



# Orazul Energy Perú S.A. and Subsidiary

Unaudited Condensed Consolidated Interim Financial Statements

**June 30, 2023**

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



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# INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED CONSOLIDATED 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, 2023, the condensed consolidated statements of profit or loss and other comprehensive income (loss), for the six and three-month periods then ended as at June 30, 2023, 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, 2023 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Lima, Peru

July 27, 2023

*Emmerich, Córdova & Asociados*

Countersigned by:

Ronald J. Villalobos (Partner),  
Peruvian Public Accountant  
Registration N° 60262

**Orazul Energy Perú S.A. and Subsidiary**

Unaudited Condensed Consolidated Interim Financial Statements

**June 30, 2023**

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**Orazul Energy Perú S.A. and Subsidiary**

Unaudited Condensed Consolidated Statement of Financial Position

As at June 30, 2023 and December 31, 2022

| <i>In thousands of U.S. dollars</i>      | <i>Note</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|------------------------------------------|-------------|--------------------------|------------------------------|
| <b>Assets</b>                            |             |                          |                              |
| <b>Current assets</b>                    |             |                          |                              |
| Cash                                     | 3           | 38,273                   | 16,779                       |
| Trade receivables                        | 4           | 16,894                   | 16,443                       |
| Account receivables from related parties | 16          | -                        | 909                          |
| Other receivables                        |             | 119                      | 122                          |
| Inventories                              | 5           | 1,796                    | 1,781                        |
| Prepaid expenses                         |             | 2,794                    | 686                          |
| <b>Total current assets</b>              |             | <b>59,876</b>            | <b>36,720</b>                |
| <b>Non-current assets</b>                |             |                          |                              |
| Intangible assets                        | 7           | 494,965                  | 495,447                      |
| Property, plant, and equipment           | 6           | 581,425                  | 592,886                      |
| Right of use assets                      | 6           | 65                       | 139                          |
| Deferred income tax assets               |             | 62,131                   | 53,473                       |
| <b>Total non-current assets</b>          |             | <b>1,138,586</b>         | <b>1,141,945</b>             |
| <b>Total assets</b>                      |             | <b>1,198,462</b>         | <b>1,178,665</b>             |

| <i>In thousands of U.S. dollars</i>  | <i>Note</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|--------------------------------------|-------------|--------------------------|------------------------------|
| <b>Liabilities</b>                   |             |                          |                              |
| <b>Current liabilities</b>           |             |                          |                              |
| Trade payables                       | 8           | 6,337                    | 8,331                        |
| Other payables                       | 9           | 5,492                    | 5,749                        |
| Income tax payable                   | 9           | 4,850                    | 7,959                        |
| Account payables to related parties  | 16          | -                        | 394                          |
| Lease liabilities                    |             | 72                       | 152                          |
| <b>Total current liabilities</b>     |             | <b>16,751</b>            | <b>22,585</b>                |
| <b>Non-current liabilities</b>       |             |                          |                              |
| Debentures                           | 10          | 359,837                  | 359,452                      |
| Asset retirement obligation          | 11          | 4,278                    | 4,003                        |
| Other liabilities                    |             | 301                      | 337                          |
| <b>Total non-current liabilities</b> |             | <b>364,416</b>           | <b>363,792</b>               |
| <b>Total liabilities</b>             |             | <b>381,167</b>           | <b>386,377</b>               |
| <b>Equity</b>                        |             |                          |                              |
| Share capital                        | 12          | 477,477                  | 464,757                      |
| Additional capital                   |             | 281,113                  | -                            |
| Legal reserves                       |             | 36,145                   | 33,653                       |
| Revaluation reserve                  |             | -                        | 281,113                      |
| Retained earnings                    |             | 22,560                   | 12,765                       |
| <b>Total equity</b>                  |             | <b>817,295</b>           | <b>792,288</b>               |
| <b>Total liabilities and equity</b>  |             | <b>1,198,462</b>         | <b>1,178,665</b>             |

The notes on pages 5 to 17 are an integral part of these condensed consolidated interim financial statements.

**Orazul Energy Perú S.A. and Subsidiary**

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Loss)

For the six-month and three-month periods ended June 30, 2023, and 2022

| <i>In thousands of U.S. dollars</i>                          | <i>Note</i> | <b>Six-month period<br/>ended June 30</b> |                 | <b>Three-month period<br/>ended June 30</b> |                |
|--------------------------------------------------------------|-------------|-------------------------------------------|-----------------|---------------------------------------------|----------------|
|                                                              |             | <b>2023</b>                               | <b>2022</b>     | <b>2023</b>                                 | <b>2022</b>    |
| Revenue of energy                                            | 13          | 62,625                                    | 56,800          | 31,641                                      | 28,139         |
| Cost of sales                                                |             | (13,136)                                  | (9,477)         | (7,094)                                     | (5,281)        |
| Depreciation                                                 | 6.C         | (12,341)                                  | (5,566)         | (6,176)                                     | (2,784)        |
| <b>Gross profit</b>                                          |             | <b>37,148</b>                             | <b>41,757</b>   | <b>18,371</b>                               | <b>20,074</b>  |
| Administrative expenses                                      |             | (2,565)                                   | (2,723)         | (1,289)                                     | (1,542)        |
| Other income                                                 |             | 373                                       | 183             | 78                                          | 125            |
| Other expenses                                               |             | (118)                                     | (5)             | (55)                                        | (2)            |
| <b>Operating profit</b>                                      |             | <b>34,838</b>                             | <b>39,212</b>   | <b>17,105</b>                               | <b>18,655</b>  |
| Finance income                                               |             | 487                                       | 41              | 338                                         | 22             |
| Finance costs                                                |             | (11,198)                                  | (12,069)        | (5,600)                                     | (5,575)        |
| Net foreign exchange difference                              |             | 245                                       | 465             | 210                                         | (135)          |
| <b>Net finance cost</b>                                      |             | <b>(10,466)</b>                           | <b>(11,563)</b> | <b>(5,052)</b>                              | <b>(5,688)</b> |
| <b>Profit before income tax</b>                              |             | <b>24,372</b>                             | <b>27,649</b>   | <b>12,053</b>                               | <b>12,967</b>  |
| Income tax (expense) benefit                                 | 14          | 635                                       | (1,681)         | 3,546                                       | (8,090)        |
| <b>Profit for the period</b>                                 |             | <b>25,007</b>                             | <b>25,968</b>   | <b>15,599</b>                               | <b>4,877</b>   |
| <b>Other comprehensive income or loss</b>                    |             |                                           |                 |                                             |                |
| <b>Items that will not be reclassified to profit or loss</b> |             |                                           |                 |                                             |                |
| Capitalization of revaluation reserve                        |             | (281,113)                                 | -               | (281,113)                                   | -              |
| <b>Other comprehensive loss for the period, net of tax</b>   |             | <b>(281,113)</b>                          | <b>-</b>        | <b>(281,113)</b>                            | <b>-</b>       |
| <b>Total comprehensive (loss) income for the period</b>      |             | <b>(256,106)</b>                          | <b>25,968</b>   | <b>(265,514)</b>                            | <b>4,877</b>   |

The notes on pages 5 to 17 are an integral part of these condensed consolidated interim financial statements.

**Orazul Energy Perú S.A. and Subsidiary**

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six-month period ended June 30, 2023, and 2022

|                                                      |      | Attributable to owners of the Company |                            |                                 |                            |                   |                |                                  | Total equity     |
|------------------------------------------------------|------|---------------------------------------|----------------------------|---------------------------------|----------------------------|-------------------|----------------|----------------------------------|------------------|
|                                                      |      | Number of shares<br>(note 12)         | Share capital<br>(note 12) | Additional capital<br>(note 12) | Legal reserve<br>(note 12) | Retained earnings | Other reserves | Revaluation reserve<br>(note 12) |                  |
|                                                      | Note |                                       |                            |                                 |                            |                   |                |                                  |                  |
| Balance as of January 1, 2022                        |      | 1,342,025,489                         | 385,036                    | 8,857                           | 30,799                     | 79,721            | 5,675          | -                                | 510,088          |
| <b>Comprehensive income for the period</b>           |      |                                       |                            |                                 |                            |                   |                |                                  |                  |
| Profit for the period                                |      | -                                     | -                          | -                               | -                          | 25,968            | -              | -                                | 25,968           |
| <b>Total comprehensive income for the period</b>     |      | -                                     | -                          | -                               | -                          | <b>25,968</b>     | -              | -                                | <b>25,968</b>    |
| <b>Transactions with owners of the Company</b>       |      |                                       |                            |                                 |                            |                   |                |                                  |                  |
| Capitalization of retained earnings                  | 12.A | 302,223,653                           | 79,721                     | -                               | -                          | (79,721)          | -              | -                                | -                |
| Legal reserve                                        |      | -                                     | -                          | -                               | 2,585                      | (2,585)           | -              | -                                | -                |
| <b>Total transactions with owners of the Company</b> |      | <b>302,223,653</b>                    | <b>79,721</b>              | <b>-</b>                        | <b>2,585</b>               | <b>(82,306)</b>   | <b>-</b>       | <b>-</b>                         | <b>-</b>         |
| <b>Balance as of June 30, 2022</b>                   |      | <b>1,644,249,142</b>                  | <b>464,757</b>             | <b>8,857</b>                    | <b>33,384</b>              | <b>23,383</b>     | <b>5,675</b>   | <b>-</b>                         | <b>536,056</b>   |
| Balance as of January 1, 2023                        |      | 1,644,249,142                         | 464,757                    | -                               | 33,653                     | 12,765            | -              | 281,113                          | 792,288          |
| <b>Comprehensive income for the period</b>           |      |                                       |                            |                                 |                            |                   |                |                                  |                  |
| Profit for the period                                |      | -                                     | -                          | -                               | -                          | 25,007            | -              | -                                | 25,007           |
| <b>Other comprehensive loss for the period</b>       |      |                                       |                            |                                 |                            |                   |                |                                  |                  |
| Capitalization of revaluation reserve                | 12.C | -                                     | -                          | -                               | -                          | -                 | -              | (281,113)                        | (281,113)        |
| <b>Total comprehensive loss for the period</b>       |      | <b>-</b>                              | <b>-</b>                   | <b>-</b>                        | <b>-</b>                   | <b>25,007</b>     | <b>-</b>       | <b>(281,113)</b>                 | <b>(256,106)</b> |
| <b>Transactions with owners of the Company</b>       |      |                                       |                            |                                 |                            |                   |                |                                  |                  |
| Capitalization of revaluation reserve                | 12.C | -                                     | -                          | 281,113                         | -                          | -                 | -              | -                                | 281,113          |
| Capitalization of retained earnings                  | 12.A | 46,832,842                            | 12,720                     | -                               | -                          | (12,720)          | -              | -                                | -                |
| Legal reserve                                        | 12.B | -                                     | -                          | -                               | 2,492                      | (2,492)           | -              | -                                | -                |
| <b>Total transactions with owners of the Company</b> |      | <b>46,832,842</b>                     | <b>12,720</b>              | <b>281,113</b>                  | <b>2,492</b>               | <b>(15,212)</b>   | <b>-</b>       | <b>-</b>                         | <b>281,113</b>   |
| <b>Balance as of June 30, 2023</b>                   |      | <b>1,691,081,984</b>                  | <b>477,477</b>             | <b>281,113</b>                  | <b>36,145</b>              | <b>22,560</b>     | <b>-</b>       | <b>-</b>                         | <b>817,295</b>   |

The notes on pages 5 to 17 are an integral part of these condensed consolidated interim financial statements.

**Orazul Energy Perú S.A. and Subsidiary**

Unaudited Condensed Consolidated Statement of Cash Flows  
For the six-month period ended June 30, 2023, and 2022

|                                                           | <b>Six-month period ended</b> |                 |
|-----------------------------------------------------------|-------------------------------|-----------------|
|                                                           | <b>June 30</b>                |                 |
| <i>In thousands of U.S. dollars</i>                       | <b>2023</b>                   | <b>2022</b>     |
| <b>Cash flows from operating activities</b>               |                               |                 |
| Collections from clients                                  | 77,247                        | 67,413          |
| Collection of interest                                    | 488                           | 32              |
| Payment to suppliers                                      | (32,216)                      | (27,573)        |
| Payment to employees                                      | (103)                         | (51)            |
| <b>Cash generated from operating activities</b>           | <b>45,416</b>                 | <b>39,821</b>   |
| Income tax paid                                           | (11,326)                      | (820)           |
| <b>Net cash provided by operating activities</b>          | <b>34,090</b>                 | <b>39,001</b>   |
| <b>Cash flows from investing activities</b>               |                               |                 |
| Proceeds from sales of property, plant, and equipment     | 18                            | -               |
| Acquisition of property, plant, and equipment             | (2,089)                       | (755)           |
| Acquisition of intangibles                                | -                             | (1,229)         |
| <b>Net cash used in investing activities</b>              | <b>(2,071)</b>                | <b>(1,984)</b>  |
| <b>Cash flows from financing activities</b>               |                               |                 |
| Interest paid                                             | (10,215)                      | (10,215)        |
| Payment of withholding tax derived from interest          | (520)                         | (1,407)         |
| Payment of lease liabilities                              | (81)                          | (71)            |
| Payment to related entities                               | -                             | (12,040)        |
| <b>Net cash used in financing activities</b>              | <b>(10,816)</b>               | <b>(23,733)</b> |
| Net increase in cash                                      | 21,203                        | 13,284          |
| Cash of January 1                                         | 16,779                        | 20,849          |
| Effects of variations on exchange difference on cash held | 291                           | 649             |
| <b>Cash at June 30</b>                                    | <b>38,273</b>                 | <b>34,782</b>   |

The notes on pages 5 to 17 are an integral part of these condensed consolidated interim financial statements.

## Orazul Energy Perú S.A. and Subsidiary

Notes to the Unaudited 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. which owns 99.99% of voting shares which are representative of its issued capital stock.

The Company's main business activity is the generation and commercialization of electrical energy. The Company has a total hydropower capacity of 376 MW as follows:

| Plant          | Company            | Source used to operate power station | Capacity (MW) | Location          |
|----------------|--------------------|--------------------------------------|---------------|-------------------|
| Cañón del Pato | Orazul Energy Peru | Hydropower                           | 266           | Huallanca, Ancash |
| Carhuaquero    | Orazul Energy Peru | Hydropower                           | 110           | LLacma, Cajamarca |
|                |                    |                                      | <b>376</b>    |                   |

#### B. Subsidiary

As of June 30, 2023, and December 31, 2022, the Company has 99.99% direct equity interest in subsidiary Kondu S.A.C. (hereinafter, Kondu).

Kondu (before "Orazul Soluciones S.A.C."), 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 to customers in general.

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 financial audited consolidated financial statements as at and for the year ended December 31, 2022. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2022. These condensed consolidated interim financial statements do not include all of the information required for a full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards.

These condensed consolidated interim financial statements were approved by the Management on July 19, 2023.

#### 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, 2022.

#### C. Use of estimates and judgements

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

**Orazul Energy Perú S.A. and Subsidiary**

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

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 that applied to the consolidated financial statements as at and for the year ended December 31, 2022.

**D. Measurement of fair values**

Some of the Group's accounting policies and disclosures require the measurement of 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 included in note 15 – Financial Instruments.

**3. Cash**

Comprises the following:

| <i>In thousands of U.S. dollars</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------------|--------------------------|------------------------------|
| Checking accounts (a)               | 38,268                   | 16,774                       |
| Petty cash                          | 5                        | 5                            |
|                                     | <b>38,273</b>            | <b>16,779</b>                |

- (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 0.07% to 7.00% in soles and from 0.15% to 4.90% in U.S dollars as at June 30, 2023 (from 0.15% to 1.00% in soles and from 0.07% to 0.90% in U.S dollar as at December 31, 2022).

The credit quality that safeguards the Group's bank deposits has the same evaluation as compared to December 31, 2022.

**Orazul Energy Perú S.A. and Subsidiary**

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

**4. Trade Receivables**

Comprises the following:

| <i>In thousands of U.S. dollars</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------------|--------------------------|------------------------------|
| Regulated customers                 | 8,966                    | 8,746                        |
| Non-regulated customers             | 6,992                    | 6,989                        |
| COES (a)                            | 1,048                    | 723                          |
| Others                              | 80                       | 168                          |
| <b>Subtotal (d)</b>                 | <b>17,086</b>            | <b>16,626</b>                |
| Impairment loss allowance           | (192)                    | (183)                        |
|                                     | <b>16,894</b>            | <b>16,443</b>                |

Trade receivables are denominated in U.S. dollars (non-regulated customers) and soles (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, 2023, correspond mainly to 12 non-regulated and 7 regulated customers (13 non-regulated and 9 regulated customers as of December 31, 2022).

- (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, 2023, this amount includes US\$ 187 thousand for related parties (US\$ 174 thousand as of December 31, 2022) (note 16).
- (c) As of June 30, 2023, and December 31, 2022, past due trade receivables (over 360 days) represent less than 1.3% of the total balance of trade receivables, respectively.
- (d) The aging of trade receivables is the following:

| <i>In thousands of U.S. dollars</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------------|--------------------------|------------------------------|
| Unexpired                           | 16,421                   | 16,369                       |
| Less than 30 days                   | 139                      | 23                           |
| 31 to 180 days                      | 334                      | 22                           |
| 181 to 360 days                     | -                        | 1                            |
| More than 360 days                  | 192                      | 211                          |
|                                     | <b>17,086</b>            | <b>16,626</b>                |

**5. Inventories**

Comprises the following:

| <i>In thousands of U.S. dollars</i>       | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------------------|--------------------------|------------------------------|
| Mechanical and electrical spare parts (a) | 1,147                    | 1,178                        |
| Other Supplies                            | 572                      | 562                          |
| Fuel and lubricants                       | 77                       | 64                           |
| <b>Subtotal</b>                           | <b>1,796</b>             | <b>1,804</b>                 |
| Write off (b)                             | -                        | (23)                         |
|                                           | <b>1,796</b>             | <b>1,781</b>                 |

**Orazul Energy Perú S.A. and Subsidiary**

## Notes to the Unaudited Condensed Consolidated Interim Financial Statements

- (a) Correspond mainly to items used in programmed maintenance for the hydropower plants, Carhuaquero and Cañon del Pato, enabling appropriate operations until major maintenances.
- (b) As of June 30, 2023, the previous write-off of inventories was destroyed, according requirements of the Peruvian law.

In accordance with Management's opinion, it is not necessary to recognize any impairment on inventories as of June 30, 2023

**6. Property, Plant, and Equipment**

Comprises the following:

| <i>In thousands of U.S. dollars</i>          | <i>Note</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|----------------------------------------------|-------------|--------------------------|------------------------------|
| <b>Cost</b>                                  |             |                          |                              |
| Beginning balance                            |             | 959,489                  | 561,305                      |
| <b>Additions</b>                             |             |                          |                              |
| Work in process (f)                          |             | 596                      | 4,741                        |
| Machinery and equipment                      |             | 147                      | 719                          |
| Spare parts                                  |             | 134                      | -                            |
| Sundry equipment                             |             | 89                       | 253                          |
| Building and constructions                   |             | 15                       | -                            |
| Land                                         |             | 13                       | -                            |
| Land – revaluation (e)                       |             | -                        | 597                          |
| Building and constructions – revaluation (e) |             | -                        | 214,619                      |
| Machinery and equipment – revaluation (e)    |             | -                        | 183,526                      |
| Vehicles                                     |             | -                        | 17                           |
| Furniture and fixture                        |             | -                        | 21                           |
| <b>Total additions</b>                       |             | <b>994</b>               | <b>404,493</b>               |
| <b>Other</b>                                 |             |                          |                              |
| Asset retirement cost                        | 11          | 200                      | (5,669)                      |
| Vehicles                                     |             | (9)                      | -                            |
| <b>Total other</b>                           |             | <b>191</b>               | <b>(5,669)</b>               |
| <b>Transfers</b>                             |             |                          |                              |
| Building and constructions                   |             | 418                      | 1,995                        |
| Vehicles                                     |             | 384                      | -                            |
| Machinery and equipment                      |             | 197                      | 673                          |
| Work in process                              |             | (623)                    | (2,987)                      |
| Spare parts                                  |             | (193)                    | -                            |
| Sundry equipment                             |             | (183)                    | 324                          |
| <b>Total transfers</b>                       |             | <b>-</b>                 | <b>5</b>                     |
| <b>Disposals</b>                             |             |                          |                              |
| Sundry equipment                             |             | (108)                    | (36)                         |
| Vehicles                                     |             | (106)                    | (526)                        |
| Furniture and fixture                        |             | (5)                      | -                            |
| Machinery and equipment                      |             | -                        | (83)                         |
| <b>Total disposals</b>                       |             | <b>(219)</b>             | <b>(645)</b>                 |
| <b>Ending balance</b>                        |             | <b>960,455</b>           | <b>959,489</b>               |

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| <i>In thousands of U.S. dollars</i>            | <i>Note</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|------------------------------------------------|-------------|--------------------------|------------------------------|
| <b>Accumulated depreciation</b>                |             |                          |                              |
| Beginning balance                              |             | (366,464)                | (354,354)                    |
| <b>Additions</b>                               |             |                          |                              |
| Machinery and equipment                        |             | (7,655)                  | (6,239)                      |
| Building and constructions                     |             | (4,726)                  | (5,687)                      |
| Sundry equipment                               |             | (229)                    | (450)                        |
| Vehicles                                       |             | (67)                     | (137)                        |
| Asset retirement obligation                    |             | (37)                     | (174)                        |
| Furniture and fixtures                         |             | (4)                      | (7)                          |
| <b>Total additions</b>                         |             | <b>(12,718)</b>          | <b>(12,694)</b>              |
| <b>Disposals</b>                               |             |                          |                              |
| Sundry equipment                               |             | 108                      | 35                           |
| Vehicles                                       |             | 106                      | 482                          |
| Furniture and fixture                          |             | 3                        | -                            |
| Machinery and equipment                        |             | -                        | 67                           |
| <b>Total disposals</b>                         |             | <b>217</b>               | <b>584</b>                   |
| <b>Transfers</b>                               |             |                          |                              |
| Sundry equipment                               |             | 384                      | -                            |
| Spare parts                                    |             | 3                        | -                            |
| Vehicles                                       |             | (384)                    | -                            |
| Machinery and equipment                        |             | (3)                      | -                            |
| <b>Total transfers</b>                         |             | <b>-</b>                 | <b>-</b>                     |
| <b>Ending balance</b>                          |             | <b>(378,965)</b>         | <b>(366,464)</b>             |
| <b>Net cost at the beginning of the period</b> |             | <b>593,025</b>           | <b>206,951</b>               |
| <b>Net cost of the end of the period</b>       |             | <b>581,490</b>           | <b>593,025</b>               |

- (a) As of June 30, 2023, and December 31, 2022 in Management's opinion, there were no impairment indicators on the value of property, plant and equipment.
- (b) Property, plant, and equipment includes right-of-use assets as follows:

| <i>In thousands of U.S. dollars</i>            | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|------------------------------------------------|--------------------------|------------------------------|
| <b>Cost</b>                                    |                          |                              |
| Beginning balance                              | 571                      | 554                          |
| <b>Additions</b>                               |                          |                              |
| Sundry equipment                               | 8                        | 17                           |
| <b>Total additions</b>                         | <b>8</b>                 | <b>17</b>                    |
| <b>Other</b>                                   |                          |                              |
| Vehicles                                       | (9)                      | -                            |
| <b>Total Other</b>                             | <b>(9)</b>               | <b>-</b>                     |
| <b>Ending balance</b>                          | <b>570</b>               | <b>571</b>                   |
| <b>Accumulated depreciation</b>                |                          |                              |
| Beginning balance                              | (432)                    | (288)                        |
| <b>Additions</b>                               |                          |                              |
| Vehicles                                       | (65)                     | (127)                        |
| Sundry equipment                               | (8)                      | (17)                         |
| <b>Total additions</b>                         | <b>(73)</b>              | <b>(144)</b>                 |
| <b>Ending balance</b>                          | <b>(505)</b>             | <b>(432)</b>                 |
| <b>Net cost at the beginning of the period</b> | <b>139</b>               | <b>266</b>                   |
| <b>Net cost of the end of the period</b>       | <b>65</b>                | <b>139</b>                   |

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- (c) Distribution of depreciation was as follows:

|                                     | <b>Six-month period<br/>ended June 30</b> |              | <b>Three-month period<br/>ended June 30</b> |              |
|-------------------------------------|-------------------------------------------|--------------|---------------------------------------------|--------------|
| <i>In thousands of U.S. dollars</i> | <b>2023</b>                               | <b>2022</b>  | <b>2023</b>                                 | <b>2022</b>  |
| Depreciation                        | 12,341                                    | 5,566        | 6,176                                       | 2,784        |
| Administrative expenses             | 377                                       | 166          | 189                                         | 82           |
|                                     | <b>12,718</b>                             | <b>5,732</b> | <b>6,365</b>                                | <b>2,866</b> |

- (d) As of June 30, 2023, and December 31, 2022, the Company has insured all plants' assets for property damage under its Property Damage Business Interruption (PDBI) policy. In Management's opinion, this insurance policy is consistent with the 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.
- (e) On November 30, 2022, the main assets of Carhuaquero and Cañón del Pato Plants, including plant and equipment, buildings and other constructions were revalued by an external independent appraiser, increasing their book value in US\$ 398,742 thousand (note 12.C).
- (f) As of June 30, 2023, the main work-in-progress additions correspond to control panel installation and solar project in Carhuaquero. (Civil works in Cañón del Pato plant, major maintenance in Cañón del Pato plant, system fire, solar project and minor projects as of December 31, 2022).
- (g) As of June 30, 2023, and December 31, 2022, the Company does not have guarantees related to the acquisition of property, plant, and equipment.

**7. Intangible Assets and Goodwill**

Comprises the following:

| <i>In thousands of U.S. dollars</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------------|--------------------------|------------------------------|
| Goodwill (a)                        | 399,427                  | 399,427                      |
| Electric concessions (b)            | 79,954                   | 79,954                       |
| Other rights (c)                    | 15,584                   | 16,066                       |
|                                     | <b>494,965</b>           | <b>495,447</b>               |

- (a) The goodwill corresponds to (i) 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 electric concessions correspond to intangible assets identified at the acquisition date on December 20, 2016. The useful life of electric concessions is indefinite. As of June 30, 2023, and December 31, 2022, Management is not required to establish reserves for the possible impairment of its intangible assets with an indefinite life.
- (c) Option agreements signed between the Company and distribution companies, by which distribution companies grant an option to sign addenda to the original public tender of certain PPAs, extending the contract term, modifying the contracted capacity and associated energy, and maintaining the current fixed prices within framework of the Supreme Decree 022-2018 EM. As of June 30, 2023, the Company executed all option agreements signed with distribution companies.

Management analysis indicated there were no impairment indicators on the value of the intangibles as of June 30, 2023, and December 31, 2022.

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**8. Trade Payables**

Comprises the following:

| <i>In thousands of U.S. dollars</i>         | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|---------------------------------------------|--------------------------|------------------------------|
| Energy purchases and transmission tolls (a) | 5,255                    | 4,723                        |
| Capital expenditures (b)                    | 757                      | 1,633                        |
| Other purchases                             | 325                      | 1,975                        |
|                                             | <b>6,337</b>             | <b>8,331</b>                 |

- (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 pass-through to the Group's customers. As of June 30, 2023, this amount includes US\$ 20 thousand payables to related parties (US\$ 353 thousand as of December 31, 2022) (note 16).
- (b) Corresponds mainly to the purchase of spare parts, supplies and services related to the investments made by the Company.

Trade accounts payable are mainly denominated in U.S. dollars, have current maturities, do not accrue interests, and do not have specific guarantees.

**9. Other Payables and Income Tax Payables**

Comprises the following:

| <i>In thousands of U.S. dollars</i>        | <b>June 30,<br/>2023</b> | <b>December<br/>31, 2022</b> |
|--------------------------------------------|--------------------------|------------------------------|
| Interest payables (a)                      | 3,518                    | 3,518                        |
| Value-Added Tax                            | 1,131                    | 833                          |
| Rural electricity contribution, FISE, FOSE | 579                      | 492                          |
| Other taxes                                | 215                      | 254                          |
| Payroll                                    | 42                       | 24                           |
| Withholding tax on dividends               | -                        | 602                          |
| Other                                      | 7                        | 26                           |
|                                            | <b>5,492</b>             | <b>5,749</b>                 |
| <b>Income tax payable</b>                  |                          |                              |
| Income tax current                         | 8,214                    | 10,987                       |
| Advance payments                           | (3,364)                  | (3,028)                      |
|                                            | <b>4,850</b>             | <b>7,959</b>                 |
|                                            | <b>10,342</b>            | <b>13,708</b>                |

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

**10. Debentures**

The terms and conditions of debentures are as follows:

| <i>In thousands of U.S. dollars</i> | <b>Nominal<br/>annual<br/>interest rate</b> | <b>Currency</b> | <b>Maturity</b> | <b>Face value</b> |             | <b>Carrying amount</b> |             |
|-------------------------------------|---------------------------------------------|-----------------|-----------------|-------------------|-------------|------------------------|-------------|
|                                     |                                             |                 |                 | <b>2023</b>       | <b>2022</b> | <b>2023</b>            | <b>2022</b> |
| <b>Debentures</b>                   |                                             |                 |                 |                   |             |                        |             |
| OEP 2027 notes                      | 5.625%                                      | US\$            | April -2027     | 363,198           | 363,198     | 359,837                | 359,452     |

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The carrying amounts as of June 30, 2023, and December 31, 2022, comprise the following:

| <i>In thousands of U.S. dollars</i> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------------|--------------------------|------------------------------|
| Orazul Energy Perú 2027 (a)         | 363,198                  | 363,198                      |
| Transaction costs                   | (3,361)                  | (3,746)                      |
|                                     | <b>359,837</b>           | <b>359,452</b>               |

- (a) 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 market, under Rule 144A Regulation S. 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 June 25, 2021, the Company announced the commencement of a cash tender offer in connection with the Company's sale in August 2020 of its indirect ownership in the transmission business companies, Etenorte S.R.L. and Eteselva S.R.L.

On August 13, 2021, the tender was completed for US\$ 150,400 thousand, which included the purchase of US\$ 145,314 thousand aggregate principal amount of these notes. As a result of this tender, OEP 2027 notes amounted to US\$ 404,686 thousand.

On October 29, 2021, the Company announced the commencement of a cash tender offer in connection with the sale of its indirect ownership in the thermal power generation and hydrocarbon businesses, Termoselva and Aguaytía.

On December 31, 2021, the tender was completed for US\$ 41,799 thousand which included the purchase of US\$ 41,488 thousand aggregate principal amount of these notes. As a result of this tender, OEP 2027 notes amounted to US\$ 363,198 thousand.

**11. Asset Retirement Obligation**

Comprises the following:

| <i>In thousands of U.S. dollars</i> | <b>Note</b> | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-------------------------------------|-------------|--------------------------|------------------------------|
| Balance as of January 1             |             | 4,003                    | 9,551                        |
| Additions / (Decrease)              | 6           | 200                      | (5,669)                      |
| Unwind of discount                  |             | 75                       | 121                          |
|                                     |             | <b>4,278</b>             | <b>4,003</b>                 |

The provision for decommissioning liabilities corresponding to the hydroelectric power plants Cañon del Pato and Carhuaquero (Orazul), has been determined considering all costs necessary to dismantle and rehabilitate the land where the station is currently located. The future value, considering inflation amounts to US\$ 18,300 thousand and has been discounted using an annual risk-free rate 3.58% as of June 30, 2023 (3.77% as of December 31, 2022).

As of June 30, 2023, and December 31, 2022, the net asset for the decommissioning is included in the item of property, plant and equipment and amounts US\$ 3,162 thousand and US\$ 3,001 thousand, respectively.

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**12. Equity****A. Share capital**

As of June 30, 2023, and December 31, 2022, the share capital is represented by 1,691,081,984 and 1,644,249,142, respectively common shares with a nominal value of one sol each, duly authorized, issued and paid as follows:

| Shareholders                      | %             | Number of shares     |                      |
|-----------------------------------|---------------|----------------------|----------------------|
|                                   |               | June 30, 2023        | December 31, 2022    |
| Orazul Energia (UK) Holdings Ltd. | 99.99         | 1,690,843,115        | 1,644,016,886        |
| Others                            | 0.01          | 238,869              | 232,256              |
|                                   | <b>100.00</b> | <b>1,691,081,984</b> | <b>1,644,249,142</b> |

On June 1, 2023, the Company capitalized the accumulated retained earnings as of December 31, 2022, for US\$ 12,720 thousand and issued additional shares for 46,832,842 with a nominal value of S/ 1.00 per share.

On March 2, 2022, the Company capitalized the accumulated retained earnings as of December 31, 2021, for US\$ 79,721 thousand and issued additional shares for 302,323,653 with a nominal value of S/ 1.00 per share.

**B. Legal reserve**

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. Revaluation reserves and Additional capital**

Correspond to the US\$ 398,742 thousand revaluation of plant and equipment, buildings, and other constructions (note 6.E) net of US\$ 117,629 thousand deferred income tax, executed on November 30, 2022. On June 1, 2023, the total amount was capitalized into additional capital.

**D. Dividends**

No dividends were distributed during the six-month period ended June 30, 2023, and 2022.

**13. Revenue**

Comprises the following:

| <i>In thousands of U.S. dollars</i> | Six-month period ended June 30 |               | Three-month period ended June 30 |               |
|-------------------------------------|--------------------------------|---------------|----------------------------------|---------------|
|                                     | 2023                           | 2022          | 2023                             | 2022          |
| Energy sales regulated              | 22,389                         | 22,733        | 11,271                           | 11,842        |
| Energy sales non-regulated          | 14,329                         | 13,154        | 7,021                            | 6,617         |
| Energy sales spot                   | 14,127                         | 9,123         | 7,577                            | 3,729         |
| Capacity sales regulated            | 5,334                          | 6,283         | 2,738                            | 3,104         |
| Capacity sales non-regulated        | 3,856                          | 3,759         | 1,749                            | 1,901         |
| Capacity sales spot                 | 1,806                          | 1,267         | 784                              | 694           |
| Other revenues                      | 784                            | 481           | 501                              | 252           |
|                                     | <b>62,625</b>                  | <b>56,800</b> | <b>31,641</b>                    | <b>28,139</b> |

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The estimated revenue pending of invoicing for the six-month period ended June 30, 2023, amounts to US\$ 8,194 thousand (US\$ 8,444 thousand for the six-month period ended June 30, 2022). 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 2018 to 2022 are subject to review by the tax authorities. As of June 30, 2023, the Company is being audited by the Peruvian Tax Administration through an integral Income Tax Audit related to the year 2020. Any amount exceeding the provisions made to cover the tax obligations will be charged to the results of the year in which those are finally determined. In the opinion of the Company's Management, as a result of an eventual assessment, no significant liabilities affecting the financial statements will arise as of June 30, 2023, and December 31, 2022.

In accordance with current tax legislation, corporate income tax for 2023 and 2022 is calculated based on the net taxable profit at a rate of 29.5%.

The effective tax rate for the six-month period ended June 30, 2023, was 2.61% positive (6.08% negative effective tax rate for the six-month period ended June 30, 2022). The change in the effective tax rate for the six-month period ended June 30 corresponds mainly to the impact of exchange differences in local currency.

As of June 30, 2023, and 2022, the income tax expense shown in the income statement is composed as follows:

|                                     | <b>Six-month period<br/>ended June 30</b> |                | <b>Three-month period<br/>ended June 30</b> |                |
|-------------------------------------|-------------------------------------------|----------------|---------------------------------------------|----------------|
| <i>In thousands of U.S. dollars</i> | <b>2023</b>                               | <b>2022</b>    | <b>2023</b>                                 | <b>2022</b>    |
| Current tax                         | (8,022)                                   | (7,244)        | (3,820)                                     | 306            |
| Deferred tax                        | 8,657                                     | 5,563          | 7,366                                       | (8,396)        |
|                                     | <b>635</b>                                | <b>(1,681)</b> | <b>3,546</b>                                | <b>(8,090)</b> |

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**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 |                             |                             | Fair value |
|--------------------------------------------------|-----------------|-----------------------------|-----------------------------|------------|
|                                                  | Current         |                             | Non-current                 |            |
|                                                  | Amortized cost  | Other financial liabilities | Other financial liabilities | Total      |
|                                                  |                 |                             |                             | Level 2    |
| In thousands of U.S. dollars                     |                 |                             |                             |            |
| As of June 30, 2023                              |                 |                             |                             |            |
| Financial assets not measured at fair value      |                 |                             |                             |            |
| Cash                                             | 38,273          | -                           | -                           | 38,273     |
| Trade receivables                                | 16,894          | -                           | -                           | 16,894     |
| Other receivables (*)                            | 115             | -                           | -                           | 115        |
| Financial liabilities not measured at fair value |                 |                             |                             |            |
| Trade payable                                    | -               | (6,337)                     | -                           | (6,337)    |
| Other payable (*)                                | -               | (3,525)                     | -                           | (3,525)    |
| Debentures                                       | -               | -                           | (359,837)                   | (359,837)  |
| Lease liabilities                                | -               | (72)                        | -                           | (72)       |
|                                                  | 55,282          | (9,934)                     | (359,837)                   | (314,489)  |
| As of December 31, 2022                          |                 |                             |                             |            |
| Financial assets not measured at fair value      |                 |                             |                             |            |
| Cash                                             | 16,779          | -                           | -                           | 16,779     |
| Trade receivables                                | 16,443          | -                           | -                           | 16,443     |
| Other receivables (*)                            | 122             | -                           | -                           | 122        |
| Intercompany receivables                         | 909             | -                           | -                           | 909        |
| Financial liabilities not measured at fair value |                 |                             |                             |            |
| Trade payables                                   | -               | (8,331)                     | -                           | (8,331)    |
| Other payables (*)                               | -               | (3,544)                     | -                           | (3,544)    |
| Intercompany payables                            | -               | (394)                       | -                           | (394)      |
| Debentures                                       | -               | -                           | (359,452)                   | (359,452)  |
| Lease liabilities                                | -               | (152)                       | -                           | (152)      |
|                                                  | 34,253          | (12,421)                    | (359,452)                   | (337,620)  |
|                                                  |                 |                             |                             | (326,806)  |

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

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**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, 2023, and December 31, 2022:

**Financial instruments not measured at fair value.**

| Type                                    | Valuation techniques                                     | Key unobservable data | Interrelationship between key unobservable inputs and fair value |
|-----------------------------------------|----------------------------------------------------------|-----------------------|------------------------------------------------------------------|
| Loans from banks, debentures and others | Discounted cash flows using current market interest rate | 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 during the six-month period ended June 30, 2023, in respect with December 31, 2022.

**B. Transactions with key management****i. Loans to Directors**

As of June 30, 2023, and December 31, 2022, there are no loans to Directors.

**ii. Key management compensation**

As of June 30, 2023, and 2022 there are no compensation to key management personnel.

**iii. Transactions with key management personnel**

During the six-month period ended June 30, 2023, and 2022, there were no transactions between the Company and key management.

**C. Other related entities transactions**

In 2023 and 2022, the Group performed the following significant transactions with related parties, during the normal course of operations.

| In thousands of U.S. dollars                           | Transaction type            | Transaction value |                | Outstanding balances |                   |
|--------------------------------------------------------|-----------------------------|-------------------|----------------|----------------------|-------------------|
|                                                        |                             | June 30, 2023     | June 30, 2022  | June 30, 2023        | December 31, 2022 |
| Kallpa Generación S.A.                                 | Management services and O&M | (4,712)           | (3,870)        | -                    | 721               |
| Kallpa Generación S.A.                                 | Other - reimbursement       | -                 | (331)          | -                    | (394)             |
| Compañía Boliviana de Energía Eléctrica Cobee-sucursal | Support services            | 2                 | 9              | -                    | 188               |
| Orazul Energía Partners LLC.                           | Interest                    | -                 | (2)            | -                    | -                 |
|                                                        |                             | <b>(4,710)</b>    | <b>(4,194)</b> | <b>-</b>             | <b>515</b>        |

- (a) The Group and Kallpa Generación S.A. entered into a Management Service and Operation and Maintenance Agreements (O&M), which can be renewed under the express consent of the parties each period.

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

|                                     |                            | Transaction value |               | Outstanding balances |                   |
|-------------------------------------|----------------------------|-------------------|---------------|----------------------|-------------------|
| <i>In thousands of U.S. dollars</i> | Transaction type           | June 30, 2023     | June 30, 2022 | June 30, 2023        | December 31, 2022 |
| <b>Sales</b>                        |                            |                   |               |                      |                   |
| Kallpa Generación S.A.              | COES                       | 1,515             | 2,662         | 106                  | 116               |
| Kallpa Generación S.A.              | Others                     | 469               | 199           | 81                   | 50                |
| Termoselva S.R.L. (b)               | COES                       | 355               | 770           | -                    | 8                 |
| Samay I S.A.                        | COES                       | 7                 | 11            |                      |                   |
| <b>Costs</b>                        |                            |                   |               |                      |                   |
| Samay I S.A. (b)                    | COES                       | (184)             | (984)         | -                    | (340)             |
| Kallpa Generación S.A.              | COES                       | (148)             | (272)         | (20)                 | (12)              |
| Termoselva S.R.L. (b)               | Capacity Purchase and COES | (70)              | (17)          | -                    | (1)               |
|                                     |                            | <b>1,944</b>      | <b>2,369</b>  | <b>167</b>           | <b>(179)</b>      |

- (b) On February 3 and March 6, 2023, the Inkia Energy Group completed the sale of its controlling interest in Samay I S.A. and OEG II S.A. C. (indirect owner of, Termoselva S.R.L. and Aguaytía Energy del Perú S.R.L.), respectively. As a result of these transactions, Samay I S.A., OEG II S.A. C., Orazul Energy Hidrocarburos S.A., Termoselva S.R.L. and Aguaytía Energy del Perú S.R.L. are no longer related parties of the Company.
- (c) The outstanding balances with related parties have current maturity and do not accrue interest. None of these balances are guaranteed.

**17. Contingencies**

As of June 30, 2023, the main changes in contingencies since the most recent annual financial statements are as follows :

**Labor Claims**

The Company increased the provision related to labor claims from US\$ 337 thousand as of December 31, 2022, to US\$ 301 thousand as of June 30, 2023.

Additionally, the estimate for labor claims that are not more likely than not that the Company will pay, decreased from US\$ 538 thousand as of December 31, 2022, to US\$ 534 thousand as of June 30, 2023.

In the opinion of Management and the legal advisors of the Company, there are no significant contingencies that could affect the consolidated financial statements as of June 30, 2023, and December 31, 2022, that have not been provisioned or disclosed in these condensed consolidated interim financial statements.

**18. Subsequent Event**

Subsequent to June 30, 2023, there have been no events that may have an effect on the consolidated condensed interim financial statements of the Company.