

Inversiones Latin America Power Ltda | ILAPCL

October, 2023

3Q2023 Operational Report

San Juan & Totoral Wind Farms

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

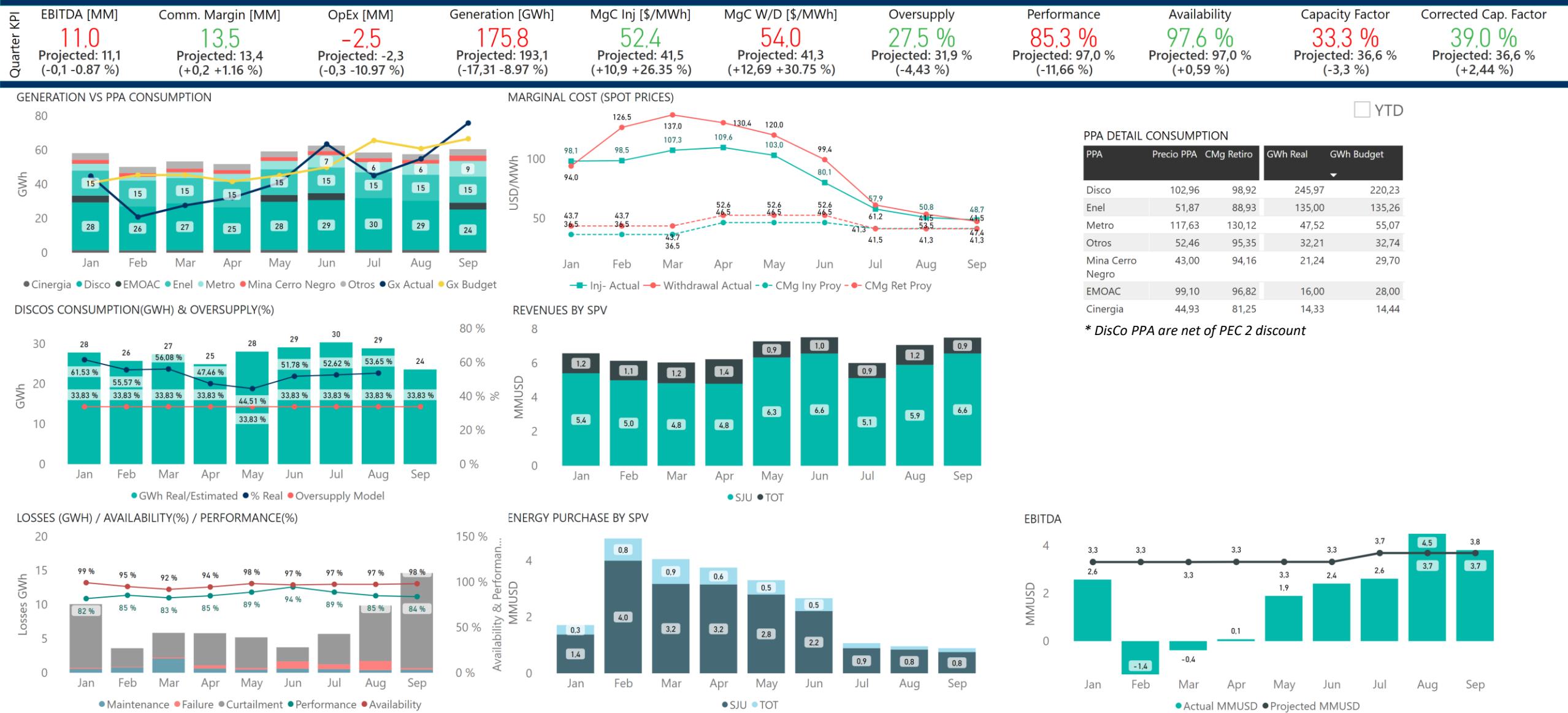
Market Situation

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
	16,2 Projected: 31,0 (-14,8 -47.83 %)	24,0 Projected: 37,8 (-13,8 -36.46 %)	-7,9 Projected: -6,8 (-1,0 -14.99 %)	405,8 Projected: 461,6 (-55,8 -12.1 %)	83,8 Projected: 41,5 (+42,3 +101.87 %)	95,2 Projected: 41,3 (+53,92 +130.58 %)	26,2 % Projected: 34,0 % (-7,72 %)	86,3 % Projected: 97,0 % (-10,71 %)	96,5 % Projected: 97,0 % (-0,53 %)	25,9 % Projected: 29,5 % (-3,6 %)	30,0 % Projected: 29,5 % (+0,56 %)

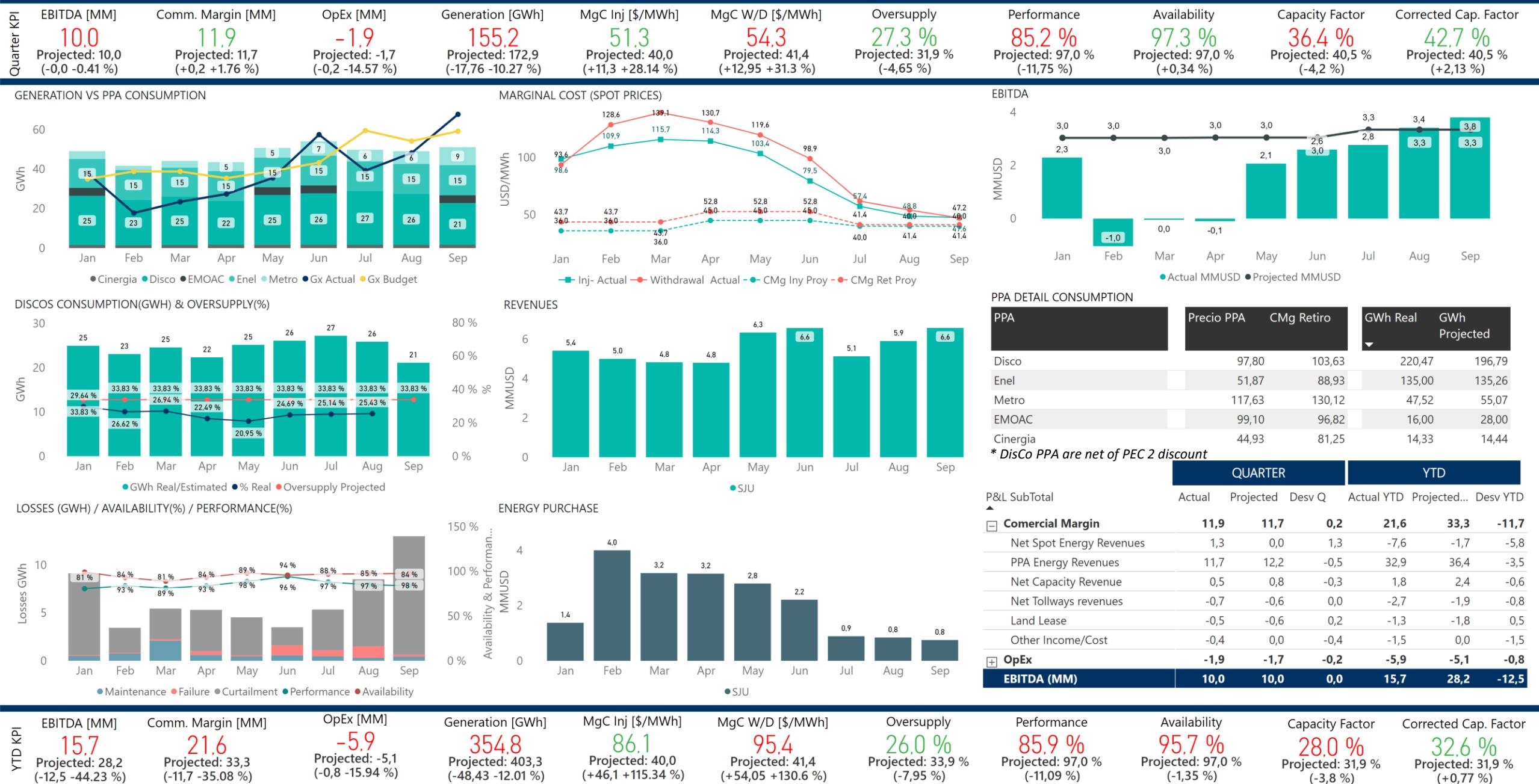
	QUARTER			YTD		
	Actual	Projected	Desv Q	Actual YTD	Projected YTD	Desv YTD
P&L SubTotal						
<input checked="" type="checkbox"/> Comercial Margin	13,5	13,4	0,2	24,0	37,8	-13,8
+ Net Spot Energy Revenues	0,9	-0,3	1,2	-11,4	-3,1	-8,3
+ PPA Energy Revenues	13,7	14,2	-0,5	39,2	42,4	-3,2
+ Net Tollways revenues	-1,1	-0,8	-0,3	-4,0	-2,5	-1,5
+ Other Income/Cost	-0,4	0,0	-0,4	-0,8	0,0	-0,8
+ Net Capacity Revenue	0,8	0,9	-0,1	2,4	2,8	-0,4
+ Land Lease	-0,5	-0,6	0,2	-1,3	-1,8	0,5
<input checked="" type="checkbox"/> OpEx	-2,5	-2,3	-0,3	-7,9	-6,8	-1,0
+ Maintenance	-1,4	-1,4	0,0	-4,5	-4,0	-0,4
+ Regulatory	-0,1	0,0	-0,1	-0,4	-0,1	-0,3
+ General and Administrative	-0,4	-0,4	0,0	-1,2	-1,1	-0,1
+ Insurance	-0,3	-0,3	-0,1	-0,9	-0,8	-0,1
+ Health seafety and security	-0,1	-0,1	0,0	-0,3	-0,2	-0,1
+ Software and equipement acquisition	0,0	0,0	0,0	-0,1	0,0	-0,1
+ Environmental	-0,1	0,0	0,0	-0,2	-0,1	-0,1
+ Consultancies	-0,1	0,0	-0,1	-0,1	-0,1	0,0
+ General expenses	-0,1	-0,1	0,0	-0,2	-0,1	0,0
+ Land permits			0,0	0,0	0,0	0,0
+ Communications	0,0	0,0	0,0	-0,1	-0,1	0,0
+ Municipal permits	0,0	0,0	0,0	0,0	0,0	0,0
+ Social contributions	0,0	0,0	0,0	0,0	-0,1	0,1
EBITDA (MM)	11,0	11,1	-0,1	16,2	31,0	-14,8

- During the months of July and August, generation of both wind parks maintained its trend below P50 exceedance. However, September was a month with an extremely high resource, particularly for San Juan. As a result, generation exceedance during the period was close to P90 and P55 for San Juan and Totoral, respectively. Consolidated generation reached 175.8 GWh, 9% lower than projections.
- Hydrology during the quarter was above P50 as heavy rainfalls kicked in during the quarter while fuel prices continued to decrease as the effects of the Ukraine-Russia war fade away. Price decoupling decreased compared to 2Q2023 due to the increase in hydro and wind resources in the southern zone. 3Q2023 price decoupling averaged US\$14/MWh with southern Chilean prices below prices from the center zone.
- The company's EBITDA during 2Q2023 amounted to \$11.0M, being \$0.1M lower than projections. Even though prices and decoupling effects decreased, ILAP's low generation was insufficient to beat projections.
- Regarding PEC II monetization, GenCos already received the first payment from the accumulated PEC II receivables. For future receivables accrued, monetizations will be made every two months. However, ILAP will not be able to monetize its receivables until the restructuring process is closed.

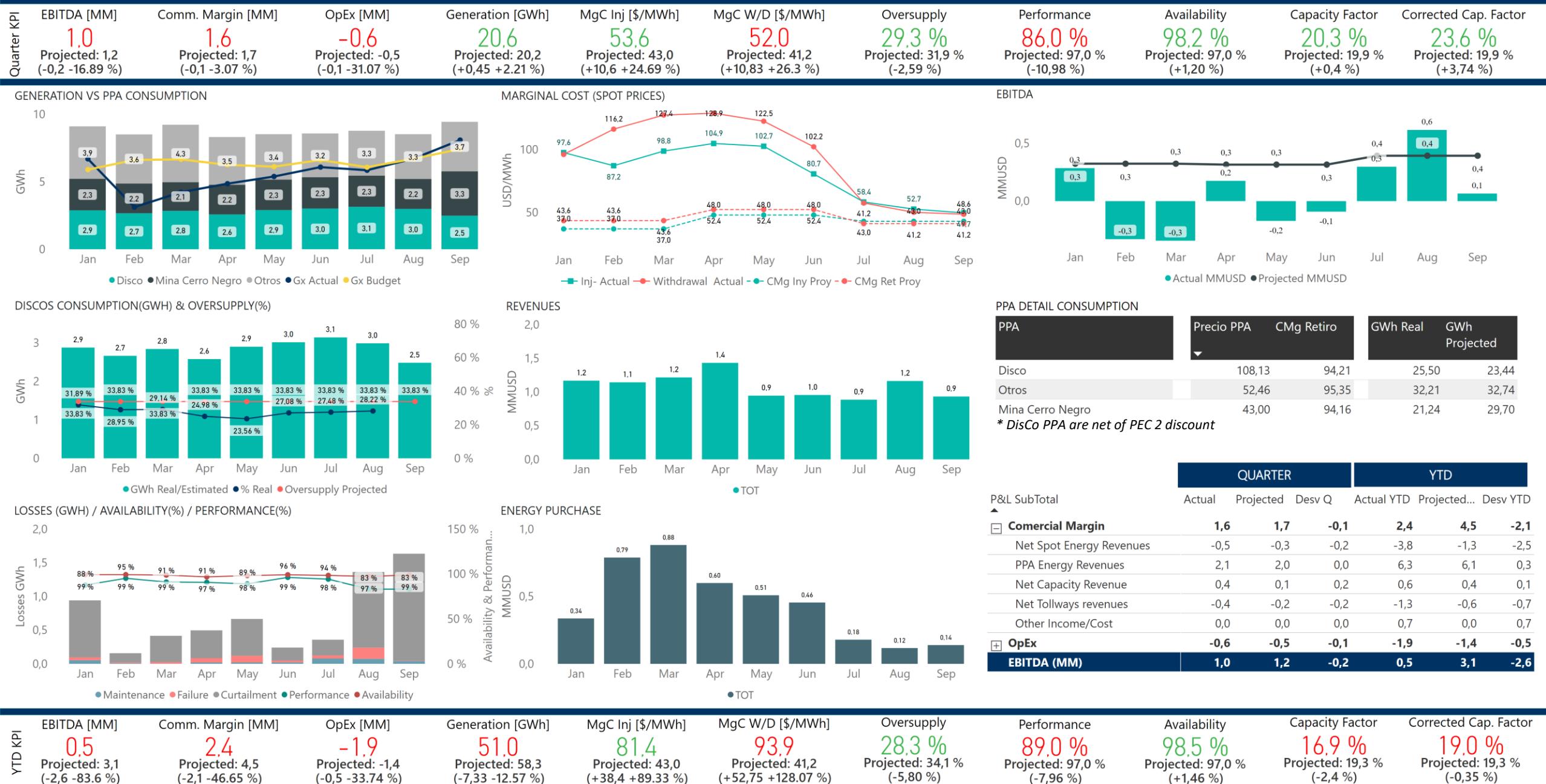
Financial Results 3Q2023 – ILAP



Financial Results 3Q2023 – San Juan Wind Farm



Financial Results 2Q2023 – Totoral Wind Farm



- During 3Q2023, the national electricity system's prices decreased substantially compared to previous quarters. The price and volatility reduction is mainly due to the rainfalls which occurred during the last four months (above the hydrological average) as well as the fuel costs reduction. Fuel costs kept the downward trend observed since May due to the coal and natural gas price decrease in the international markets.
- Daily average price levels were in the lowest levels of the previous months, registering a reduction of close to 50% due to high levels of hydro and wind resources. In the central nodes, an average price of 53 USD/MWh was registered during 3Q2023. Renewable energy generation was slightly lower than 2Q2023 production levels, consequently, there was a reduction of hours with prices at 0 USD/MWh during the solar block. Prices are expected to continue to decrease in the short term since the dams and the snowpack have reached appropriate levels to supply the required energy for the upcoming summer.
- Price decoupling between the southern zone and the rest of the electricity grid kept the trend started in June, registering lower prices than the center zone due to the hydro and wind power plants' high levels of production. Price decoupling in the southern region decreased in 3Q2023 due to the high production levels of the power plants in the zone.

Figure 1

Daily Gx by technology 2022-2023

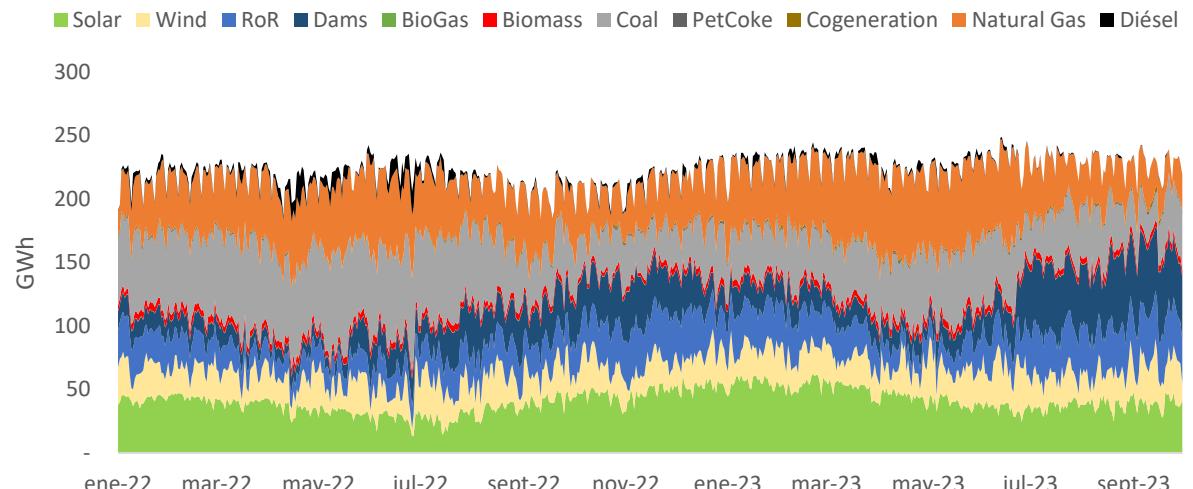
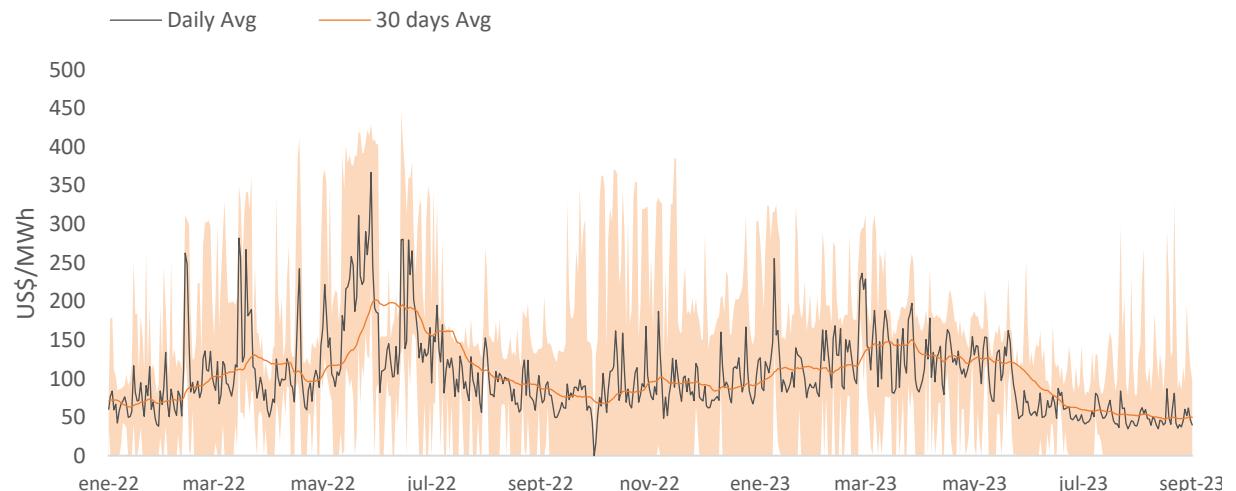


Figure 2

Cerro Navia MgC 2022-2023



- As shown in Figure 3, besides from January 2022, June and September 2023, over the last two years generation levels were below P50 and contractual obligations. As a result of the low levels of energy production, ILAP had to make energy purchases in the spot market to comply with its PPAs. Since the average withdrawal marginal costs were around 120 USD/MWh, 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, the greatest EBITDA drivers are the behavior of marginal costs and the volatility of the system.
- Since July 2023, the regulator stated that a minimum hydric reserve is not needed for the system. Additionally, the last rainfalls caused the main dams to increase their water stored levels by 58%, therefore, a minimum hydric reserve is not expected for the next months.

Figure 3

Gx Wind Projects 2022-2023

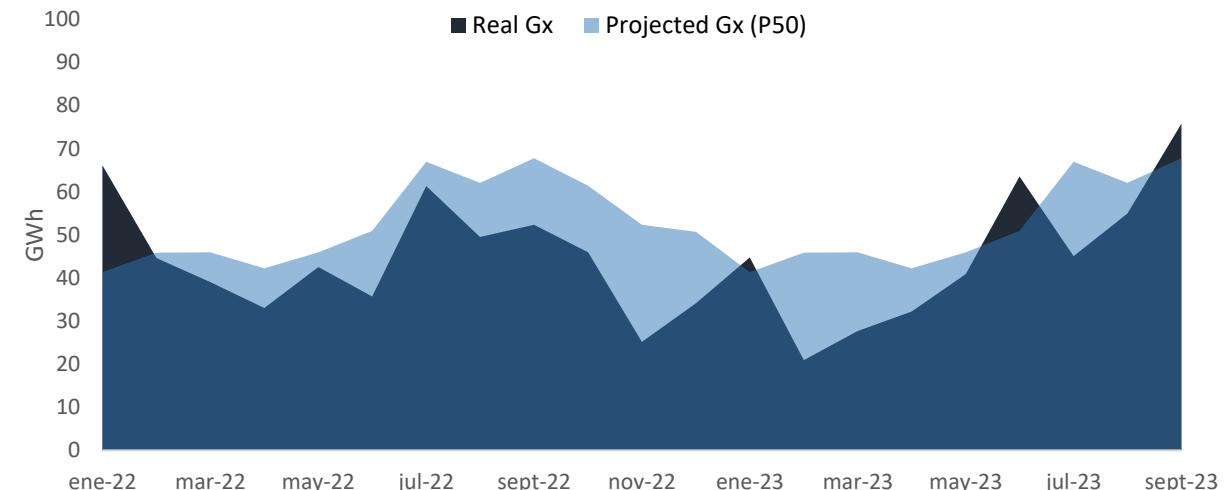
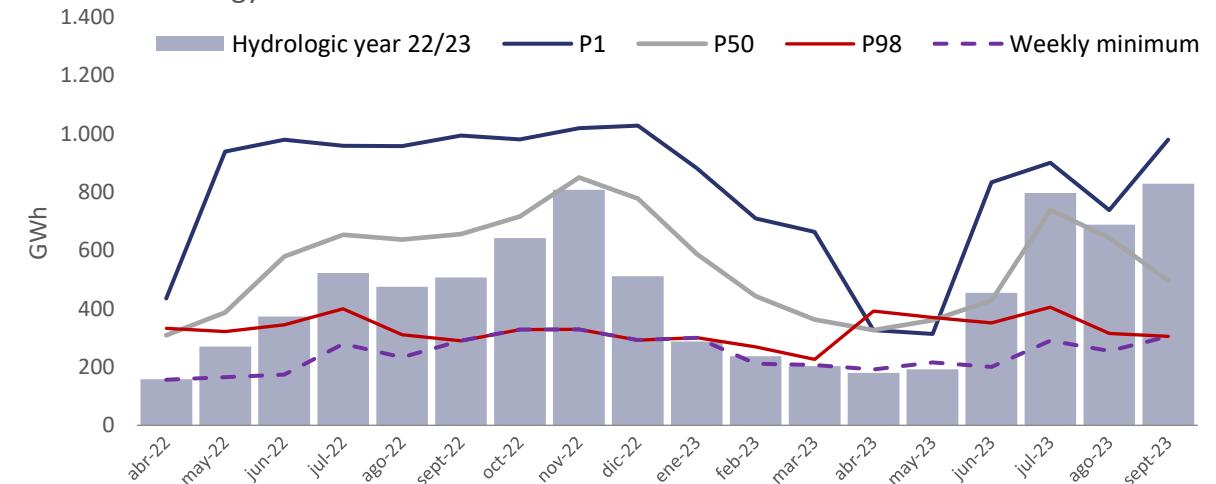


Figure 4

Hidrology 2022-2023



- International Rating Agencies:

S&P Global
Ratings



Moody's

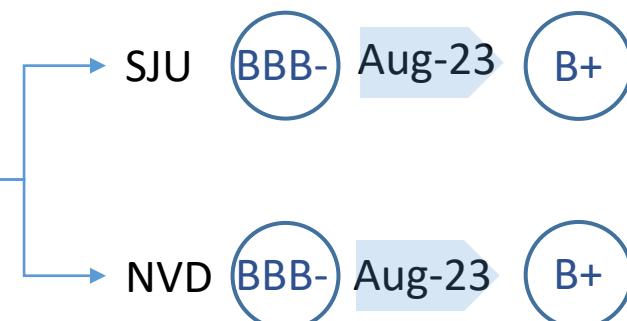


Fitch Ratings



- National Rating Agencies:

ICR Chile
AN AFFILIATE OF MOODY'S
INVESTORS SERVICE



- On September 25th, ILAP and the Ad Hoc group announced an agreement in principle to restructure its balance sheet. Company and the Holders have agreed to exchange the Company's existing senior debt secured by the assets and cash flows from the San Juan and Totoral projects, and related senior claims for \$260 million of take-back senior secured notes (the "New Notes"), and new notes equal to the remaining amount of outstanding senior secured obligations and which will be convertible into 90% of the Company's equity interests under certain conditions (the "Convertible Notes"). The Company expects that this deleveraging will help right-size the capital structure and allow the Company to reestablish its required ratings.
- The Restructuring will increase the Company's liquidity by reducing cash interest significantly. The Company will have the option to pay interest on the New Notes in kind through 2025, and the Convertible Notes will be paid-in-kind for life.
- The Restructuring will also enhance the Company's liquidity with new financing as certain Holders have agreed to provide the Company with \$10 million of new money financing in the form super priority notes, subject to certain conditions.
- While no definitive agreement has been reached with respect of a potential restructuring transaction, ILAP and the noteholders will continue to negotiate in good faith with the goal of obtaining a fully executed definitive restructuring support agreement and related documents, in terms consistent with those included in the term sheet disclosed by ILAP. As a result of the Standstill and Forbearance Agreement, S&P Global Ratings, Moody's, Fitch Ratings and ICR downgraded ILAP to CCC-, Caa3, D and B+, respectively.
- Local and international rating agencies present different measurement methodologies.
- Management maintains fluid communication with all agencies regarding project performance and market conditions.
- Under the DisCo' PPAs, in the event local rating falls below BB+, the company has a 6 month period before a DisCo could exercise its right to terminate.



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