

Orazul Energy Perú S.A. and Subsidiary

Unaudited Condensed Consolidated Interim Financial Statements

June 30, 2025

(Including Independent Auditors' Report on Review of
Condensed Consolidated Interim Financial Statements)



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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders and Board of Directors
Orazul Energy Perú S.A.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Orazul Energy Perú S.A. and Subsidiary as at June 30, 2025, the condensed consolidated statements of profit or loss and other comprehensive income for the six and three-month periods ended as at June 30, 2025, the condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six and three-month periods ended June 30, 2025 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Lima, Peru

July 31, 2025

Countersigned by:

Oscar Miere (Partner)
Peruvian Public Accountant
Registration N° 39990

EMMERICH, CORDOVA & ASOCIADOS

Orazul Energy Perú S.A. and Subsidiary

Unaudited Condensed Consolidated Interim Financial Statements

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Orazul Energy Perú S.A. and Subsidiary

Unaudited Condensed Consolidated Statement of Financial Position

As of June 30, 2025, and December 31, 2024

<i>In thousands of U.S. dollars</i>	<i>Note</i>	June 30, 2025	December 31, 2024	<i>In thousands of U.S. dollars</i>	<i>Note</i>	June 30, 2025	December 31, 2024
Assets				Liabilities			
Current assets				Current liabilities			
Cash	3	58,101	26,267	Short-term loan	10	5,000	-
Trade receivables	4	21,059	23,144	Lease liabilities from operating contracts		194	172
Other receivables		428	329	Trade payables	8	4,211	6,237
Accounts receivable from related parties	16.C	33	-	Other payables, including derivative financial instruments	9	6,436	7,550
Inventories	5	2,663	2,634	Accounts payable to related parties	16.C	-	1,978
Prepaid expenses		2,512	776	Income tax payable	9	4,080	811
Other assets	7	1,882	1,882	Total current liabilities		19,921	16,748
Income tax receivable		-	6	Non-current liabilities			
Total current assets		86,678	55,038	Debentures	10	361,496	361,063
Non-current assets				Lease liabilities from operating contracts		254	320
Property, plant, and equipment	6	546,150	557,440	Other liabilities		161	216
Right-of-use assets	6	457	516	Asset retirement obligation	11	3,991	3,869
Intangible and other assets	7	489,854	490,802	Deferred income tax payables		9	9
Deferred income tax assets		25,363	16,902	Total non-current liabilities		365,911	365,477
Total non-current assets		1,061,824	1,065,660	Total liabilities		385,832	382,225
				Equity	12		
				Share capital		477,477	477,477
				Additional capital		223,343	223,344
				Hedging reserve		(232)	-
				Legal reserves		39,345	36,957
				Retained earnings		22,737	695
				Total equity		762,670	738,473
Total assets		1,148,502	1,120,698	Total liabilities and equity		1,148,502	1,120,698

The notes on pages 5 to 19 are an integral part of these condensed consolidated interim financial statements.

Orazul Energy Perú S.A. and Subsidiary

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the three and six-month period ended June 30, 2025, and 2024

<i>In thousands of U.S. dollars</i>	<i>Note</i>	Six-month period ended June 30		Three-month period ended June 30	
		2025	2024	2025	2024
Revenues	13	61,743	59,103	29,228	28,068
Cost of sales		(12,396)	(12,284)	(6,312)	(5,773)
Depreciation	6	(13,288)	(12,906)	(6,671)	(6,488)
Gross profit		36,059	33,913	16,245	15,807
Administrative expenses		(2,216)	(2,309)	(962)	(1,153)
Other income		400	1,207	236	1,167
Other expenses		(38)	(3)	-	-
Operating profit		34,205	32,808	15,519	15,821
Finance income		744	1,260	418	713
Finance costs		(11,400)	(11,417)	(5,663)	(5,627)
Net foreign exchange difference		1,182	(898)	721	(919)
Finance cost, net		(9,474)	(11,055)	(4,524)	(5,833)
Profit before income tax		24,731	21,753	10,995	9,988
Income tax	14	(301)	(12,238)	904	(8,276)
Profit for the period		24,430	9,515	11,899	1,712
Other comprehensive income					
Items that will be classified to profit or loss					
Cash flow hedges – effective portion of change in fair value		(232)	-	(699)	-
Other comprehensive (loss) income for the period, net of tax		(232)	-	(699)	-
Total comprehensive income for the period		24,198	9,515	11,200	1,712

The notes on pages 5 to 19 are an integral part of these condensed consolidated interim financial statements.

Orazul Energy Perú S.A. and Subsidiary

Condensed Consolidated Statement of Changes in Equity

For the six-month period ended June 30, 2025, and 2024

<i>In thousands of U.S. dollars</i>	<i>Note</i>	Share capital (note 12)	Additional capital (note 12)	Legal reserves (note 12)	Hedging reserve (note 12)	Retained earnings	Total equity
Balance as of January 1, 2024		477,477	278,547	36,957	-	29,683	822,664
Comprehensive income for the period							
Profit for the period		-	-	-	-	9,515	9,515
Total comprehensive income for the period		-	-	-	-	9,515	9,515
Transactions with owners of the Company							
Remeasurement of asset retirement obligation		-	530	-	-	-	530
Legal reserve	<i>12.B</i>	-	-	938	-	(938)	-
Total transactions with owners of the Company		-	530	938	-	(938)	530
Balance as of June 30, 2024		477,477	279,077	37,895	-	38,260	832,709
Balance as of January 1, 2025		477,477	223,344	36,957	-	695	738,473
Comprehensive income for the period							
Profit for the period		-	-	-	-	24,430	24,430
Total comprehensive income for the period		-	-	-	-	24,430	24,430
Other comprehensive income							
Cash flow hedges, net of income tax		-	-	-	(232)	-	(232)
Total other comprehensive income for the period		-	-	-	(232)	24,430	24,198
Transactions with owners of the Company							
Remeasurement of asset retirement obligation		-	(1)	-	-	-	(1)
Legal reserve	<i>12.B</i>	-	-	2,388	-	(2,388)	-
Total transactions with owners of the Company		-	(1)	2,388	-	(2,388)	(1)
Balance as of June 30, 2025		477,477	223,343	39,345	(232)	22,737	762,670

The notes on pages 5 to 19 are an integral part of these condensed consolidated interim financial statements.

Orazul Energy Perú S.A. and Subsidiary
Condensed Consolidated Statement of Cash Flows
For the six-month period ended June 30, 2025, and 2024

<i>In thousands of U.S. dollars</i>	<i>Note</i>	Six-month period ended June 30	
		2025	2024
Cash flows from operating activities			
Collections from customers		82,872	72,268
Collection of interest		723	1,251
Payment to suppliers		(38,258)	(26,796)
Payment of contributions and other related to employees		(168)	(145)
Cash generated from operating activities		45,169	46,578
Income tax paid		(5,258)	(4,730)
Net cash from operating activities		39,911	41,848
Cash flows from investing activities			
Proceeds from the sale of property, plant, and equipment		91	772
Acquisition of property, plant, and equipment		(2,795)	(3,421)
Acquisition of intangibles		(39)	(75)
Net cash used in investing activities		(2,743)	(2,724)
Cash flows from financing activities			
Proceeds from short-term debt		5,000	-
Interest paid		(10,215)	(10,215)
Payment of withholding tax derived from interest		(510)	(522)
Payment of lease liabilities from operating contracts		(91)	(92)
Dividends paid, net of tax		(1)	-
Net cash used in financing activities		(5,817)	(10,829)
Net increase in cash		31,351	28,295
Cash as of January 1		26,267	36,043
Effects of variations on exchange differences on cash held		483	110
Cash as of June 30	<i>3</i>	58,101	64,448

The notes on pages 5 to 19 are an integral part of these condensed consolidated interim financial statements.

1. Background and Business Activity

A. Corporate information

Orazul Energy Perú S.A. (hereinafter, "the Company"; "OEP" or "Orazul") is a subsidiary of Orazul Energia (UK) Holdings Ltd, a company established in the United Kingdom, which owns 99.99% of the Company's share capital. The legal domicile of Orazul is Calle Las Palmeras No. 435, 7th floor, San Isidro, Lima, Peru.

The Company's business activity is the generation and commercialization of electrical energy. The Company has a total installed capacity of 377 MW, as detailed below:

Plant	Source used to operate power station	Total Capacity (MW)	Location
Cañón del Pato	Hydroelectric	266	Huallanca, Ancash
Carhuaquero Complex	Hydroelectric	110	LLama, Cajamarca
Carhuaquero Solar	Solar	1	LLama, Cajamarca
		377	

The Company could be affected by seasonal patterns throughout the year, and therefore, the operating margin could vary by month during the year.

Additionally, weather variations, including hydrological conditions, could also have an impact on generation output. Nevertheless, the hydroelectric facilities are located in two distinct basins, which mitigates hydrological risk.

B. Subsidiary

As of June 30, 2025, and December 31, 2024, the Company has a 99.99% direct equity interest in its subsidiary Kondu S.A.C. (hereinafter, "Kondu" or "Subsidiary").

Kondu, was incorporated on September 10, 2021, with the purpose of carrying out power generation, transmission, and commercialization activities as well as providing energy solutions services targeting mainly middle market customers.

The Company and its Subsidiary operate in Peru (collectively hereinafter, "the Group").

2. Basis for the Preparation of Financial Statements

A. Basis of accounting

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34: *Interim Financial Reporting* and should be read in conjunction with the Group's last annual consolidated audited financial statements as at and for the year ended December 31, 2024. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the last annual financial statements as at and for the year ended December 31, 2024. These condensed consolidated interim financial statements do not include all of the information required for a full annual set of financial statements prepared in accordance with IFRS.

These condensed consolidated interim financial statements were approved by the Group Management on July 31, 2025.

B. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at December 31, 2024.

C. Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements requires Management to make judgments, estimates, and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2024.

D. Measurement of fair values

Some of the Group's accounting policies and disclosures require the measurement of the fair value of financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of their fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 15 – Financial Instruments.

Measurement of revaluation of property, plant, and equipment

i. Fair value hierarchy

The fair value of property, plant, and equipment was determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the property, plant, and equipment has been categorized as a Level 2 fair value based on the inputs to the valuation technique used.

ii. Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Revalued property plants	Market comparison (appraisal): The fair value is estimated considering the current or recent quoted prices for identical assets, considering their characteristics (location, condition, etc.)	Not applicable	Not applicable
Debentures	Discounted cash flows using current market interest rates.	Not applicable	Not applicable
Energy liquidation swaps	Discounted cash flows: The valuation reflects the present value from energy purchases liquidation, discounted at market rates.	Not applicable	Not applicable

3. Cash

Comprises the following:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Checking accounts (a)	58,099	26,265
Petty cash	2	2
	58,101	26,267

- (a) The Group holds checking accounts in foreign and local currency at different financial entities. The Group checking accounts are available and mainly earn interest at market rates ranging from 0.15% to 4.20% in soles and from 3.15% to 3.58% in U.S dollars as at June 30, 2025, (from 0.07% to 4.55% in soles and from 3.15% to 4.08% in U.S dollars as at December 31, 2024).

The credit quality that safeguards the Group's bank deposits remains unchanged from the evaluation as of December 31, 2024.

4. Trade Receivables

Comprises the following:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Non-regulated customers	7,910	11,261
Regulated customers	6,730	6,934
COES (a)	3,350	4,336
Others	3,069	613
Total	21,059	23,144

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Trade receivables are denominated in U.S. dollars (for non-regulated customers) and soles (for COES and regulated customers). They have current maturity and do not generate interest, except in the case of payment delays. Trade receivables as of June 30, 2025, correspond mainly to 75 non-regulated and 5 regulated customers (20 non-regulated and 5 regulated customers as of December 31, 2024).

- (a) The Committee of Economic Operation of the National Interconnected System (COES), as the system operator, acts as a clearing house and settles the payments for power generation companies.
- (b) As of June 30, 2025, this amount includes US\$ 533 thousand for related parties (US\$ 746 thousand as of December 31, 2024) (note 16.C).

The aging of trade receivables is as follows:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Unexpired	20,969	23,061
Less than 30 days	90	76
31 to 180 days	-	6
181 to 360 days	-	1
	21,059	23,144

The aging of accounts receivable and the performance of the customers are constantly monitored to ensure their recovery within their due dates. Consequently, in Management's opinion, the balance of the allowance for impairment of accounts receivable adequately covers the risk of loss for doubtful accounts as of June 30, 2025, and December 31, 2024.

As of June 30, 2025, and December 31, 2024, there have been no past due trade receivables (over 360 days).

- (c) The movement of the expected credit loss estimate is as follows:

<i>In thousands of U.S. dollars</i>	December 31, 2024
Opening balance	188
Addition	202
Exchange difference	6
Write off	(394)
Recovery	(2)
	-

5. Inventories

Comprises the following:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Mechanical and electric spare parts (a)	1,764	1,778
Other supplies	821	778
Fuel and lubricants	78	78
	2,663	2,634

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Notes to the Condensed Consolidated Interim Financial Statements

- (a) Items used in scheduled maintenance for the hydropower plants: Carhuaquero Complex and Cañon del Pato, enabling appropriate operations until major maintenance.

Under Management's opinion, it is not necessary to recognize any impairment in inventories as of June 30, 2025.

6. Property, Plant and Equipment and Right-of-Use Assets

Comprises the following:

<i>In thousands of U.S. dollars</i>	<i>Note</i>	June 30, 2025	December 31, 2024
Cost			
Beginning balance		973,056	967,334
Additions			
Work in process (b)		1,595	4,640
Machinery and equipment		253	2,258
Sundry equipment		228	219
Spare parts		216	-
Vehicles		188	133
Building and construction		70	81
Furniture and fixtures		12	9
Units in transit		-	623
Total additions		2,562	7,963
Other			
Units in transit		(623)	-
Asset retirement cost	11	-	29
Total other		(623)	29
Transfers			
Machinery and equipment		1,634	2,611
Building and construction		172	6,446
Vehicles		46	(28)
Spare parts		27	-
Sundry equipment		25	107
Work in progress		(1,719)	(9,136)
Units in transit		(185)	-
Total transfers		-	-
Retirements			
Vehicles		(431)	(698)
Sundry equipment		(23)	(1,571)
Lands		-	(1)
Total retirements		(454)	(2,270)
Ending balance		974,541	973,056
Accumulated depreciation			
Beginning balance		(415,100)	(391,510)
Additions			
Machinery and equipment		(8,021)	(15,670)
Building and construction		(4,887)	(9,526)
Sundry equipment		(214)	(422)
Vehicles		(116)	(142)
Asset retirement obligation		(45)	(90)
Furniture and fixtures		(5)	(8)
Total additions		(13,288)	(25,858)

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Notes to the Condensed Consolidated Interim Financial Statements

<i>In thousands of U.S. dollars</i>	<i>Note</i>	June 30, 2025	December 31, 2024
Retirements			
Vehicles		431	698
Sundry equipment		23	1,570
Total retirements		454	2,268
Transfers			
Machinery and equipment		2	-
Sundry equipment		(2)	-
Total transfers		-	-
Ending balance		(427,934)	(415,100)
Net cost at the beginning of the period		557,956	575,824
Net cost of the end of the period		546,607	557,956

- (a) As of June 30, 2025, and December 31, 2024, the Company has insured all plants' assets under a Property Damage Business Interruption (PDBI) insurance policy. In Management's opinion, this insurance policy is consistent with international industry practice, and the risk of possible losses for claims considered in the insurance policies is reasonable, taking into consideration the Company's types of assets.
- (b) As of June 30, 2025, the main work-in-progress additions corresponded to civil works, equipment installation and maintenance service in Carhuaquero Complex and Cañon del Pato plants for US\$ 886 thousand and US\$ 709 thousand, respectively (civil works, equipment installation and maintenance service in Carhuaquero Complex and Cañon del Pato plants for US\$ 2,177 thousand and US\$ 3,080 thousand, respectively as of December 31, 2024).
- (c) As of June 30, 2025, and December 31, 2024, there were no impairment indicators on the value of property, plant, and equipment.
- (d) Property, plant, and equipment include US\$ 457 thousand and US\$ 516 thousand right-of-use assets as of June 30, 2025, and December 31, 2024, respectively, as follows:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Cost		
Beginning balance	655	1,194
Additions		
Vehicles	35	-
Total additions	35	-
Retirements		
Vehicles	-	(539)
Total retirements	-	(539)
Ending balance	690	655
Accumulated depreciation		
Beginning balance	(139)	(551)
Additions		
Vehicles	(94)	(127)
Total additions	(94)	(127)
Retirements		
Vehicles	-	539
Total retirements	-	539
Ending balance	(233)	(139)
Net cost at the beginning of the period	516	643
Net cost at the end of the period	457	516

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Notes to the Condensed Consolidated Interim Financial Statements

- (e) As of June 30, 2025, and December 31, 2024, the Company does not have guarantees related to the acquisition of property, plant, and equipment.

7. Intangible, Goodwill, and Other Assets

A. Intangible and Goodwill

Comprises the following:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Goodwill (a)	399,427	399,427
Electric concessions (b)	79,954	79,954
Software and other	76	83
	479,457	479,464

- (a) The goodwill corresponds to the excess of the net fair value of assets and liabilities identified during the acquisition of the Peruvian operating business on December 20, 2016.
- (b) The electricity concessions correspond to intangible assets identified at the acquisition date on December 20, 2016. The useful life of electricity concessions is indefinite. As of June 30, 2025, and December 31, 2024, Management is not required to establish reserves for the possible impairment of its intangible assets with an indefinite life.

Management analysis indicated there were no impairment indicators on the value of the intangibles as of June 30, 2025, and December 31, 2024.

B. Other assets

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Opening balance	13,220	15,102
Amortization	(941)	(1,882)
	12,279	13,220
Portion		
Current portion	1,882	1,882
Non-current portion	10,397	11,338

Other assets correspond to payments made to distribution companies under option agreements pursuant to which distribution companies granted the right to execute addenda to the original public tenders of certain PPAs. These addenda enabled the extension of contract terms, adjustments to the contracted capacity and associated energy, and the maintenance of current fixed prices in accordance with the Supreme Decree 022-2018 EM. Between 2021 and 2022, the Company executed all option agreements signed with distribution companies and signed the corresponding addenda to extend the contract term of the related PPAs.

These payments will be amortized over the extended contract term of the energy supply contract, reducing revenue generated throughout the extension period (note 13(a)).

8. Trade Payables

Comprises the following:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Energy purchases and transmission tolls (a)	2,855	2,691
Other	854	1,770
Capex expenditures (b)	502	1,776
	4,211	6,237

- (a) Trade payables include transmission tolls paid for the use of principal transmission lines in the Peruvian interconnected electricity system. Most of these costs are passed through to the Group's customers. As of June 30, 2025, trade payables include US\$ 5 thousand for related parties (US\$ 118 thousand as of December 31, 2024) (note 16.C).
- (b) Corresponds mainly to the purchase of spare parts, supplies, civil works and services related to major maintenance.

Trade payables are mainly denominated in U.S. dollars, have current maturities, do not accrue interest, and do not have specific guarantees.

9. Other Payables and Income Tax Payable

Comprises the following:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Other payables		
Interest payables (a)	3,525	3,518
Rural Electrification Act and other Energy funds	1,137	736
Value-added tax	1,065	872
Derivative financial instruments	329	-
Other taxes	220	181
Other	109	356
Payroll	51	58
Withholding tax on dividends	-	1,829
	6,436	7,550
Income tax payable	4,080	811
	10,516	8,361

- (a) Corresponds to OEP 2027 Notes, settled semi-annually throughout the year (note 10).

10. Debentures and Others

The terms and conditions of debentures are as follows:

<i>In thousands of U.S. dollars</i>	Nominal annual interest rate	Currency	Maturity	Face value		Carrying amount	
				2025	2024	2025	2024
Short-term loan							
Scotiabank (a)	4.13%	US\$	Jun - 27	5,000	-	5,000	-
Debentures							
OEP 2027 Notes (b)	5.625%	US\$	Apr - 27	363,198	363,198	361,496	361,063
				368,198	363,198	366,496	361,063

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Notes to the Condensed Consolidated Interim Financial Statements

The carrying amounts as of June 30, 2025, and December 31, 2024, comprise the following:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
OEP 2027 Notes	363,198	363,198
Transaction costs	(1,702)	(2,135)
	361,496	361,063

- (a) On June 18, 2025, the Company obtained a short-term loan of US\$ 5,000 thousand from Scotiabank at 4.13% maturing in June 2026. The short-term loan is intended to finance the Company's capital expenditure and general corporate expenses.
- (b) On April 25, 2017, the Company (originally Orazul Energy Egenor S. en C. por A., later merged into the Company, on August 16, 2017) issued senior unsecured notes for an aggregate principal amount of US\$ 550,000 thousand in the international capital markets, under Rule 144A Regulation S. (hereinafter "OEP 2027 Notes"). The notes are rated BB by Fitch Ratings and BB-by Standard & Poor's and accrue interest biannually payable in April and October of each year at a nominal rate of 5.625%.

On August 13, 2021, and October 29, 2021, the Company led two cash tender offers for US\$ 145,314 thousand and US\$ 41,488 thousand, respectively. As a result of these tenders, OEP 2027 Notes amount to US\$ 363,198 thousand.

11. Asset Retirement Obligation

Comprises the following:

<i>In thousands of U.S. dollars</i>	June 30, 2025	December 31, 2024
Balance as of January 1	3,869	4,770
Unwind of discount	120	271
Increase/(decrease)	2	(1,172)
	3,991	3,869

The provision for decommissioning liabilities corresponds to the hydroelectric power plants Cañon del Pato and the Carhuaquero Complex. It has been determined to consider all necessary costs, to dismantle and rehabilitate the land where the station is currently located.

As of June 30, 2025, variations in the provision are due to changes in estimated future costs and current market rates. The future value has been discounted using an annual risk-free rate of 6.32% (6.35% as of December 31, 2024).

12. Equity

A. Share capital

As of June 30, 2025, and December 31, 2024, the share capital is represented by common shares with a nominal value of one sol each, duly authorized, issued, and paid according to the following:

Shareholders	Number of shares	%
Orazul Energia (UK) Holdings Ltd.	1,690,843,115	99.99
Others	238,869	0.01
	1,691,081,984	100.00

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B. Legal reserves

According to the Companies Act, the Company is required to allocate at least 10% of its annual net income to a legal reserve after deducting accumulated losses. This allocation is required until the reserve equals 20% of paid-in capital. In the absence of non-distributed earnings or freely available reserves, the legal reserve must be applied to offset, but it must be replaced with the earnings of the subsequent years. This reserve can also be capitalized, but its subsequent replenishment is equally mandatory.

C. Additional capital

Comprises the following:

<i>In thousands of U.S. dollars</i>	Six-month period ended June 30	
	2025	2024
Initial balance	223,344	278,547
Remeasurement of asset retirement obligation	(1)	530
Final balance	223,343	279,077

D. Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges, net of income tax. The amount accumulated in the hedging reserve is reclassified to profit or loss as the hedge's expected cash flow affects profit or loss.

13. Revenues

Comprises the following:

<i>In thousands of U.S. dollars</i>	Six-month period ended June 30		Three-month period ended June 30	
	2025	2024	2025	2024
Energy sales spot	21,267	20,090	9,004	8,808
Energy sales regulated (a)	14,939	14,298	7,307	6,716
Energy sales non-regulated	13,998	13,639	7,048	6,767
Capacity sales spot	4,694	3,831	2,139	1,830
Capacity sales non-regulated	3,611	3,873	1,985	2,150
Capacity sales regulated	2,525	2,459	1,274	1,207
Other revenues	709	913	471	590
	61,743	59,103	29,228	28,068

- (a) Includes the amortization of option payments made to distribution companies in connection with option agreements. The amortization during the six-month period ended June 30, 2025, and 2024 was US\$ 941 thousand for both periods (note 7.B).
- (b) As of June 30, 2025, there was estimated revenue pending to be invoiced for US\$ 8,839 thousand (US\$ 9,034 thousand as of June 30, 2024). According to Management's evaluation, there would not be a significant variation between the amounts invoiced and those estimated.

14. Tax Issues

Income tax from the years 2021 to 2024 is subject to review by the tax authorities. As of June 30, 2025, the Company is being audited by the Peruvian Tax Administration through an integral Income Tax Audit related to the year 2021. As a result of an eventual assessment, management expects that no significant liabilities affecting the financial statements will arise as of June 30, 2025, and December 31, 2024.

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Under current tax legislation, corporate income tax for 2025 and 2024 is calculated based on the net taxable profit at a rate of 29.5%, but considering the System chosen by the Company to offset its net operating losses (System B), the Company applies the income tax rate of 29.5% on the 50% of its annual taxable income (14.75% of effective income tax rate).

Nevertheless, the effective tax rate for the six-month period ended June 30, 2025, was 1.22% (56.26% tax rate for the six-month period ended June 30, 2024). The change in the effective tax rate for the six-month period ended June 30, 2025, and 2024 corresponds mainly to the impact of exchange differences in local currency.

As of June 30, 2025, and 2024, the income tax expense shown in the income statement is composed as follows:

<i>In thousands of U.S. dollars</i>	Six-month period ended June 30		Three-month period ended June 30	
	2025	2024	2025	2024
Current tax	(8,664)	(3,540)	(4,454)	(184)
Deferred tax	8,363	(8,698)	5,358	(8,092)
	(301)	(12,238)	904	(8,276)

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Notes to the Condensed Consolidated Interim Financial Statements

15. Financial Instruments

A. Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

	Carrying amount				Total	Fair value
	Current			Non-current		Level 2
	Amortized cost	Other financial liabilities	Fair value-hedging instruments	Other financial liabilities		
<i>In thousands of U.S. dollars</i>						
As of June 30, 2025						
Financial assets not measured at fair value						
Cash	58,101	-	-	-	58,101	-
Trade receivables	21,059	-	-	-	21,059	-
Other receivables (*)	302	-	-	-	302	-
Financial liabilities measured at fair value						
Derivative financial instruments	-	-	(329)	-	(329)	(329)
Financial liabilities not measured at fair value						
Trade payables	-	(4,211)	-	-	(4,211)	-
Other payables (*)	-	(3,634)	-	-	(3,634)	-
Short-term loan	-	(5,000)	-	-	(5,000)	(5,000)
Debentures	-	-	-	(361,496)	(361,496)	(359,324)
Lease liabilities from operating contracts	-	(194)	-	(254)	(448)	-
	79,462	(13,039)	(329)	(361,750)	(295,656)	(364,653)
As of December 31, 2024						
Financial assets not measured at fair value						
Cash	26,267	-	-	-	26,267	-
Trade receivables	23,144	-	-	-	23,144	-
Other receivables (*)	280	-	-	-	280	-
Financial liabilities not measured at fair value						
Trade payable	-	(6,237)	-	-	(6,237)	-
Other payables (*)	-	(3,874)	-	-	(3,874)	-
Accounts payable to related parties	-	(1,978)	-	-	(1,978)	-
Debentures	-	-	-	(361,063)	(361,063)	(352,761)
Lease liabilities from operating contracts	-	(172)	-	(320)	(492)	-
	49,691	(12,261)	-	(361,383)	(323,953)	(352,761)

(*) It does not include tax assets, tax liabilities, employee benefits, and advances.

B. Fair value measurements

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in the determination of fair values of financial instruments – Level 2 as at June 30, 2025, and December 31, 2024:

Financial instruments not measured at fair value

Type	Valuation techniques	Key unobservable data	Interrelationship between key unobservable inputs and fair value
Debentures	Discounted cash flows using current market interest rate	Not applicable	Not applicable
Energy liquidation swaps	Discounted cash flows: The valuation reflects the present value from energy purchases liquidation, discounted at market rates.	Not applicable	Not applicable

16. Related Party Transactions

A. Parent companies and ultimate parent Company

There are no changes in the parent and ultimate parent companies as at June 30, 2025, in respect of December 31, 2024.

B. Transactions with key management

i. Loans to Directors

As of June 30, 2025, and December 31, 2024, there are no loans to Directors.

ii. Key management compensation

As of June 30, 2025, and 2024, there is no compensation to key management personnel.

iii. Transactions with key management personnel

During the six-month period ended June 30, 2025, and 2024, there were no transactions between the Company and key management.

C. Other related entities transactions

During the six-month period that ended June 30, 2025, and 2024, the Group performed the following significant transactions with related parties during the normal course of operations.

<i>In thousands of U.S. dollars</i>	Transaction type	Transaction value		Outstanding balances	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Kallpa Generación S.A.	Other	47	301	33	-
Kallpa Generación S.A.	Management services and O&M (a)	(4,802)	(4,316)	-	(1,978)
		(4,755)	(4,015)	33	(1,978)

- (a) The Group and Kallpa Generación S.A. entered into a Management Service and Operation and Maintenance (O&M) Agreement, which may be renewed upon the express consent of both parties at the end of each term.

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A summary of the transactions between the Group and the other related parties due to the sale of energy and power during the period follows:

<i>In thousands of U.S. dollars</i>	Transaction type	Transaction value		Outstanding balances	
		June 30, 2025	June 30, 2024	June 30, 2025	December 31, 2024
Sales					
Kallpa Generación S.A.	COES	3,043	1,893	374	353
	Energy and				
Kallpa Generación S.A.	Capacity Sales	496	-	98	297
Kallpa Generación S.A.	Others	374	676	61	96
Costs					
Kallpa Generación S.A.	COES	(512)	(154)	(5)	(118)
Kallpa Generación S.A.	Energy Purchase	(53)	-	-	-
		3,348	2,415	528	628

The outstanding balances with related parties have current maturity and do not accrue interest. None of these balances is guaranteed.

17. Contingencies

As of June 30, 2025, the main changes in contingencies since the most recent annual financial statements are as follows:

Labor Claims

The Company maintains the provision related to labor claims in US\$ 161 thousand as of June 30, 2025, and US\$ 216 thousand as of December 31, 2024.

Additionally, the estimate for labor claims that are not more likely than not that the Company will pay increased from US\$ 602 thousand as of December 31, 2024, to US\$ 611 thousand as of June 30, 2025.

Pluz Energía Perú ("Pluz Energía") - Arbitration Award

On January 8, 2025, Pluz Energía filed a recourse requesting the Arbitration Tribunal to interpret, rectify, integrate, and exclude some sections of the award. On the same date, Orazul and Kallpa ("the parties") filed a recourse requesting the Arbitration Tribunal to rule on one of its claims, which the tribunal had completely resolved. After that, the parties filed a response to the other party's requests.

On February 5, 2025, the Tribunal issued a Supplementary Decision resolving the appeals filed by the parties. Through this decision, the Arbitral Tribunal declared inadmissible most of the appeals filed by Pluz Energía except for their request related to the modification of the price of the Supply Contract. The Tribunal finally determined that this modification should take effect from the issuance of the Award on December 13, 2024, onwards and not from February 1, 2024, as initially ruled. Additionally, the appeal filed by the parties was declared well-founded, ordering the modification of the initial values of the Indexation Formula applicable to the prices that were modified by the Award as requested in its claim regarding Orazul's PPA.

On March 21, 2025, Pluz Energía filed an annulment claim with the Peruvian Judiciary. Such a procedure can only void the arbitral award (in whole or in part) due to formal infractions or due process infringements and does not consist of a new analysis or decision on the merits and evidence of the case. The enforcement of the award has been stayed as Pluz Energía has posted a bank guarantee securing the amount which was awarded to Kallpa and Orazul.

On April 22, 2025, Orazul answered the lawsuit and submitted a legal expert report to reinforce our arguments regarding the validity of the arbitration award.

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On June 23, 2025, Orazul was notified of Pluz Energía's response. On July 7, 2025 Orazul submitted comments reaffirming its position on the amounts to be considered for the bank guarantee.

On July 11, 2025, a hearing was held; however, as of the date of this report, the Judiciary has not issued a ruling on the annulment claim.

18. Subsequent Event

Pluz Energía Perú - Arbitration Award

On July 7, 2025, Orazul submitted comments reaffirming its position on the amounts to be considered for the bank guarantee. On July 11, 2025, a hearing was held; however, as of the date of this report, the Judiciary has not issued a ruling on the annulment claim.

Between July 1, 2025 and until the date of issuance of these financial statements, no additional events or events of importance have occurred in addition to those indicated in the previous paragraphs that require adjustments or disclosures to the condensed consolidated interim financial statements as of June 30, 2025.