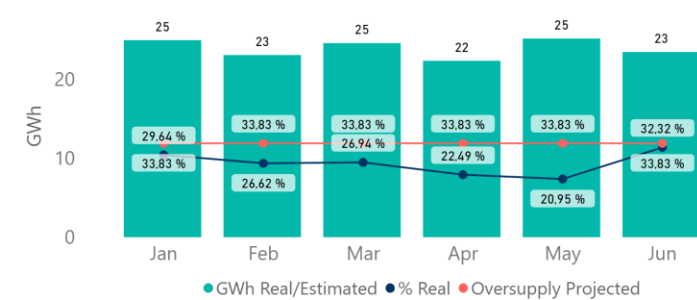
MARGINAL COST (SPOT PRICES)



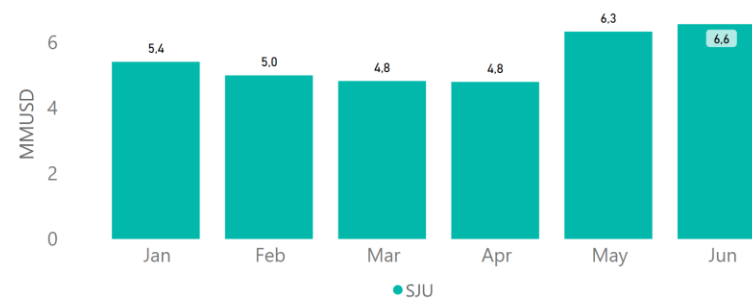
EBITDA



DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



REVENUES

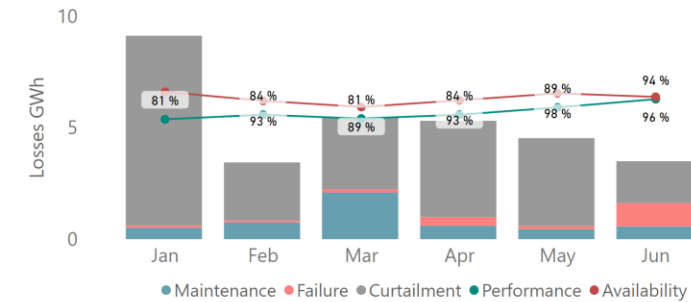


PPA DETAIL CONSUMPTION

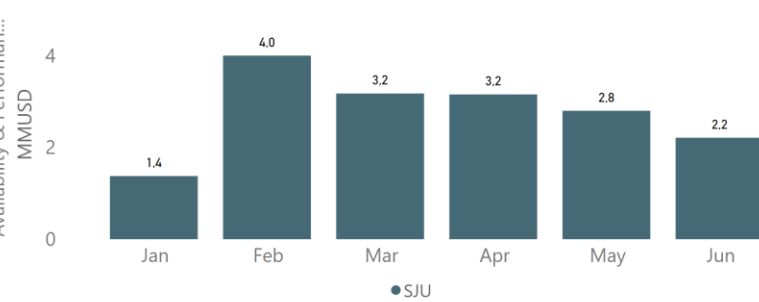
PPA	Precio PPA	CMg Retiro	GWh Real	GWh Projected
Disco ⁽¹⁾	92,89	127,21	143,58	127,30
Enel	50,20	108,07	89,60	89,76
Metro	116,80	162,30	26,00	31,76
EMOAC	100,00	106,94	12,00	24,00
Cinergia	43,50	96,28	9,40	9,40

(1) Disco PPA prices consider tariff stabilization effect.

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



ENERGY PURCHASE



P&L SubTotal

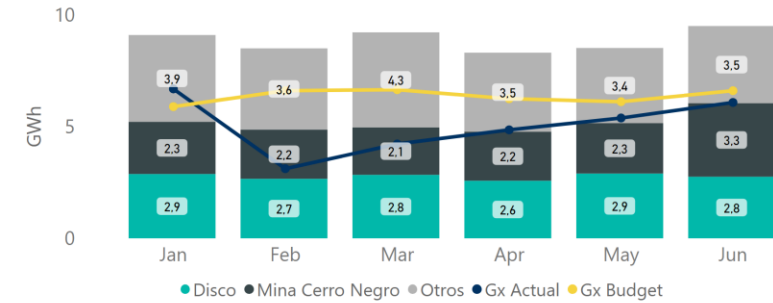
	Actual	Projected	Desv Q	Actual YTD	Projected...	Desv YTD
Comercial Margin	6,5	10,8	-4,3	9,7	21,6	-11,9
Net Spot Energy Revenues	-3,8	-0,9	-2,9	-8,9	-1,7	-7,2
PPA Energy Revenues	11,4	12,1	-0,7	21,2	24,2	-3,0
Net Capacity Revenue	0,7	0,8	-0,1	1,3	1,6	-0,2
Net Tollways revenues	-1,1	-0,6	-0,5	-2,0	-1,3	-0,8
Land Lease	-0,3	-0,6	0,3	-0,9	-1,2	0,3
Other Income/Cost	-0,4	0,0	-0,4	-1,1	0,0	-1,1
OpEx	-1,9	-1,7	-0,2	-3,9	-3,4	-0,6
EBITDA (MM)	4,6	9,1	-4,6	5,8	18,2	-12,4

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
	5.8	9.7	-3.9	199.7	103.6	117.3	26.7 %	86.4 %	94.8 %	23.8 %	26.9 %
	Projected: 18,2 (-12,4 -68.32 %)	Projected: 21,6 (-11,9 -55.06 %)	Projected: -3,4 (-0,6 -16.64 %)	Projected: 233,5 (-33,83 -14.49 %)	Projected: 45,0 (+58,6 +130.17 %)	Projected: 52,8 (+64,52 +122.19 %)	Projected: 35,0 % (-8,31 %)	Projected: 97,0 % (-10,57 %)	Projected: 97,0 % (-2,20 %)	Projected: 27,4 % (-3,7 %)	Projected: 27,4 % (-0,51 %)

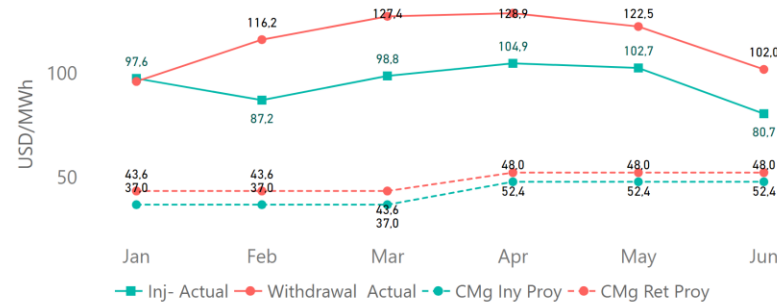
Financial Results 2Q2023 – Totoral Wind Farm

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
	-0.1 Projected: 0,9 (-1,0 -109.69 %)	0.6 Projected: 1,4 (-0,8 -59.45 %)	-0.7 Projected: -0,5 (-0,2 -40.7 %)	16.3 Projected: 19,4 (-3,08 -15.88 %)	96.1 Projected: 48,0 (+48,1 +100.14 %)	117.0 Projected: 52,4 (+64,62 +123.33 %)	27.5 % Projected: 33,8 % (-6,26 %)	92.1 % Projected: 97,0 % (-4,92 %)	98.1 % Projected: 97,0 % (+1,08 %)	16.2 % Projected: 18,9 % (-2,6 %)	17.6 % Projected: 18,9 % (-1,30 %)

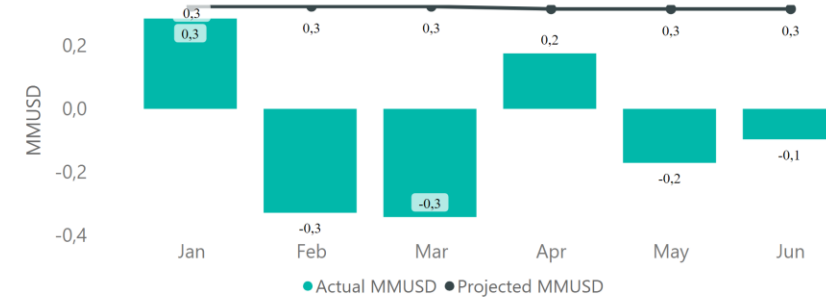
GENERATION VS PPA CONSUMPTION



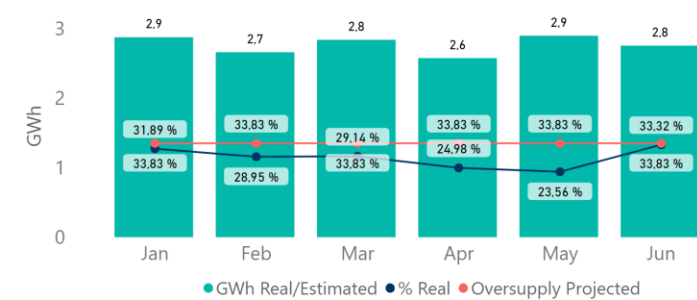
MARGINAL COST (SPOT PRICES)



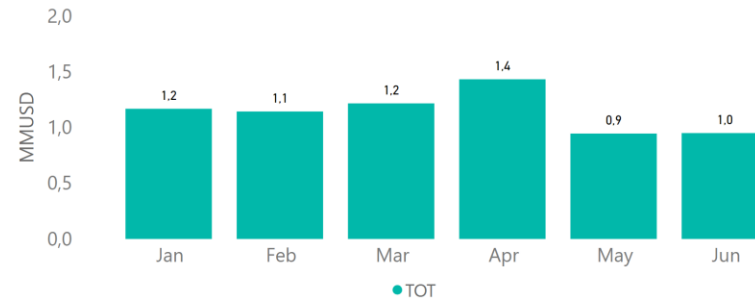
EBITDA



DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



REVENUES

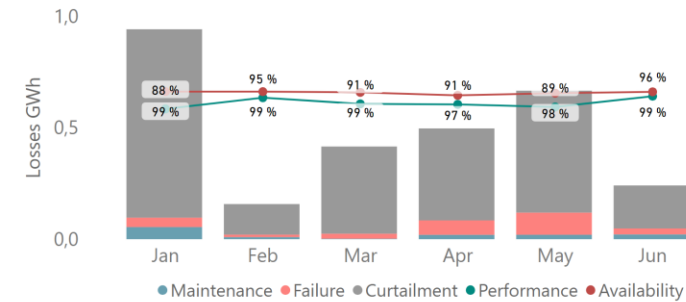


PPA DETAIL CONSUMPTION

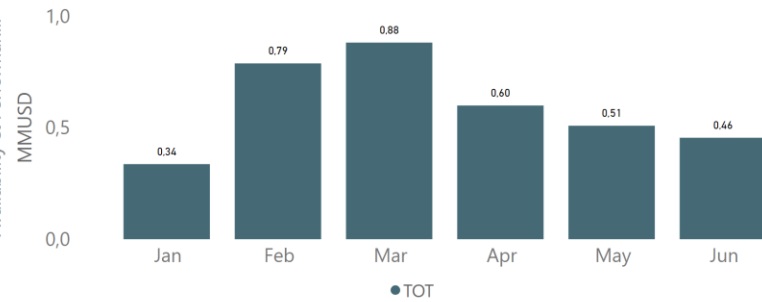
PPA	Precio PPA	CMg Retiro	GWh Real	GWh Projected	
Disco ⁽¹⁾		102,66	116,80	16,62	15,14
Otros		52,13	116,27	22,13	22,47
Mina Cerro Negro		42,13	114,49	14,40	19,82

(1) Disco PPA prices consider tariff stabilization effect.

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



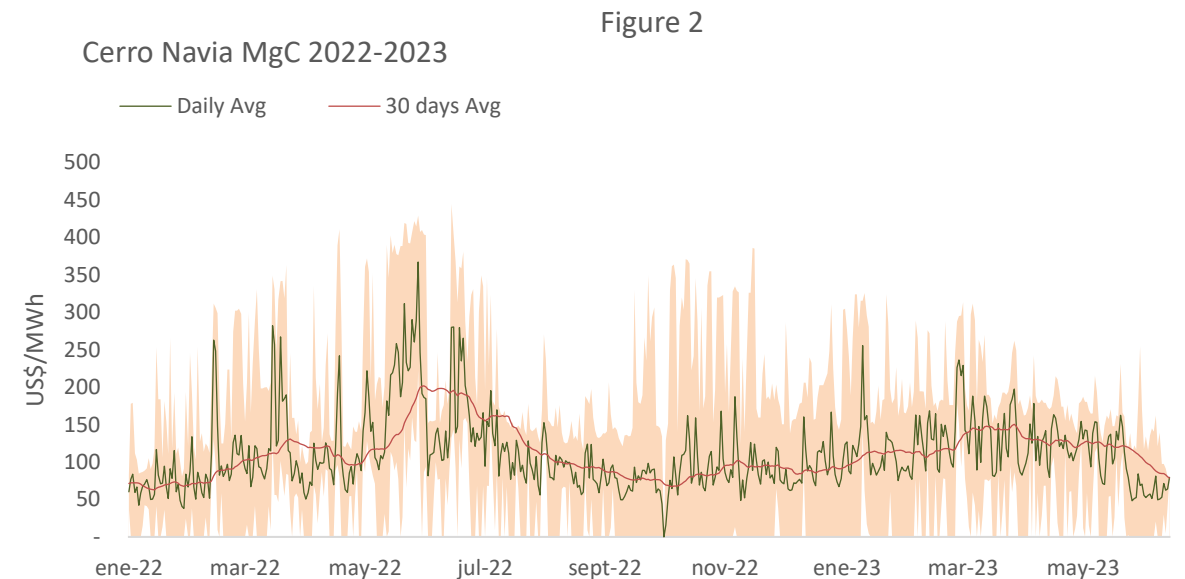
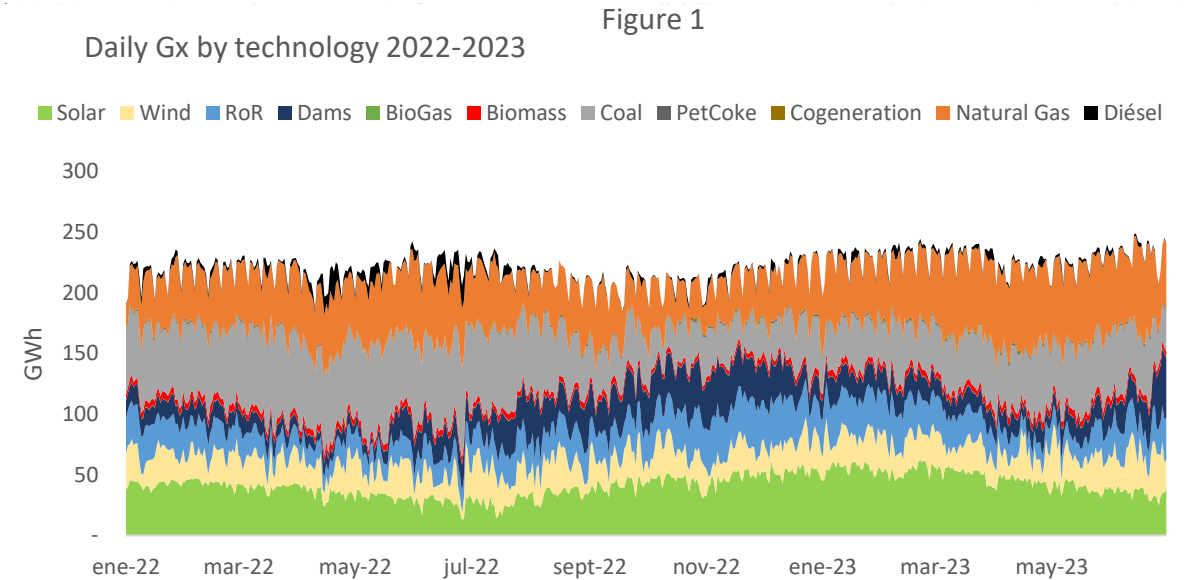
ENERGY PURCHASE



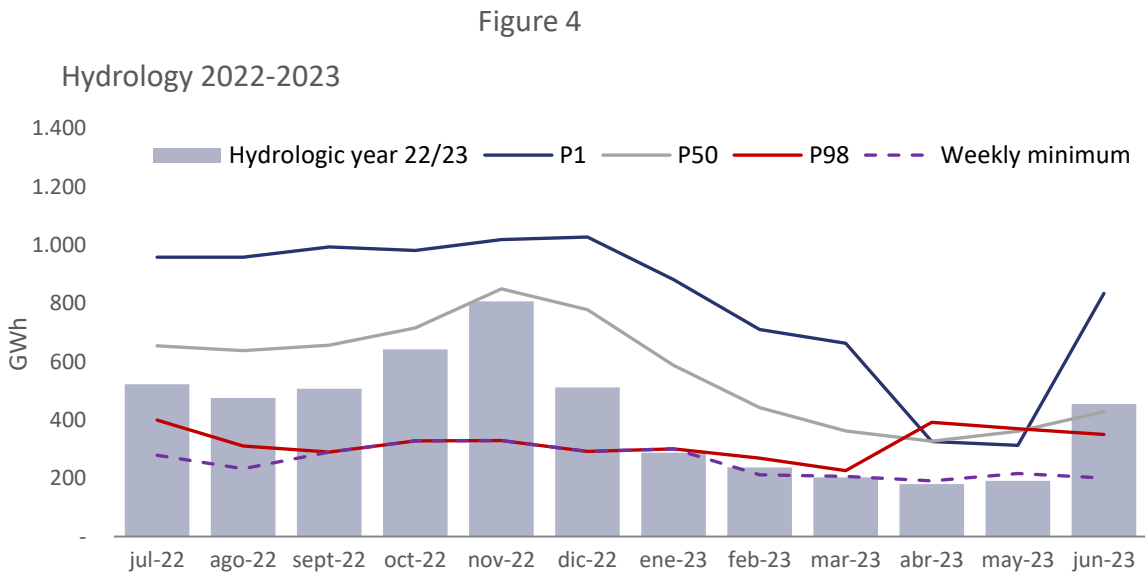
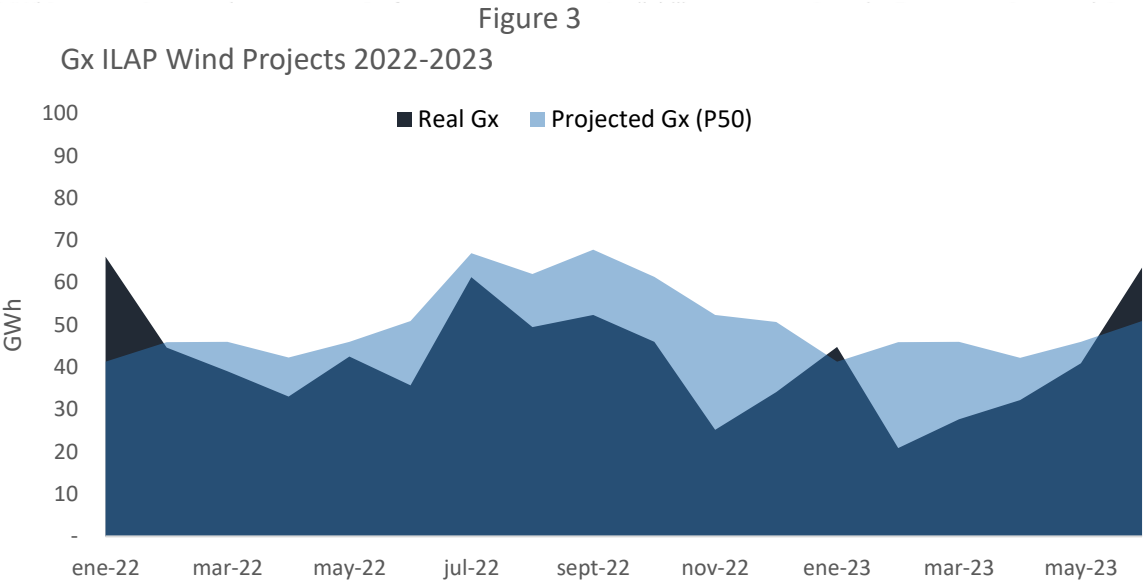
	QUARTER			YTD		
P&L SubTotal	Actual	Projected	Desv Q	Actual YTD	Projected...	Desv YTD
Comercial Margin	0,6	1,4	-0,8	0,8	2,9	-2,1
Net Spot Energy Revenues	-1,5	-0,5	-1,0	-3,3	-1,0	-2,3
PPA Energy Revenues	2,0	2,0	0,0	4,3	4,0	0,2
Net Capacity Revenue	0,1	0,1	0,0	0,2	0,3	-0,1
Net Tollways revenues	-0,5	-0,2	-0,3	-0,9	-0,4	-0,5
Other Income/Cost	0,4	0,0	0,4	0,6	0,0	0,6
OpEx	-0,7	-0,5	-0,2	-1,3	-0,9	-0,3
EBITDA (MM)	-0,1	0,9	-1,0	-0,5	1,9	-2,4

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
	-0.5 Projected: 1,9 (-2,4 -124.85 %)	0.8 Projected: 2,9 (-2,1 -72.02 %)	-1.3 Projected: -0,9 (-0,3 -35.08 %)	30.3 Projected: 38,9 (-8,55 -21.99 %)	95.3 Projected: 48,0 (+47,3 +98.56 %)	115.2 Projected: 52,4 (+62,80 +119.84 %)	28.8 % Projected: 35,2 % (-6,37 %)	91.2 % Projected: 97,0 % (-5,78 %)	98.6 % Projected: 97,0 % (+1,59 %)	15.2 % Projected: 19,1 % (-3,9 %)	16.6 % Projected: 19,1 % (-2,49 %)

- During 2Q2023, the national electricity system prices reduced their volatility compared to the previous 6 months as a result of June's rainfalls (above the hydrological average) as well as the fuel costs reduction. Even though fuel costs started a downward trend a few months ago, the Chilean energy industry is just beginning to see this decrease as generators companies purchased an extra amount of these commodities to avoid risks of fuel scarcity by building reserves, which are currently running out.
- Daily average prices levels were similar to previous months, registering a decrease during June due to high levels of hydro and wind resources. In the central nodes, an average price of \$117/MWh was registered during 2Q2023. Renewable energy generation was lower than 1Q2023 production levels, consequently, there was a reduction of hours with prices at \$0/MWh during the solar block. Prices are expected to continue to decrease in the short term since medium size dams have reached close to their maximum levels and fuel costs are expected to further decrease.
- Price decoupling between the southern zone and the rest of the electricity grid changed its trend in June, registering lower prices than the center zone due to the hydro and wind power plants' high levels of production. Prices decoupling in the southern region is expected to decrease during next months, as according to the generation matrix of the largest power plants in the zone, their energy production is greater during the second semester. Additionally, during the following months, price decoupling between the northern and center zone would be reduced if hydrology is lower than the current exceedance (P80), thus average injection prices would be closer to withdrawal prices. However, if there is a lack of resource for ILAP, energy purchases during the night block will have to be made in order to comply with the PPAs.



- As shown in Figure 3, besides from June and January, generation levels were below P50 and contractual obligations. Due to this low energy production levels, ILAP had to make energy purchases in the spot market to comply with its PPAs. Since withdrawal marginal costs were around 120 USD/MWh on average, it caused losses in the vast majority of the PPAs. Decoupled prices between injections and withdrawals nodes also contributed to ILAP's PPA losses.
- Although low generation has had an impact on results, what has the greatest impact on the EBITDA is the behavior of marginal costs and the volatility of the system.
- The hydric reserve was set at 65 GWh during the period between April 23 – March 24 by the regulator, which was already stored in the dams by the end of 2022. Additionally, June rainfalls caused the main dams to increase their water stored levels, therefore, it is not expected the hydric reserve to be increased for the next months.



- International Rating Agencies:

S&P Global
Ratings

CCC- Jul-23

MOODY'S

Caa3 Jul-23

FitchRatings

D Jul-23

- National Rating Agencies:



SJU BBB- Mar-23

NVD BBB- Mar-23

- On July 4th ILAP signed a Forbearance Agreement with over 75% of the holders of the company's 144A bond issued in 2021. The purpose of this agreement is to allow the company and its creditors more time to discuss and explore comprehensive alternatives to address the company's current liquidity situation. The agreement will end on August 3rd, and it is extendable until September 3rd.
- As a result of the Forbearance Agreement, S&P Global Ratings, Moody's and Fitch Ratings downgraded ILAP to CCC-, Caa3 and D, respectively.
- 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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