Inversiones Latin America Power Ltda | ILAPCL

1H2024 Operational Report

San Juan & Totoral Wind Farms

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

July, 2024

Overview

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
	20.9	27.5	-6.6	240.9	59.4	66.2	16.3 %	84.3 %	97.1 %	23.1 %	27.4 %

P&L SubTotal	Actual 2Q24	Actual 1H24
Comercial Margin	**16,4**	**27,5**
Net Spot Energy Revenues	-0,3	-2,9
PPA Energy Revenues	17,2	31,3
Net Capacity Revenue	0,8	1,4
Net Tollways revenues	-1,0	-1,7
Land Lease	-0,5	-0,7
Other Income/Cost	0,3	0,1
OpEx	**-3,6**	**-6,6**
Maintenance	-1,8	-3,6
Software and equipement acquisition	0,0	0,0
Consultancies	0,0	-0,1
Social contributions	0,0	0,0
Environmental	0,0	-0,1
Communications	0,0	0,0
General expenses	-0,1	-0,1
Municipal permits		0,0
Regulatory	-0,1	-0,2
Health seafety and security	-0,1	-0,2
Insurance	-0,3	-0,7
General and Administrative	-1,1	-1,7
EBITDA (MM)	**12,9**	**20,9**

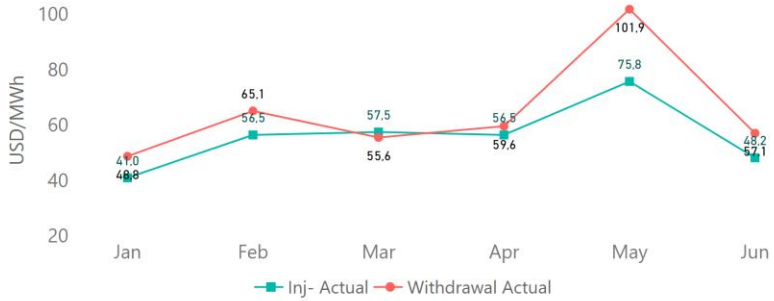
- ILAP's 1H2024 EBITDA reached $20.9M. Even tough in this period ILAP experienced a **more stable market environment** with lower price decoupling and oversupply than expected, the Net Spot Energy Revenues were negatively affected due to a 12% shortfall in energy generation compared to P50 levels. This led to substantial energy purchases to fulfill ILAP's PPAs.
- ILAP's 1H2024 generation reached above **P90** and **P80** levels for San Juan and Norvind, respectively. Despite the wind resource being close to P40 in Norvind and above P50 in San Juan, production was **significantly impacted by curtailment**, mainly due to the increases in solar production especially during summer months.
- **Price decoupling** witnessed a shift in the trend of the electricity grid when compared to 2H2023, with its prices in the southern zone surpassing those in other areas. This was primarily attributed to the low levels of wind energy production in southern Chile. Notwithstanding ILAP's generation profile being more concentrated during nighttime hours, ILAP experienced an average decoupling of $7/MWh, primarily driven by **nodal decoupling.**
- In relation to the **monetization of PEC II**, GenCos have already received the fourth payment from the accrued PEC II receivables. **ILAP started its monetizations in May-24 and during this semester received a total of $14.5 million.**
- In June 2024, **ILAP paid the full amount of interest accrued** after the emergence from the pre-packaged Chapter 11 for its Take Back Senior Security Notes and Super Priority Notes, totaling $11.3 million. This payment meant that **no Payment-in-Kind (PIK) was needed for these notes**.
- On June 28th, 2024, **LAP announced an agreement to sell ILAP (including San Juan and Totoral wind farms) to Colbún S.A. for USD 401 million**. The transaction will close once the terms agreed upon by the parties are fulfilled, which includes the approval from the Chilean antitrust authorities, among others.

Financial Results 2Q2024 – 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
	12.9	16.4	-3.6	157.4	62.8	74.0	14.6 %	88.2 %	95.9 %	30.1 %	34.1 %

GENERATION VS PPA CONSUMPTION

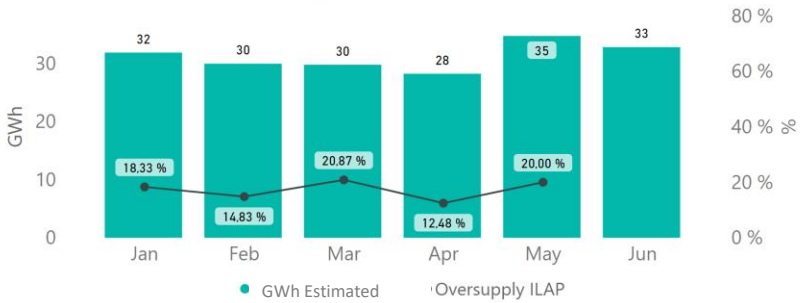
MARGINAL COST (SPOT PRICES)



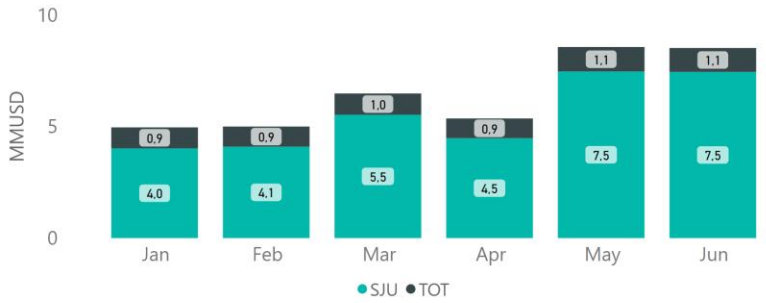
PPA DETAIL CONSUMPTION

PPA	Price PPA	CMg W/D	GWh Actual
Cinergia	48,40	65,30	9,07
Disco	137,59	61,85	187,47
Emoac	95,12	78,97	15,00
Metro	120,50	84,04	28,93
Mina Cerro Negro	50,50	56,64	13,37
Others	50,73	58,22	15,00

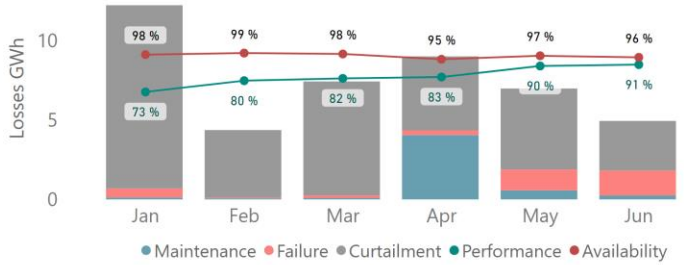
DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



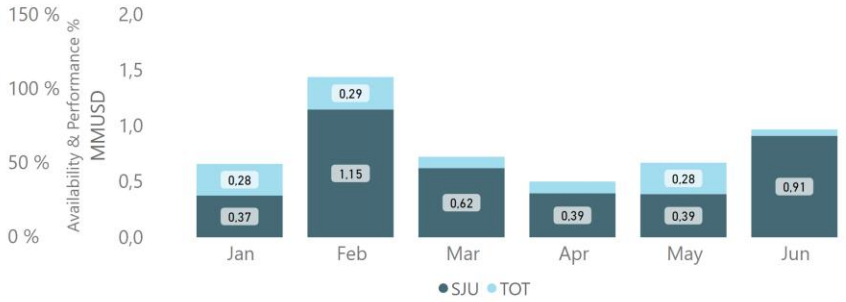
REVENUES BY SPV



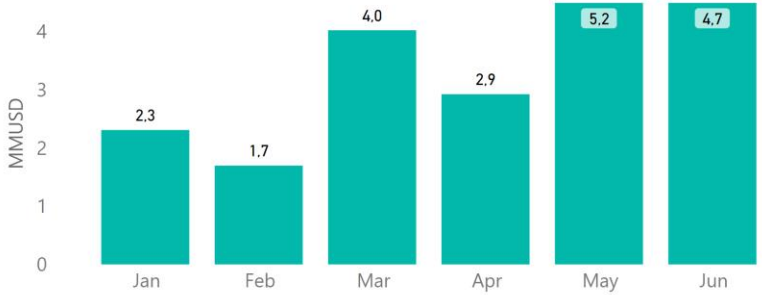
LOSSES (GWH) / AVAILABILITY(%) / PERFORMANCE(%)



ENERGY PURCHASE BY SPV



EBITDA



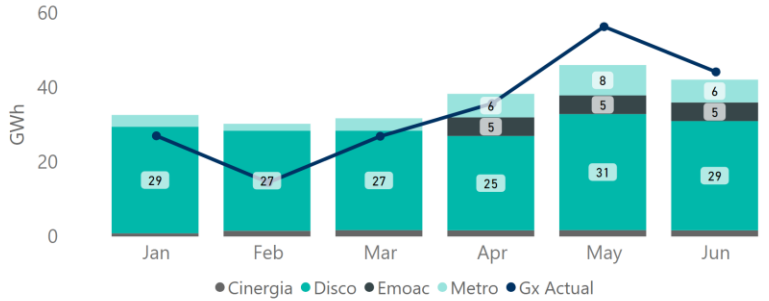
Financial Results 1H2024 – San Juan Wind Farm

LATIN AMERICA POWER

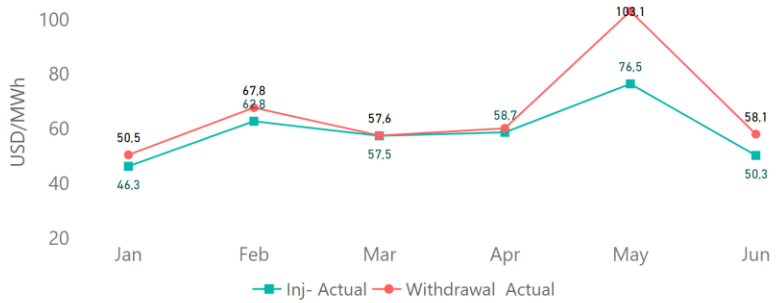
Quarter KPI

EBITDA [MM]	Comm. Margin [MM]	OpEx [MM]	Generation [GWh]	MgC Inj [$/MWh]	MgC W/D [$/MWh]	Oversupply	Performance	Availability	Capacity Factor	Corrected Cap. Factor
12,4	14,7	-2,4	136,2	63,3	75,1	14,5 %	88,0 %	96,0 %	32,3 %	36,7 %

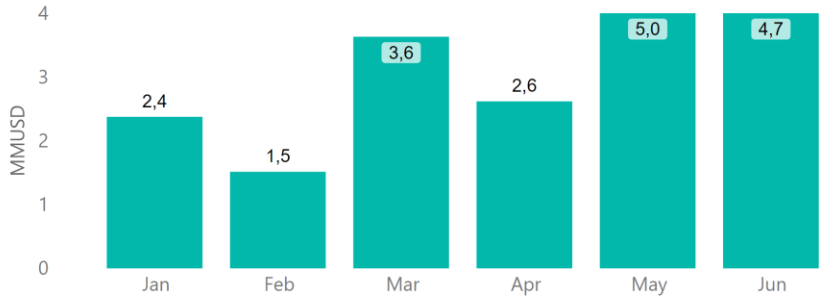
GENERATION VS PPA CONSUMPTION



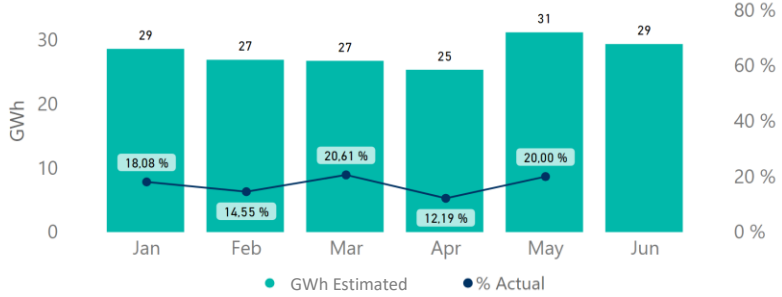
MARGINAL COST (SPOT PRICES)



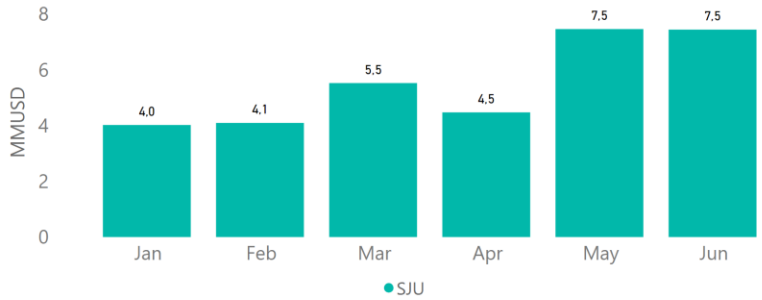
EBITDA



DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



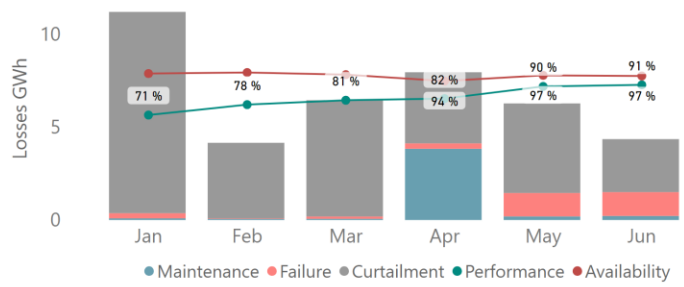
REVENUES



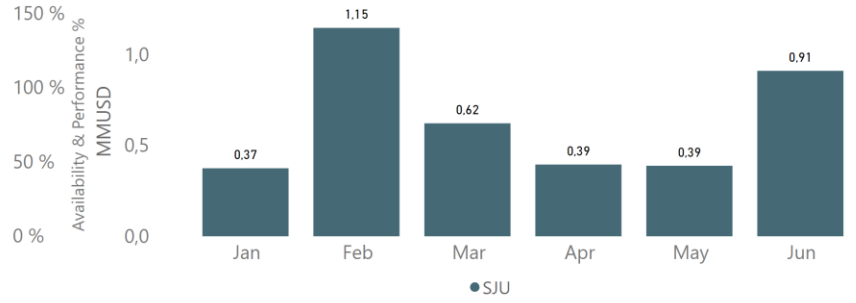
PPA DETAIL CONSUMPTION

PPA	PPA Price	CMg W/D	GWh Actual
Disco	130,74	65,23	167,95
Metro	120,50	84,04	28,93
Emoac	95,12	78,97	15,00
Cinergia	48,40	65,30	9,07

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



ENERGY PURCHASE



P&L SubTotal	Actual 2Q24	Actual 1H24
Comercial Margin	**14,7**	**24,4**
Net Spot Energy Revenues	0,1	-1,8
PPA Energy Revenues	15,0	26,9
Net Capacity Revenue	0,6	1,2
Net Tollways revenues	-0,7	-1,2
Land Lease	-0,5	-0,7
Other Income/Cost	0,2	0,0
OpEx	**-2,4**	**-4,5**
EBITDA (MM)	**12,4**	**19,9**

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
19,9	24,4	-4,5	204,6	60,3	68,0	16,2 %	83,5 %	97,3 %	24,2 %	29,0 %

Financial Results 1H2023 – Totoral Wind Farm

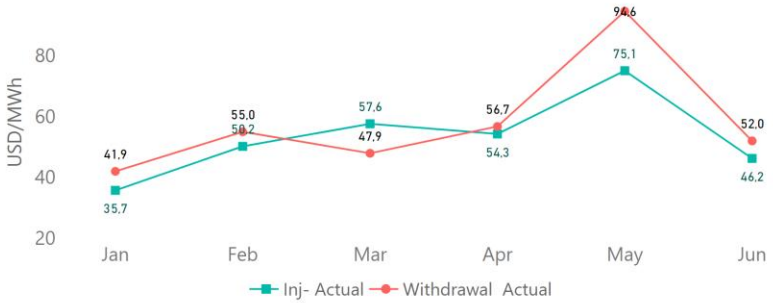
LATIN AMERICA POWER

Quarter KPI

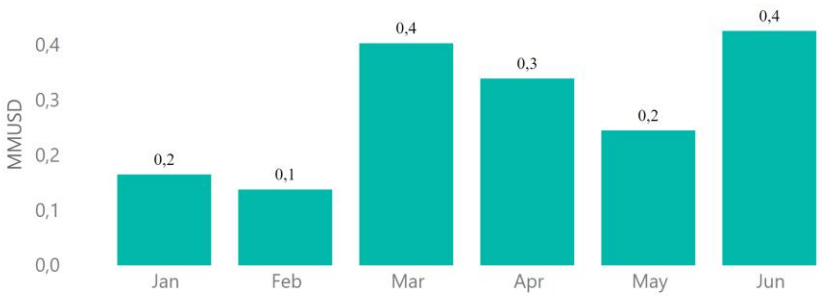
EBITDA [MM]	Comm. Margin [MM]	OpEx [MM]	Generation [GWh]	MgC Inj [$/MWh]	MgC W/D [$/MWh]	Oversupply	Performance	Availability	Capacity Factor	Corrected Cap. Factor
1.0	1.7	-0.7	21.2	59.1	68.0	15.2 %	90.0 %	95.7 %	21.1 %	23.5 %

GENERATION VS PPA CONSUMPTION

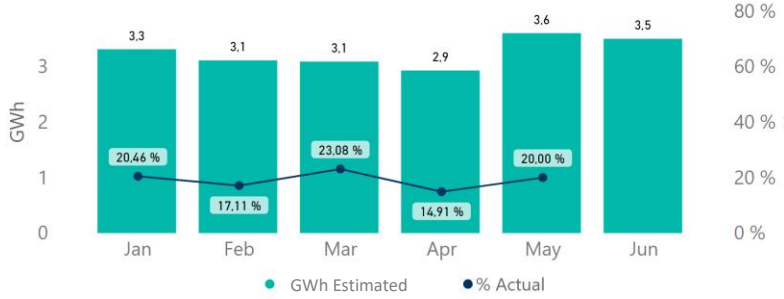
MARGINAL COST (SPOT PRICES)



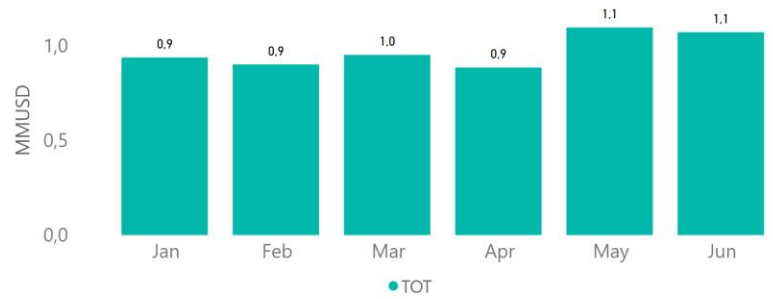
EBITDA



DISCOS CONSUMPTION(GWH) & OVERSUPPLY(%)



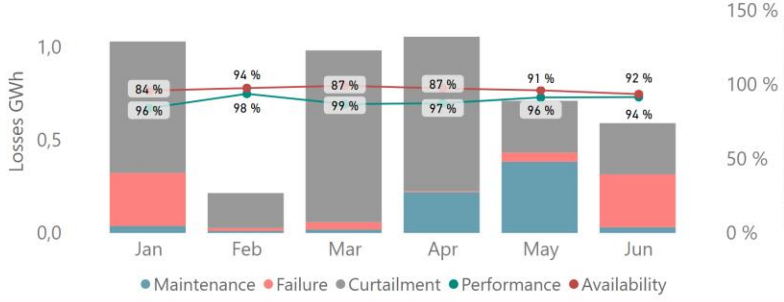
REVENUES



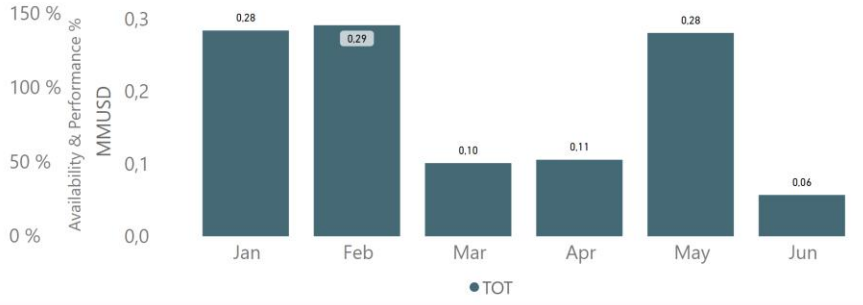
PPA DETAIL CONSUMPTION

PPA	PPA Price	CMg W/D	GWh Real
Disco	144,43	58,47	19,52
Mina Cerro Negro	50,50	56,64	13,37
Others	50,73	58,22	15,00

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



ENERGY PURCHASE



P&L SubTotal	Actual 2Q24	Actual 1H24
Comercial Margin	**1,7**	**3,1**
Net Spot Energy Revenues	-0,4	-1,1
PPA Energy Revenues	2,2	4,4
Net Capacity Revenue	0,1	0,2
Net Tollways revenues	-0,3	-0,5
Other Income/Cost	0,1	0,1
OpEx	**-0,7**	**-1,4**
EBITDA (MM)	**1,0**	**1,7**

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
1.7	3.1	-1.4	36.3	54.6	57.9	17.8 %	88.8 %	96.6 %	18.1 %	20.4 %

Generation and Hydrology

- During 1H2024 ILAP's generation was 12% below P50, but slightly above production levels recorded in the same period 2023. After reaching the lowest production recorded in the history of the projects during Feb-24, a month particularly hit by curtailment, generation has tended to converge to P50 levels. These lower production levels are primarily attributed to the low wind resource and curtailment in the transmission lines. Due to the reduced energy production during some months, ILAP had to engage in energy purchases in the spot market to meet its PPAs with the average withdrawal marginal costs standing over 65 USD/MWh.

- After a slow start to the hydrological year, with low rainfall levels during April and early May, rainfall levels increased strongly at the end of May and throughout June, reaching record levels of rainfall and snowpack, especially in the central part of the country. Although all forecasts indicate that a La Niña phenomenon would begin during 2H2024, which implies low rainfall probabilities in Chile, the hydrology accumulated so far would allow reaching reasonable levels by the end of the year, even if rainfall levels drop.

- 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 150% over the last twelve moths reaching 10-year high, therefore, a minimum hydric reserve is not expected to be set for 2024.

Figure 1

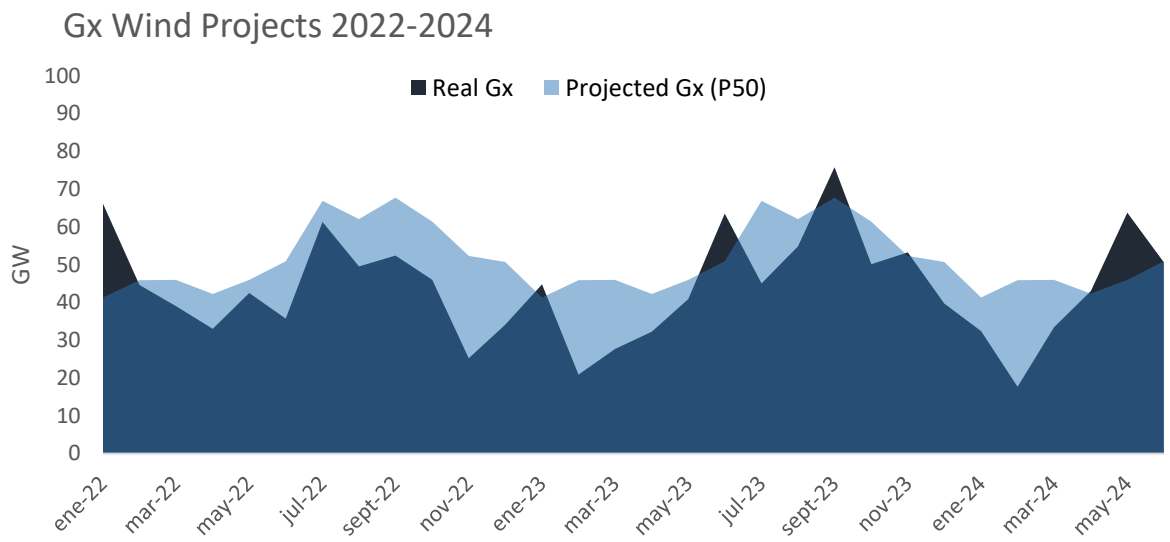
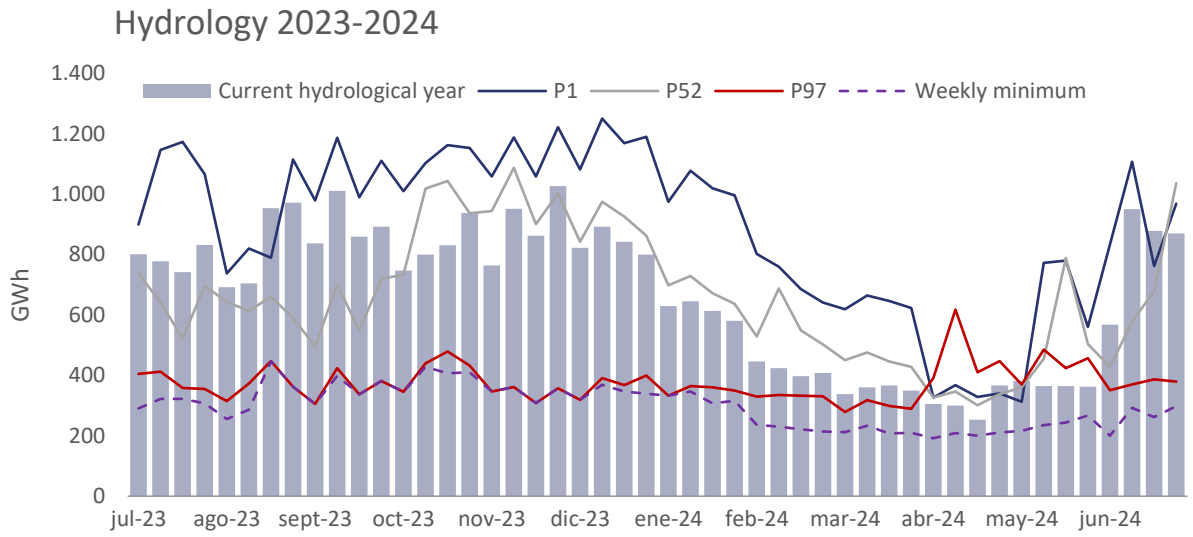


Figure 2



Market Situation

- During 1H2024, the national electricity system's prices were higher than the previous semester, but significantly lower than the same period 2023. The price increase and volatility is mainly due to the reduction in renewable energy generation, mainly due to the drop in hydro generation after the end of the hydrological year. Fuel costs reported to the coordinator remained at the levels observed in December, in line with international coal and natural gas market prices.
- Daily average price levels were more volatile than the previous semester, primarily attributed to the hydro generation reduction making the prices more reliant on the wind generation. In the central nodes, an average price of 60 USD/MWh was recorded during 1H2024 even though renewable energy generation was 13% lower than 2H2023 production levels. Consequently, the hours with prices at 0 USD/MWh remained around the same level as last semester. Prices are expected to slightly decrease in the short term; remaining below 70 USD/MWh even for dry hydrologies.
- Price decoupling between the southern zone and the rest of the electricity grid changed the trend registered in the 2H2023, showing higher prices than the central zone due to low levels of wind generation in the south of Chile and an increase demand in that zone due to a rise in its population because of the holidays. Nevertheless, the decoupling was lower than in previous years, attributed to the elevated production levels of hydro power plants in that zone.

Figure 3

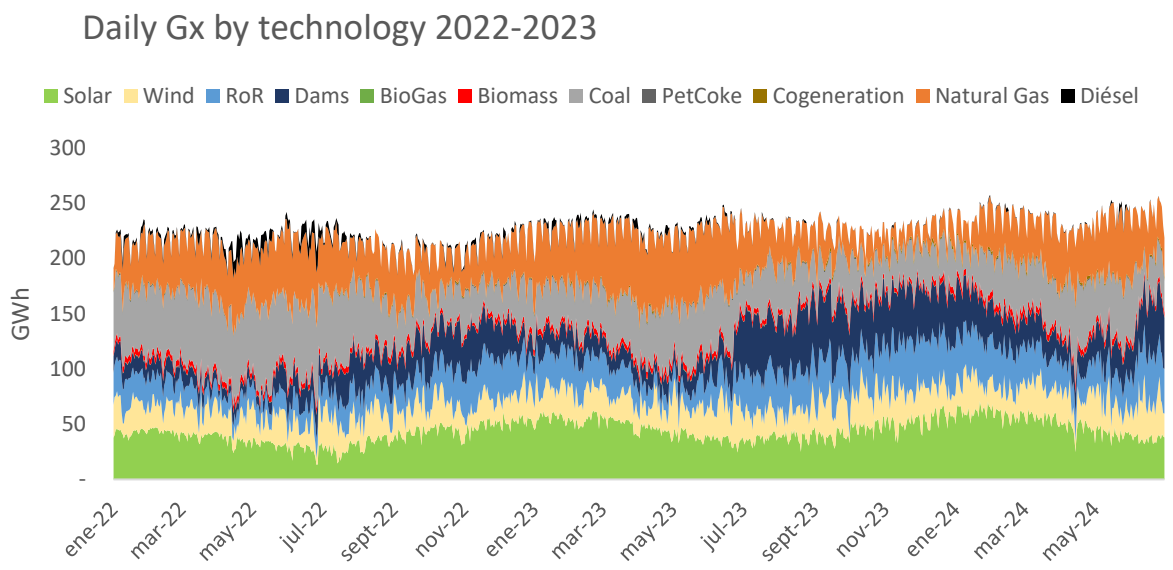
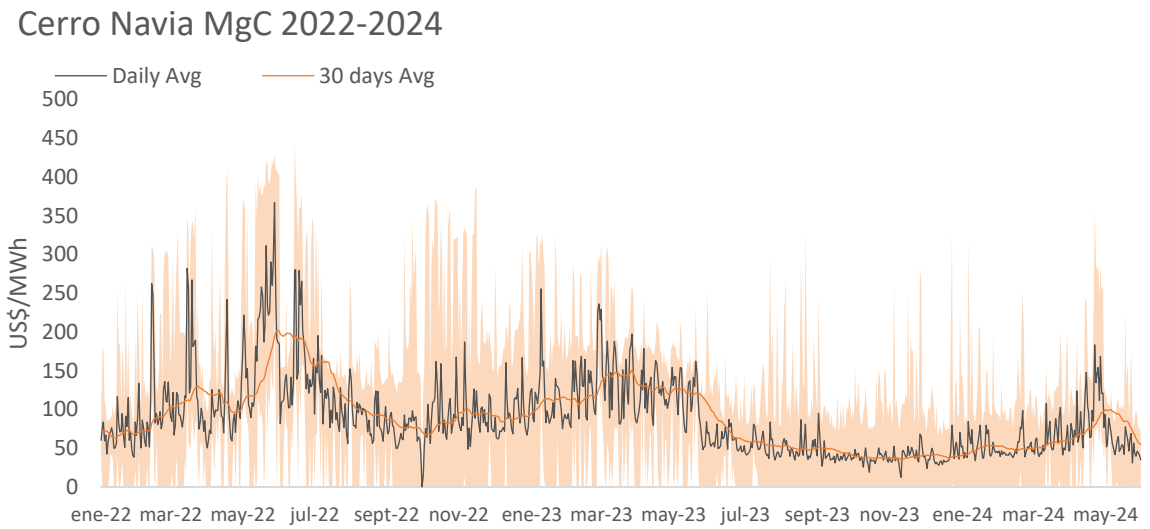


Figure 4



Rating Agencies

- International Rating Agencies:

Fitch Ratings — Apr-24 — BB

Moody's — Jul-24 — B1

- National Rating Agencies:

ICR Chile — AN AFFILIATE OF MOODY'S INVESTORS SERVICE

SJU	C	Jan-24	BB+
NVD	C	Jan-24	BB+

- On January 12th, **ILAP successfully emerged from its Chapter 11 restructuring** following the confirmation of its Plan of Reorganization by the U.S. Bankruptcy Court for the Southern District of New York on January 3, 2024.
- ILAP's emergence from the "prepackaged" in-court restructuring proceedings through the consummation of its Plan of Reorganization **provides ILAP with a sustainable capital structure by significantly reducing cash interest and providing new financing**. The Plan had the overwhelming support of holders of ILAP's senior secured notes due 2033 with 100% of those voting having voted to approve it, together with Citibank, N.A. in its capacity as the sole lender under the letter of credit facility. Under the Plan of Reorganization, ILAP and its creditors exchanged more than US$430 million of existing senior debt secured by the assets and cash flows from the San Juan and Totoral projects for approximately US$264 million of take-back senior secured notes and approximately US$165 million in new convertible notes of ILAP's direct parent entity which may, under certain conditions, be converted into equity of such parent entity. Certain noteholders provided ILAP with approximately US$14 million in "exit" financing in the form of super priority senior secured notes.
- As a result of the restructuring, new rating classifications are needed for issued bonds. **Fitch Ratings issued a BB classification rate** for ILAP during April 2024, while **Moody's assigned a B1 rating** to ILAP's senior secured notes, outlook stable during July 2024.
- Following the emergence from Chapter 11 restructuring, **ICR upgraded San Juan and Norvind to a BB+**, in compliance with the six-month period during which the company had to improve its rating before DisCos PPAs could be terminated.
- In June 2024, **ILAP paid the full amount of interest accrued after the emergence from the pre-packaged Chapter 11** for its Take Back Senior Security Notes and Super Priority Notes, totaling $11.3 million. This payment meant that **no Payment-in-Kind (PIK) was needed for these notes.**
- On June 28th, 2024, **LAP announced an agreement to sell ILAP (including San Juan and Totoral wind farms) to Colbún S.A. for USD 401 million**, an amount that may vary due to adjustments stipulated in the respective sale purchase agreement. The transaction will close once the terms agreed upon by the parties are fulfilled, which includes the approval from the Chilean antitrust authorities, among others.

Inversiones Latin America Power Ltda | ILAPCL

Cerro el Plomo, 5680
Edificio Las Artes, Piso 12, Oficina 1202
Las Condes, Santiago – Chile