

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) (WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)) OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the final offering memorandum following this page (the “Final Offering Memorandum”), and you are advised to read this carefully before reading, accessing or making any other use of the Final Offering Memorandum. In accessing the Final Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

Nothing in this electronic transmission constitutes an offer of notes for sale in any jurisdiction where it is unlawful to do so. The notes (as defined in the Final Offering Memorandum) have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable laws of other jurisdictions.

Any notes to which the Final Offering Memorandum relates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in Prospectus Regulation (EU) 2017/1129 (as amended or superseded, the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This Final Offering Memorandum has been prepared on the basis that any offer of notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This Final Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

The Final Offering Memorandum is for distribution only to, and is only directed at, persons who are outside the United Kingdom or persons in the United Kingdom who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Final Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Final Offering Memorandum relates is available only to relevant persons, and will be engaged in only with relevant persons.

Any notes to which the Final Offering Memorandum relates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a “qualified investor” as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to any retail investor in the United Kingdom has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation. This Final Offering Memorandum has been prepared on the basis that any offer of notes in the United Kingdom will be made pursuant to an exemption from the requirement to publish a prospectus for offers of notes.

The following Final Offering Memorandum may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Confirmation of your Representation: In order to be eligible to view this Final Offering Memorandum or make an investment decision with respect to the notes, investors must be either (1) QIBs or (2) non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States. This Final Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Final Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act), and (2) you consent to delivery of such Final Offering Memorandum by electronic transmission.

You are reminded that this Final Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Final Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Final Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers

or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers (as defined in the Final Offering Memorandum) or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer of the notes in such jurisdiction.

This Final Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the initial purchasers, nor any person who controls them, nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this Final Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.



Niagara Energy S.A.C.

US\$1,200,000,000

5.746% Senior Notes due 2034

Niagara Energy S.A.C., a closely-held corporation (*sociedad anónima cerrada*) organized under the laws of Peru (“Niagara Energy” or the “Issuer”), is offering US\$1,200,000,000 aggregate principal amount of 5.746% Senior Notes due 2034 (the “notes”). The Issuer is a holding company, whose assets as of the date hereof consists of a 92.35% direct ownership interest in Orygen Perú S.A.A. (formerly, Enel Generación S.A.A.) (“Orygen,” together with Niagara Energy, the “Companies”) and a 99.99% direct ownership interest in Compañía Energética Veracruz S.A.C. (“CE Veracruz”). The Issuer is an indirectly owned subsidiary of certain investment funds managed by Actis GP LLP (“Actis”).

The notes will mature on October 3, 2034. Interest will accrue from October 3, 2024 and will be payable on April 3 and October 3 of each year, beginning on April 3, 2025.

The Issuer may redeem the notes, in whole or in part, at any time prior to July 3, 2034, by paying the greater of the outstanding principal amount of the notes and the “make-whole” amount, *plus*, in each case, accrued and unpaid interest. On or after July 3, 2034, the Issuer may redeem the notes, in whole or in part, by paying the outstanding principal amount of the notes *plus* accrued and unpaid interest and any additional amounts. The Issuer may also redeem the notes, in whole but not in part, at any time in the event of certain changes in tax laws at a price equal to the outstanding principal amount of the notes *plus* accrued unpaid interest and any additional amounts.

The notes will be senior unsecured obligations of the Issuer and will be *pari passu* in right of payment to all of the Issuer’s existing and future unsecured and unsubordinated indebtedness, except those obligations preferred by operation of Peruvian law.

Issue Price: 100.000% *plus* accrued interest, if any, from October 3, 2024

See “*Risk Factors*” beginning on page 16 for a discussion of certain risks that you should consider in connection with an investment in the notes.

The notes have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction. The notes may not be offered or sold within the United States or to U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act and to non-U.S. persons outside the United States in reliance on the exemption from registration provided by Regulation S of the Securities Act. For a description of certain restrictions on transfer of the notes, see “*Transfer Restrictions*.”

This offering memorandum and the notes have not been and will not be registered with or approved by the Peruvian Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*, or the “SMV”) or the Lima Stock Exchange (*Bolsa de Valores de Lima*, or the “BVL”). Peruvian securities laws and regulations with respect to public offerings will not be applicable to the offering of the notes and, therefore, the disclosure obligations set forth therein will not be applicable to the Issuer or the sellers of the notes before or after their acquisition by prospective investors. Accordingly, the notes cannot be offered or sold in Peru, unless (i) the notes are previously registered with the SMV or (ii) such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes, among other things, that any particular offering may qualify as private if it is directed exclusively to institutional investors. The notes may not be offered or sold in Peru except in compliance with the securities laws thereof. See “*Notice to Peruvian Investors*.”

The Issuer will apply to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission for the listing and quotation of the notes on the SGX-ST. There is no guarantee that such application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Approval in-principle received for the listing and quotation of the notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer or the merits of the notes.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION, NOR ANY U.S. STATE SECURITIES COMMISSION NOR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES HAS APPROVED OR DISAPPROVED OF THE NOTES, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company (“DTC”) for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about October 3, 2024.

Joint Book-Running Managers

BBVA BNP PARIBAS Citigroup Goldman Sachs & Co. LLC J.P. Morgan Natixis Santander

The date of this offering memorandum is September 26, 2024.

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For the sale of the notes in the United States, we are relying upon exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. By purchasing the notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under “*Transfer Restrictions*.” We are not, and the initial purchasers are not, making an offer to sell the notes in any jurisdiction except where such offer or sale is permitted. You should understand that you will be required to bear the financial risks of your investment.

We have submitted this offering memorandum solely to a limited number of qualified institutional buyers in the United States and, outside the United States, to persons other than U.S. persons so they can consider a purchase of the notes. We have not authorized the use of this offering memorandum for any other purpose. This offering memorandum may not be copied or reproduced in whole or in part. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the notes. Distribution of this offering memorandum to any person other than the offeree and any person retained to advise such offeree is unauthorized, and any disclosure of any of the contents hereof without our

prior written consent is prohibited. By accepting delivery of this offering memorandum, you agree to these restrictions.

This offering memorandum is based on information provided by us and other sources that we believe to be reliable. We and the initial purchasers cannot assure you that such information provided to us is accurate or complete. This offering memorandum summarizes certain documents (including the indenture that will govern the notes) and other information, and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of us and the terms of the offering and the notes, including the merits and risks involved.

We are not making any representation to any purchaser regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business, tax or other advice. You should consult your own counsel, accountant, business advisor and tax advisor for legal, tax, business and financial advice regarding any investment in the notes.

We have not, and the initial purchasers have not, authorized any person to provide you with different information or to make any representation not contained in this offering memorandum. You should assume that the information contained in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

By purchasing any notes, you will be deemed to have acknowledged that: (i) you have received a copy of and have reviewed this offering memorandum; (ii) you have had an opportunity to review all financial and other information considered by you to be necessary to make your investment decision and to verify the accuracy of, or to supplement, the information contained in this offering memorandum and have been offered the opportunity to ask us questions, and received answers, as you deemed necessary in connection with your investment decision; (iii) you have not relied on the initial purchasers or any person or entity affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision; (iv) the initial purchasers are not responsible for, and are not making any representation to you concerning, us, our future performance or the accuracy or completeness of the information contained in this offering memorandum; and (v) no person has been authorized to give any information or to make any representation concerning us or the notes or the offer and sale of the notes, other than as contained in this offering memorandum.

We reserve the right to withdraw this offering of the notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the notes in whole or in part and to allot to any prospective investor less than the full amount of notes sought by that investor. The initial purchasers and their respective affiliates may acquire for their own account a portion of the notes.

You must comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the notes and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

This offering memorandum contains some of our trademarks, trade names and service marks, including our logos. Each trademark, trade name or service mark of any company appearing in this offering memorandum belongs to its respective holder.

NOTICE TO PERUVIAN INVESTORS

THE NOTES WILL NOT BE OFFERED PURSUANT TO A PUBLIC OFFERING IN PERU. THEREFORE, THIS OFFERING MEMORANDUM AND THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED WITH OR APPROVED BY THE SMV OR THE BVL.

PERUVIAN SECURITIES LAWS AND REGULATIONS ON PUBLIC OFFERINGS WILL NOT BE APPLICABLE TO THE OFFERING OF THE NOTES AND, THEREFORE, THE DISCLOSURE OBLIGATIONS SET FORTH THEREIN WILL NOT BE APPLICABLE TO THE ISSUER OR THE SELLERS OF THE NOTES BEFORE OR AFTER THEIR ACQUISITION BY PROSPECTIVE INVESTORS. THIS OFFERING MEMORANDUM AND OTHER OFFERING MATERIALS RELATING TO THE OFFER OF THE NOTES ARE BEING SUPPLIED TO THOSE PERUVIAN INVESTORS WHO HAVE EXPRESSLY REQUESTED THEM. SUCH MATERIALS ARE STRICTLY CONFIDENTIAL AND MAY NOT BE DISTRIBUTED TO ANY PERSON OR ENTITY OTHER THAN THE INTENDED RECIPIENTS.

ACCORDINGLY, THE NOTES CANNOT BE OFFERED OR SOLD IN PERU, EXCEPT IF (I) SUCH NOTES WERE PREVIOUSLY REGISTERED WITH THE SMV, OR (II) SUCH OFFERING IS CONSIDERED A PRIVATE OFFERING UNDER THE PERUVIAN SECURITIES LAWS AND REGULATIONS OF PERU. THE PERUVIAN SECURITIES LAWS ESTABLISH, AMONG OTHER THINGS, THAT AN OFFER DIRECTED EXCLUSIVELY TO PERUVIAN INSTITUTIONAL INVESTORS (AS DEFINED BY PERUVIAN LAW) QUALIFIES AS A PRIVATE OFFERING. IN MAKING AN INVESTMENT DECISION, INSTITUTIONAL INVESTORS (AS DEFINED BY PERUVIAN LAW) MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING OF THE NOTES TO DETERMINE THEIR ABILITY TO INVEST IN THE NOTES.

NO OFFER OR INVITATION TO SUBSCRIBE FOR OR SELL THE NOTES OR BENEFICIAL INTERESTS THEREIN CAN BE MADE IN THE REPUBLIC OF PERU EXCEPT IN COMPLIANCE WITH THE PERUVIAN SECURITIES LAWS AND REGULATIONS.

NOTICE TO INVESTORS IN THE EEA

The notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a “qualified investor” as defined in Prospectus Regulation (EU) 2017/1129 (as amended or superseded, the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

The above selling restriction is in addition to any other selling restrictions set out below.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This offering memorandum has been prepared on the basis that any offer of the notes in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of the notes. Accordingly, any person making or intending to make an offer of the notes in the UK may only do so in circumstances in which no obligation arises for the Issuer or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation. Neither the Issuers nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish a prospectus for such offer. The expression “UK Prospectus

Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”). This paragraph is subject to the paragraph below.

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons, and will be engaged in only with relevant persons.

The notes are not intended to be and should not be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a “qualified investor” as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 for offering or selling the notes or otherwise making them available to any retail investor in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of notes in the UK will be made pursuant to an exemption from the requirement to publish a prospectus for offers of notes.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Each of Niagara Energy and Orygen present financial statements in Peruvian *soles* in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Except as otherwise indicated, all financial information included in this offering memorandum is derived from their respective financial statements included elsewhere in this offering memorandum.

The financial statements included in this offering memorandum consist of:

- unaudited consolidated interim financial statements of Niagara Energy as of June 30, 2024 and for the six months then ended (“Niagara Energy’s unaudited consolidated interim financial statements”);
- audited consolidated financial statements of Orygen as of and for the years ended December 31, 2023, 2022 and 2021 (“Orygen’s audited consolidated financial statements”); and
- unaudited condensed consolidated interim financial statements of Orygen as of June 30, 2024 and for the six months ended June 30, 2024 and 2023 (“Orygen’s unaudited condensed consolidated interim financial statements”).

Niagara Energy was incorporated in June 2023 as the acquisition vehicle and holding company of Orygen and CE Vercruz. Prior to the consummation of the Acquisition Financing in March 2024 in connection with the Acquisition (as defined below), Niagara Energy did not engage in any activities and had no material assets or liabilities. For this reason, in this offering memorandum, we have presented only selected financial information derived from Niagara Energy’s statement of financial position as of June 30, 2024.

Orygen’s audited consolidated financial statements and unaudited condensed consolidated interim financial statements have been prepared on a basis to give retroactive effect to the merger with related entities Enel Green Power Perú S.A.C., Empresa de Generación Eléctrica Marcona S.A.C. and Empresa de Generación Eléctrica Los Pinos S.A.C., which was consummated on August 1, 2023. This retroactive effect is reflected since January 1, 2021 with respect to Orygen’s audited consolidated financial statements and since January 1, 2023 with respect to Orygen’s unaudited condensed consolidated interim financial statements.

All references in this offering memorandum to (i) U.S. “dollars” or “US\$” are to U.S. dollars, the legal currency of the United States, and (ii) “sol,” “soles” or “S/” are to Peruvian *soles*, the legal currency of Peru and our functional currency. Solely for the convenience of the reader, we have translated certain amounts set forth in this offering memorandum in *soles* to U.S. dollars at the sol/U.S. dollar selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024, as reported by the *Superintendencia de Banca, Seguros y AFP*. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate. See “*Foreign Exchange Controls and Exchange Rate Information*.”

We have made rounding adjustments to certain of the figures included in this offering memorandum. Consequently, numerical figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

Non-IFRS Financial Information

In this offering memorandum, we disclose Orygen’s EBITDA and Niagara Energy’s Net Debt, each as set forth in “*Summary Financial and Other Information—Reconciliation and Calculation of Non-IFRS Financial Information*,” which are financial measures that are not defined under IFRS. Each of these measures is used by our management to assess our financial and operating performance and, therefore, we believe that the disclosure of Orygen’s EBITDA and Niagara Energy’s Net Debt provides useful supplemental information to investors and financial analysts in their review of our financing and operating performance and in the comparison to the financial and operating performance of other companies in the same industry or in other industries that may have different capital structures, debt levels and/or income tax rates.

Other companies may calculate EBITDA and Net Debt differently from us and, therefore, our presentation of EBITDA and Net Debt may not be comparable to other similarly titled measures used by other companies.

In this offering memorandum, we disclose certain financial information for the twelve months ended June 30, 2024. We calculate figures for the twelve months ended June 30, 2024 as the amounts corresponding to the

six months ended June 30, 2024, *plus* the amounts corresponding to the year ended December 31, 2023, *less* the amounts corresponding to the six months ended June 30, 2023. We disclose this financial information in order to provide the most recent figures that we understand may be comparable to the financial information disclosed for annual periods.

The presentation of non-IFRS financial information in this offering memorandum is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with IFRS. We urge you to review the reconciliations and calculations of the non-IFRS financial measures presented in this offering memorandum to the comparable IFRS financial measures presented herein and not to rely on any single financial measure to evaluate our business or to make an investment decision with respect to the notes offered hereby.

Industry and Market Data

We obtained the industry and market data and other statistical information set forth in this offering memorandum from research conducted by us, surveys or studies conducted by third parties, independent industry or general publications and other published independent sources. We have extracted information set forth in this offering memorandum relating to the Peruvian government or Peruvian macroeconomic data from official publications of the Peruvian government. While we believe that each of these sources is reliable, such information may be subject to assumptions and involve judgments and estimates, and neither we nor the initial purchasers have independently verified such information, nor do we or the initial purchasers make any representations as to the accuracy or completeness of such information. Similarly, while we believe our internal research is reliable, it has not been verified by any independent sources.

Capacity and Production Figures

Unless otherwise indicated, statistics provided in this offering memorandum with respect to power generation units are expressed in MW, in the case of the capacity of such power generation units, and in GWh, in the case of the electricity production of such power generation units. See “*Certain Terms Used in this Offering Memorandum.*”

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements reflecting our current views about future events, including but not limited to our expectations regarding macroeconomic and political conditions in Peru and in our industry, as well as our future performance, financial condition and results of operations, capital expenditures, liquidity and capital structure. Words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. Statements that are not historical facts, including statements about our strategy, plans, objectives, assumptions, prospects, beliefs and expectations are forward-looking statements. While we consider these expectations and assumptions to be reasonable, forward-looking statements are based on current plans, estimates and projections and, therefore, are not guarantees of future performance and are subject to various risks and uncertainties, most of which are difficult to predict and many of which are beyond our control.

Actual results could differ materially and adversely from those expressed or implied by the forward-looking statements contained in this offering memorandum, including as a result of the following factors:

- our ability to source, enter into and/or renew our long-term PPAs and the terms we are able to negotiate;
- our ability to maintain our customer relationships and the ability of our customers to meet their obligations under our PPAs;
- our ability to develop new renewable energy generation projects to benefit from energy transition trends;
- our ability to renew or enter into agreements on favorable terms for, and any interruption in, natural gas supply, transportation and distribution;
- our access to water for our hydroelectric plants;
- the performance and reliability of our generation plants, interruptions due to extraordinary maintenance measures, and our ability to manage our operational and maintenance costs;
- our ability to fund and implement our capital expenditure program, including with respect to development of new projects in the renewables space;
- expected trends in the Peruvian power market, including trends relating to growth in the energy market, supply and demand imbalances, and investments in competing power generation facilities;
- changes in or unexpected climate conditions, occurrences of natural phenomena and the effect of any of these on energy demand, our operating costs or our energy generation capabilities;
- reduction of our margins when buying energy in the spot market;
- the legal and regulatory framework of the Peruvian energy industry;
- changes in general macroeconomic, business or political or other conditions in Peru, the United States and other markets, including emerging markets and other markets in Latin America, that may affect our results of operations and our access to financing;
- political unrest or social instability in Peru, including corruption scandals involving the Peruvian government, that may have an adverse effect on our business operations or on those of our large customers, including mining companies, as a result of, among other things, roadblocks or other measures of protest;
- the sufficiency of our liquidity and capital resources and our ability to raise capital when necessary and on adequate terms;
- our ability to hire, train and retain qualified personnel, including management;
- interruption or failure of our information technology, communication and processing systems or external attacks and invasions of these systems;

- legal and/or regulatory proceedings or developments and our expectations with respect to these, including the adequacy of our provisions for these proceedings;
- expiration or termination of the concessions granted in connection with our plants;
- our ability to obtain or renew required governmental approvals and other licenses, permits and authorizations in a timely manner and on adequate terms;
- the potential expropriation or nationalization of our generation plants including creeping expropriation, with or without adequate compensation;
- the impact of operational hazards and uninsured risks on our operations and the availability of insurance coverage in the future on adequate terms;
- changes in the taxes and/or tax benefits applicable to us, our plants and/or our business;
- treatment of our activities with respect to environmental, social and governance matters by regulators, investors and insurers;
- changes in our regulatory environment, including the costs of complying with environmental and renewable energy regulations;
- fluctuations in the value of the *sol*;
- the occurrence of events causing global impact, including public health events and global military conflict; and
- the other factors identified or discussed under the caption “*Risk Factors*.”

In addition to the factors set forth above, there may be other risks and uncertainties not discussed in this offering memorandum that we are not able to currently identify but that may cause actual results to differ materially from those set forth in forward-looking statements. You should read this offering memorandum completely and with the understanding that our actual results may be materially different from what we expect.

Neither we nor any of the initial purchasers undertake any obligation to publicly release any revisions to the forward-looking statements contained in this offering memorandum after completion of this offering to reflect subsequent or unanticipated events or other circumstances, even if such subsequent or unanticipated events or other circumstances have made the forward-looking statements contained in this offering memorandum incorrect, incomplete or otherwise misleading.

In light of the risks and uncertainties underlying the forward-looking statements contained in this offering memorandum, the events described or implied in the forward-looking statements may not transpire. Accordingly, we caution readers to not place undue reliance on the forward-looking statements contained in this offering memorandum, which speak only as of the date they were made.

ENFORCEMENT OF CIVIL LIABILITIES

Niagara Energy S.A.C. is a closely-held corporation (*sociedad anónima cerrada*) organized under the laws of Peru. The majority of Niagara Energy's shares are owned by Niagara Generation S.A.C., a closely-held corporation (*sociedad anónima cerrada*) organized under the laws of Peru. The remaining shares are directly owned by Niagara Holdings S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg. For more information, see "Summary—Corporate Structure" and "Principal Shareholders."

Most of Niagara Energy's directors, officers and principal shareholders, as well as most of the directors and officers of Niagara Energy's subsidiaries, reside outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons, including with respect to matters arising under the federal securities laws of the United States, or to enforce against such persons or against Niagara Energy judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States.

We have been advised by our Peruvian counsel, J&A Garrigues Perú S. Civil de R.L., that any final and conclusive judgment for a fixed and definitive sum obtained against Niagara Energy in any foreign court having jurisdiction in respect of any suit, action or proceeding against us for the enforcement of any of our respective obligations under the federal securities laws of the United States or under the notes, which are governed by New York law, will, upon request, be deemed valid and enforceable in Peru through an *exequatur* judiciary proceeding (which does not involve the reopening of the case or the reexamination of the merits of the case); *provided* that: (i) there is a treaty in effect between the country where said foreign court sits and Peru regarding the recognition and enforcement of foreign judgments; or (ii) in the absence of such a treaty, the original judgment is recognized by the Peruvian Courts (*Cortes de la República del Perú*) under such *exequatur* judiciary proceeding, subject to the provisions of the Peruvian Civil Code and the Peruvian Civil Procedure Code; *provided* that the following conditions and requirements are met:

- (a) the foreign judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts (and the matters contemplated in respect of this offering memorandum or the notes are not matters under the exclusive jurisdiction of Peruvian courts);
- (b) such foreign court had jurisdiction under its own private international conflicts of law rules and under general principles of international procedural jurisdiction;
- (c) Niagara Energy received service of process in accordance with the applicable laws of the place where the proceeding took place, was granted a reasonable opportunity to appear before such foreign court and was guaranteed due process rights;
- (d) the foreign judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment;
- (e) no pending litigation in Peru between the same parties for the same dispute was initiated before the commencement of the proceeding that concluded with the foreign judgment;
- (f) the foreign judgment is not incompatible with another judgment that fulfills the requirements of recognition and enforceability established by Peruvian law, unless such foreign judgment was rendered first;
- (g) the foreign judgment is not contrary to Peruvian public policy (*orden público*) or good morals (*buenas costumbres*);
- (h) it is not proven that such foreign court that rendered the judgment has denied enforcement of Peruvian judgments or has engaged in a review of the merits thereof;
- (i) the judgment has been (x) duly apostilled by the competent authority of the jurisdiction of the issuing court, in the case of jurisdictions that are parties to the Hague Apostille Convention, or (y) certified by Peruvian consular authorities and the Peruvian Ministry of Foreign Affairs (*Ministerio de Relaciones Exteriores del Perú*), in the case of jurisdictions that are not parties to the Hague Apostille Convention; and in each case is accompanied by a certified and officially translated copy of such judgment into Spanish by a Peruvian certified official translator; and

- (j) the applicable court costs or filing fees have been paid.

We have no reason to believe that any of the obligations relating to the notes would be contrary to Peruvian public policy (*orden público*), good morals (*buenas costumbres*) and international treaties binding upon Peru or generally accepted principles of international law.

Certain of our properties could be subject to the exemption set forth under Article No. 616 of the Peruvian Civil Procedure Code (Legislative Decree No. 768, which sole unified text was approved through Ministerial Resolution No. 010-93-JUS), pursuant to which any private property designated for the rendering of indispensable public services may not be subject to preliminary attachment (*medida cautelar*) that could affect the normal rendering of such services.

The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters with Peru. Therefore, unless the above-mentioned requirements are satisfied, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Peru. However, if the party in whose favor such unenforced final judgment was rendered brings a new suit in a competent court in Peru, such party may submit to the Peruvian court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court in the United States against Niagara Energy may be regarded by a Peruvian court only as evidence of the outcome of the dispute to which such judgment relates, and a Peruvian court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere are unenforceable in Peru. In the past, Peruvian courts have enforced judgments rendered in the United States based on legal principles of reciprocity and comity.

We will appoint Cogency Global Inc., at 122 East 42nd Street, 18th Floor, New York, New York 10168, as agent to receive service of process under the indenture governing the notes, including with respect to any action brought against us in the Supreme Court of the State of New York in the County of New York or the U.S. District Court for the Southern District of New York under the federal securities laws of the United States. With respect to such actions, we have submitted to the exclusive jurisdiction of the courts of the State of New York in the County of New York or the U.S. District Court for the Southern District of New York.

AVAILABLE INFORMATION

For so long as any notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which the Issuer is neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser or subscriber of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser or subscriber the information required to be delivered to such persons pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto). Any such request should be directed to the Issuer’s Chief Executive Officer, at the address set forth on the inside back cover page of this offering memorandum.

CERTAIN TERMS USED IN THIS OFFERING MEMORANDUM

Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to “Niagara Energy” or the “Issuer” are to Niagara Energy S.A.C., all references to “Orygen” are to Orygen Perú S.A.A. and all references to “we,” “us,” “our” and words of similar effect are to (i) Niagara Energy, (ii) Niagara Energy’s consolidated subsidiaries Orygen and CE Veracruz, and (iii) Orygen’s consolidated subsidiaries Chinango S.A.C. (“Chinango”), SL Energy S.A.C. and Energética Monzón S.A.C.

We have prepared this offering memorandum using the following conventions and defined terms, which you should consider when reading the information contained herein:

- “ANA” means the Peruvian National Water Authority (*Autoridad Nacional del Agua*);
- “availability factor” means the percentage of hours a power generation unit is available for generation of electricity in the relevant period, whether or not the unit is actually dispatched or used for generating electricity;
- “Btu” means British thermal units;
- “CAGR” means compound annual growth rate;
- “COD” means the commercial operation date of a development project;
- “Coelvisac” means Consorcio Eléctrico de Villacuri S.A., a Peruvian corporation (*sociedad anónima*);
- “COES” means the Committee for the Economic Operation of the System (*Comité de Operación Económica del Sistema Interconectado Nacional*), an independent Peruvian entity composed of qualified participants undertaking activities in the SEIN that is responsible for planning and coordinating the operation of the generation, transmission and distribution systems that form the SEIN;
- “combined cycle” means the use of both gas turbine and steam turbine technologies in thermal power plants for increased efficiency;
- “conventional renewable energy” refers to energy derived from hydroelectric technology;
- “distribution” refers to the transfer of electricity from the transmission lines at grid supply points and its delivery to consumers at lower voltages through a distribution system;
- “DIA” means Environmental Impact Declaration (*Declaración de Impacto Ambiental*);
- “DGAAE” means General Department of Environmental Affairs of Electricity (*Dirección General de Asuntos Ambientales de Electricidad*) of MINEM;
- “effective capacity” means the sustained output of capacity that a generation unit has considering current operating conditions, subject to periodic testing and validation, and is the capacity that we report to the COES;
- “EIA” means Environmental Impact Study (*Estudio de Impacto Ambiental*);
- “EIAsd” means semi-detailed Environmental Impact Study (*Estudio de Impacto Ambiental semidetallado*);
- “El Niño” means a complex weather pattern resulting from variations in ocean temperatures in the Equatorial Pacific that occurs irregularly at two to seven year intervals lasting up to one year;
- “Electricity Concessions Law” means Law No. 25844 (*Ley de Concesiones Eléctricas*), approved by Law Decree No. 25844, and the regulations thereunder approved by Supreme Decree No. 009-93-EM;
- “Electro Dunas” means Electro Dunas Perú S.A.A., a Peruvian open stock corporation (*sociedad anónima abierta*);

- “Enel Distribución Perú” means Enel Distribución Perú S.A.A., a Peruvian open stock corporation (*sociedad anónima abierta*);
- “firm capacity” means the capacity available for production that, pursuant to applicable regulations, must be guaranteed to be available at a given time for energy injection to a certain power grid;
- “GDP” means gross domestic product;
- “GWh” means gigawatt hour (one GWh is equal to 1,000 MWh);
- “Heat rate” means the number of Btu of energy contained in the fuel required to produce a kWh of energy (Btu/kWh) for thermal plants;
- “hm³” means cubic hectometers;
- “INDECOPI” means the National Institute for the Defense of Competition and Intellectual Property Protection (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual*), the Peruvian antitrust and intellectual property regulator;
- “installed capacity” means the intended full-load sustained output of capacity that a generation unit is designed to produce (also referred to as name-plate capacity);
- “KWh” means Kilowatts hour;
- “La Niña” means a complex weather pattern resulting from variations in ocean temperatures in the Equatorial Pacific that occurs irregularly at two to seven year intervals lasting one to three years, and has the opposite effect of El Niño;
- “load factor” means the calculation of efficiency of use of installed capacity and is calculated as the energy generated *divided by* the maximum amount of energy that could have been generated considering full installed capacity, and it is affected primarily by availability and market conditions;
- “Luz del Sur” means Luz del Sur S.A.A., a Peruvian open stock corporation (*sociedad anónima abierta*);
- “MINEM” means the Ministry of Energy and Mines of Peru (*Ministerio de Energía y Minas*), which is responsible for, among other things, (a) setting national energy policy; (b) proposing and adopting laws and regulations to supervise the energy sector; (c) approving proposed transmission expansion plans by the COES; (d) promoting scientific research and investment in energy; and (e) granting concessions and authorizations to entities who wish to operate in power generation, transmission or distribution in Peru;
- “MMBtu” means one million Btus;
- “MMPCD” means million cubic feet per day;
- “MW” means megawatts (one MW is equal to 1,000 Kilowatts or KW);
- “MWh” means megawatt hour (one MWh is equal to 1,000 kilowatts hour);
- “non-conventional renewable energy” refers to energy derived from wind or solar technologies;
- “OEFA” means the Agency for Environmental Assessment and Enforcement (*Organismo de Evaluación y Fiscalización Ambiental*), a specialized technical governmental body, dependent of the Ministry of Environment, responsible for enforcing, overseeing, controlling and sanctioning environmental matters;
- “Orygen Perú” means Orygen Perú S.A.A., a Peruvian open stock corporation (*sociedad anónima abierta*) (formerly, prior to its acquisition by Niagara Energy, Enel Generación Perú S.A.A.);
- “OSINERGMIN” means the Supervisory Body of Investment in Energy and Mining (*Organismo Supervisor de la Inversión en Energía y Minería*), the Peruvian governmental authority that is

responsible for, among other things, ensuring that companies comply with the rules and regulations applicable to the energy industry in Peru and for setting the tariffs to be charged to regulated customers;

- “PAD” means Detailed Environmental Plan (*Plan Ambiental Detallado*);
- “PAMA” means Environmental Adequacy and Management Program (*Programa de Adecuación y Manejo Ambiental*);
- “Power Plants” mean the Huinco Hydroelectric Power Plant, Matucana Hydroelectric Power Plant, Callahuanca Hydroelectric Power Plant, Moyopampa Hydroelectric Power Plant, Huampaní Hydroelectric Power Plant, Rubí Solar Power Plant, Wayra I Eolic Power Plant, Wayra Extension Eolic Power Plant, Clemesí Solar Power Plant, Chimay Hydroelectric Power Plant, Yanango Hydroelectric Power Plant, Ventanilla Thermoelectric Power Plant and Santa Rosa Thermoelectric Power Plant;
- “PPA” means power purchase agreement;
- “regulated customer” means a customer with a capacity demand lower than 200 kW and which supply can only be provided by a distribution company;
- “renewable energy” means energy derived from wind, solar or hydroelectric technologies;
- “REPEA” means the Regulations of the Environmental Protection for Electric Activities, approved by Supreme Decree No. 014-2019-EM;
- “SEIN” means the national interconnected electrical system of Peru (*Sistema Eléctrico Interconectado Nacional*);
- “SENACE” means the National Service for Environmental Certification of Sustainable Investments (*Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles*), a specialized technical governmental agency, dependent of the Ministry of Environment, in charge of evaluating and approving detailed Environmental Impact Assessments, their amendments and Technical Reports of Viability (*Informes Técnicos Sustentatorios*), related to projects involving activities, works or services that may cause significant impacts to the environment;
- “SERFOR” means the National Service for Forest and Wildlife (*Servicio Nacional Forestal y de Fauna Silvestre*, or “SERFOR”), created by Law No. 29763, enacted on July 22, 2011, a specialized technical governmental agency, dependent of the Ministry of Agriculture, in charge of regulating forest and wildlife matters and proposing policies, strategies, plans and other instruments to promote the sustainable use of forest and wildlife resources;
- “std” means standard;
- “transmission” refers to the bulk transfer of electricity from generation facilities to the distribution system at load center station in which the electricity is stabilized by means of the transmission grid;
- “unregulated customer” (*cliente libre*) means a customer with a capacity demand above 2,500 kW and that can enter into PPAs directly with generation or distribution companies at freely negotiated prices;
- “VNG” means Vehicular Natural Gas (*Gas Natural Vehicular*); and
- “weighted average availability” refers to the number of hours that a generation facility is available to produce electricity divided by the total number of hours in a year.

FOREIGN EXCHANGE CONTROLS AND EXCHANGE RATE INFORMATION

Foreign Exchange Controls

Peruvian law does not impose any restrictions on the ability of companies with operations in Peru to transfer foreign currencies from Peru to other countries, to convert *soles* into any foreign currency or to convert any foreign currency into *soles*. Companies may freely remit interest and principal payments abroad and investors may repatriate capital from liquidated investments, except for restrictions applicable to companies that have been convicted or have admitted to and/or acknowledged committing crimes against the Peruvian public administration or money laundering, or equivalent crimes (if they have been committed in a foreign country), pursuant to Law No. 30737 (Law to Ensure the Immediate Payment of Civil Damages in favor of the Peruvian Government in Cases of Corruption and Related Crimes or “*Ley que asegura el pago inmediato de la reparación civil a favor del Estado Peruano en casos de corrupción y delitos conexos*”).

Law No. 30737 also applies to companies and individuals that are related to the relevant company that have been convicted or have admitted the aforementioned crimes. This includes (i) any entity that directly or indirectly holds more than 10% of the relevant company’s capital stock, (ii) any entity or individual that directly or indirectly controls the relevant company, (iii) any entities that are under common control of such entity or individual, and (iv) any entity that belongs to the same economic group.

Specifically, according to Law No. 30737, entities and individuals that fall within its scope are prohibited from transferring abroad the following funds: (i) the full amount of their capital from investments in Peruvian territory (including those produced as a result of sale of assets, shares, rights, capital decreases or partial or total liquidation of an entity); and (ii) the full amount of the profits derived from their investments in Peruvian territory, as well as the consideration for the use of assets physically located in Peru and the royalties and consideration for the use and transfer of technology, including any other constituent element of industrial property.

Peruvian law in the past imposed restrictions on the conversion of Peruvian currency and the transfer of funds abroad; as such, we cannot assure you that Peruvian law will continue to permit such payments, transfers, conversions or remittances without restrictions in addition to those described above. See “*Risk Factors—Risks Relating to Peru—Fluctuations in the exchange rate of the Peruvian sol or the imposition of exchange controls could adversely affect us.*”

Exchange Rates

The following tables set forth the historical period-end, average, high and low selling exchange rates, as reported by the Banking, Insurance and Pension Funds Superintendency (*Superintendencia de Banca, Seguros y AFP – SBS*), expressed in Peruvian *soles* per one U.S. dollar for the periods indicated.

Year Ended December 31:	Peruvian sol/U.S. dollar			
	Period End ⁽¹⁾	Average ⁽²⁾	High	Low
2019.....	3.317	3.339	3.405	3.285
2020.....	3.624	3.498	3.662	3.305
2021.....	3.998	3.886	4.136	3.599
2022.....	3.820	3.839	4.003	3.634
2023.....	3.713	3.748	3.900	3.557
2024 (through September 25, 2024).....	3.767	3.758	3.883	3.671

Source: SBS

(1) Represents the selling exchange rate on the last business day of the applicable period.

(2) Represents the simple average of the daily selling exchange rates.

Month Ended:	Peruvian sol/U.S. dollar			
	Period End ⁽¹⁾	Average ⁽²⁾	High	Low
March 2024	3.721	3.713	3.773	3.671
April 2024	3.752	3.718	3.756	3.681
May 2024	3.741	3.735	3.762	3.708
June 2024	3.837	3.790	3.837	3.736
July 2024	3.722	3.770	3.851	3.722
August 2024	3.750	3.746	3.760	3.731
September 2024 (through September 25, 2024)	3.767	3.780	3.823	3.751

Source: SBS

(1) Represents the selling exchange rate on the last business day of the applicable period.

(2) Represents the simple average of the daily selling exchange rates.

On September 25, 2024, the selling exchange rate was S/3.767 per US\$1.00.

Our inclusion of exchange rate or currency translations is not meant to suggest that the U.S. dollar amounts actually represent such *soles* amounts or that such amounts could have been converted into *soles* at such rates or any other rate.

SUMMARY

This summary highlights information presented in greater detail elsewhere in this offering memorandum and does not contain all of the information that you should consider in making your investment decision. Before deciding whether to invest in the notes, you should carefully read this entire offering memorandum, especially the risks of investing in the notes discussed under the caption “Risk Factors.”

Overview

We are a Peruvian energy generation company and we own and operate a diversified 2.3 GW portfolio of energy generating effective capacity across 13 power plants. We are a leading energy generator in Peru, with 17% market share based on gross energy generation in 2023. As of June 30, 2024, our mixed asset base comprises two wind plants (309.3 MW aggregate effective capacity), two solar plants (259.4 MW aggregate effective capacity), seven hydroelectric plants (795.4 MW aggregate effective capacity) and two natural gas fueled plants (887.1 MW aggregate effective capacity). We hold the largest non-conventional renewable energy portfolio in Peru with 32.7% market share based on gross energy generation in 2023.

Orygen’s revenue from energy and power generation was S/1,380.7 million (US\$359.8 million) in the six months ended June 30, 2024, S/2,732.9 million (US\$712.2 million) in the twelve months ended June 30, 2024 and S/2,622.6 million (US\$683.5 million) in 2023. In the same periods, Orygen’s profit for the period was S/453.8 million (US\$118.3 million), S/800.0 million (US\$208.5 million) and S/814.3 million (US\$212.2 million), respectively, and its EBITDA was S/783.7 million (US\$204.3 million), S/1,424.1 million (US\$371.2 million) and S/1,393.8 million (US\$363.2 million), respectively.

Following the Acquisition (as described below), we are controlled by Actis, a global infrastructure investor and one of the largest investors in energy generation assets in Latin America. Actis has a strong track record developing leading energy platforms globally with more than US\$6 billion committed to 120+ projects and 30GW+ of installed capacity. Its investment strategy targets robust cash flow generation assets, supported by stable contracts with strong counterparties. Actis supports the energy transition and accelerates the journey to net zero by focusing on the development of non-conventional renewable platforms. Actis has invested in 50+ generation projects in Latin America for a total of 15 GW since 2003 and has created industry leaders in the region. Actis leverages both on its extensive team of investment, operational and sustainability professionals that bring deep industrial expertise, and on its local knowledge, network and relationships in the jurisdictions in which it operates.

Competitive Strengths

We believe our key competitive strengths are the following:

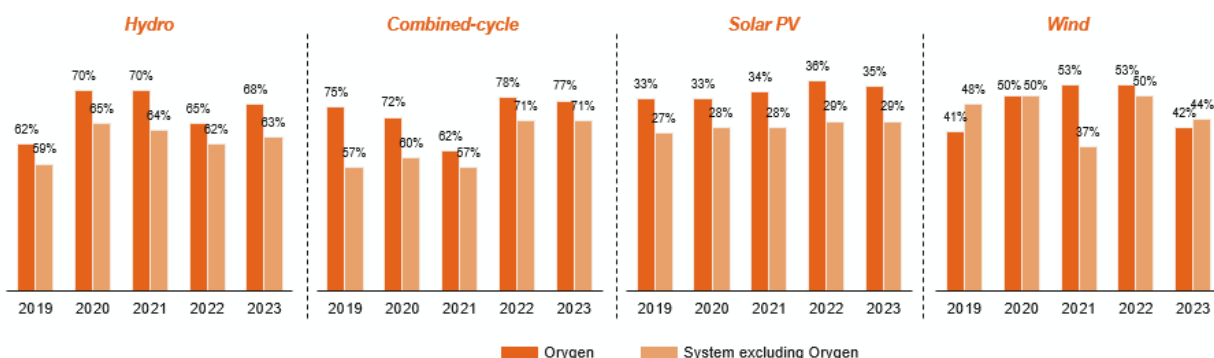
Diversified Portfolio of High Quality Energy Generation Assets

We operate a diversified portfolio of 2.3 GW of energy generating gross effective capacity across 13 power plants, of which 1,364.1 MW of effective capacity is sourced from renewable plants. We are a leading energy generator with the largest renewable energy portfolio in Peru that generates over one third of Peru’s non-conventional renewable generation. Our operating asset base comprises an array of technologies, including two wind plants, two solar plants, seven hydroelectric plants (five run-of-the-river plants and two reservoirs) and two natural gas fueled plants. We also own and operate a hydro-energy recovery and a battery energy storage system – BESS – facility. We are the first movers in the implementation of non-conventional renewable plants in Peru’s energy matrix with the development of our Wayra I wind plant and Rubí solar plant in 2018, as well as the BESS facility in 2021. In addition to technology diversification, our portfolio is geographically diversified. Our plants are strategically located across four regions of Peru: Lima, Junin, Ica and Moquegua.

Since the 1995 privatization of the assets that now belong to us, our portfolio has demonstrated a sustained track record of growth coupled to Peru’s economic development. We have grown our effective capacity from 1.6 GW in 2017 to 2.0 GW in 2020 and increased net energy generation from 6,946 GWh in 2017 to 9,704 GWh in 2023. Growth has been supported by our highly diversified and efficient portfolio that provides reliable energy generation capabilities. Orygen’s diversified generation technology base allows us to benefit from abundant generation during the wet season driven by higher hydro production and profitable thermal production during the dry season. Our asset base provides Orygen with flexibility to react to different scenarios and energy prices.

Additionally, Orygen's unscheduled unavailability has been approximately 1% historically, which we believe evidences the relevance of our assets to supply efficient and reliable energy to Peru's grid.

The following chart sets forth load factors for Orygen and the Peruvian electricity system across technologies for the periods presented, according to the COES:



Attractive Peruvian Energy Market Dynamics

Our high quality energy generation assets are distributed across Peru, an investment grade economy driven by solid macroeconomic fundamentals and a stable regulatory environment. We expect Peru to remain an attractive power market in Latin America over the coming decade. Its solid regulatory framework was introduced in 1992, with a focus on minimizing electricity costs for end users while ensuring an adequate return on investment for sector participants. Peru also has a strong energy-intensive mining industry and growing manufacturing industry, with a significant expected pipeline of projects. Mining activities in Peru, which generate significant energy demand, have proved resilient and have been generally constant or growing even in the context of challenging macroeconomic conditions. Peru's hydrology and wind and solar resources, as well as access to natural gas, makes it conducive to our existing energy generation activities and our focus on developing projects in the renewables space.

Peru has one of the fastest growing economies in Latin America, with historically fast-growing energy demand and a strong outlook for increased energy demand. According to the MINEM, from 2011 to 2023, total energy demand (equal to gross generation) grew at a CAGR of 4.3%. Additionally, according to the MINEM, Peru's total energy demand is estimated to increase by a CAGR of 5.2% for the period 2024-2030. In the context of growing energy demand and Peru's energy transition, according to the COES, 70% of expected capacity additions in Peru in the next three years are expected to be from renewable sources. Solar and wind generation capacity in Peru is expected to experience CAGRs of 21% and 11%, respectively, from 2024 to 2030.

Accordingly, we believe Peru represents an attractive geography for energy generation capacity expansion, especially for alternative renewables and hydro generation, and we look to strategically continue to expand our portfolio.

Resilient Commercial Strategy with Proven Track Record

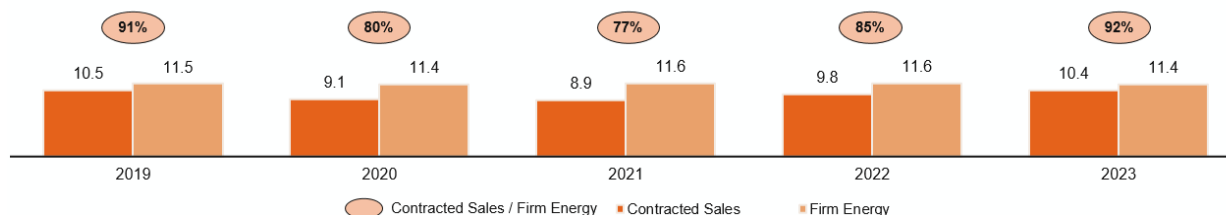
Our commercial strategy, which essentially focuses on leveraging our diverse energy generating assets across wind, solar, hydro and natural gas fueled capacities and maintaining long-term PPAs at levels of contractedness above 90% as of June 30, 2024 with a diverse base of customers that we individually select to manage credit exposure, has proven reliable and resilient over the course of recent years, providing stable and predictable results even in times of unprecedented political and social turmoil in Peru, global uncertainty in the context of the COVID-19 global pandemic and global geopolitical conflicts.

We break down our commercial strategy into sales, sourcing and pricing. Our sales strategy begins with targeting customers that we select by load factor and clusters and that we filter by creditworthiness and reputation. We draw up a capture and retention plan for each target customer in order to define our integrated sales strategy. Our sourcing strategy starts with our own diversified, competitive and reliable energy generation that, in the current context of increasing demand, leads us to seek new energy generation project opportunities, as well as to complement with energy purchases from third parties. We provide each of our key customers preference to the generation capacity of choice. For example, as demand for green energy certificates from non-conventional

renewable energy sources grows in the unregulated market, we are able to tailor our solutions for large customers entering into long-term PPAs, offering a customized approach to meet their sustainability goals. Our integrated approach promotes a cohesive and effective customer acquisition and retention plan, as illustrated by our proven recontracting track record due to our disciplined commercial management. We base our pricing strategy on our asset cash cost and our energy purchases from third parties and build in a commercial margin pursuant to market reference. Our continuous monitoring of risk factors and financial indicators seeks to ensure the adequate development of a robust commercial strategy that aligns with our financial goals.

The following chart sets forth our contracted sales, including as a percentage of firm energy, for the periods presented:

Orygen Contracted Sales and Firm Energy Evolution (TWh)



Highly Contracted Portfolio with Diverse and Well Managed Counterparty Exposure

Orygen enters into long-term PPAs with an average weighted remaining contract life, as of June 30, 2024, of 8.5 years.

As of June 30, 2024, all of our PPAs were either denominated in U.S. dollars or, if denominated in another currency, linked to the U.S. dollar. Our PPAs denominated in *soles* are generally indexed in part to U.S. inflation and in part to natural gas prices (regulated price) in U.S. dollars, thereby limiting our exposure to natural gas price fluctuations and exchange rate fluctuations.

In 2023, distribution companies, unregulated customers and the MINEM represented 45%, 47% and 9% of our contracted energy sales, respectively. Our PPAs are contracted with a wide client base primarily composed of investment grade customers (principally metals and mining or industrial companies) and government-owned counterparties. In the six months ended June 30, 2024, 49% of our contracted energy sales were to distribution companies, 43% to unregulated customers and 8% to the MINEM.

We believe that our diverse portfolio of customers mitigates counterparty risk and aligns our counterparty risk profile to the grid risk profile.

Stable and Predictable Cash Flows and Robust Financial Strength, Liquidity and Flexibility

Our stable and predictable cash flows permit us to maintain ample liquidity while meeting our efficient operating expenditure obligations and directing capital expenditures to the development of new projects that we expect will generate additional stable and predictable cash flows once operational. Orygen's financial strength provides us flexibility to take advantage of development opportunities and to position ourselves for growing energy transition demand, while enabling regular dividend distributions to us, Niagara Energy, Orygen's controlling shareholder.

Experienced Management Team Backed by World-Class Sponsor

Our management team has extensive experience in the power generation business. Our executive officers have an average of 16 years of experience in the power generation industry. Five members of our management team have been with Orygen since before the Acquisition and the remainder, including our new chief financial officer, have previously held senior positions in leading energy companies, financial institutions and the Peruvian government. Our management team provides in depth market knowledge and power industry experience, with significant experience in the Peruvian energy industry and in working with government regulators. We believe that this overall level of experience allows our management team to lead us in the effective operation and maintenance of our facilities with an eye towards propelling our business strategy.

Orygen's strong and experienced management team is backed by Actis, a world-class sponsor and a leading sustainable global infrastructure and energy investor focused on developing markets. Actis has extensive experience in development of new energy generation projects, especially in the renewables space. As of December 31, 2023, Actis has committed over US\$9 billion of capital to 200+ energy projects globally having built and operated 33 GW in over 20 countries across Asia, Africa and Latin America over the past 20 years and has 17 offices, over 120 investment professionals and 49 portfolio companies. Actis has raised US\$25 billion since 2004 and has completed 235 exits as of December 31, 2023. In Latin America, Actis has developed a leading energy investment platform with 16 investments across the region with over 20 GW of installed capacity. For more information, see "*Principal Shareholders—Our Controlling Shareholder.*"

Business Strategy

Secure long-term PPAs that generate stable and predictable revenues and margins with financially strong counterparties.

Orygen has historically sought, and will continue to seek, to renew its long-term PPAs before they approach their expiration date and to enter into new long-term contracts. We expect we will be in a strong position to recontract given our diverse portfolio of energy generation plants, customer relationships and pricing trends in the Peruvian energy market. We believe our contract strategy limits our exposure to fluctuations in Peruvian energy spot market prices and generates stable and predictable margins and cash flows. Given the scale of our portfolio of clean energy generating assets and our critical baseload capacity, we have a successful track record of recontracting our PPAs on favorable terms and expect to be able to continue to recontract our capacity and production as our current PPAs expire. Our commercial strategy prioritizes financially strong counterparties, and we believe that our reputation for providing reliable service from high quality plants, which service we are able to tailor for large customers to provide the energy mix sought, positions us well to recontract with existing customers and to target new customers, principally in the mining and manufacturing sectors. Our financial strength provides us flexibility to adapt our commercial strategy to market conditions and we may also consider maintaining a portion of our diverse portfolio's capacity available in the spot market, which could offer temporarily high profitability and add commercial flexibility to capitalize on expected high realized energy prices.

Continue to sustainably grow our capacity through the development of new renewable energy generation projects.

We regularly assess opportunities to develop new projects in the renewables space and to grow our capacity, principally in wind and solar technologies, in order to increase energy generation from renewable sources in our energy mix. According to the COES, 70% of expected capacity additions in Peru in the next three years are expected to be from renewable sources. Solar and wind generation capacity in Peru is expected to experience CAGRs of 21% and 11%, respectively, from 2024 to 2030. We are committed to maintain Orygen at the forefront of renewable energy generation in Peru and believe we are well positioned, given our experience and portfolio of renewable energy generation plants and projects, to implement our capacity growth strategy in the context of Peru's energy transition. We have over one dozen wind and solar projects in our pipeline that are under feasibility studies or are in the process of elaborating permits. We continue to elaborate our pipeline of projects so that, as they mature, we can periodically deliver projects to maintain our leading position in wind and solar energy generation in Peru.

We expect that our financial discipline will enable us to take advantage of attractive capacity growth opportunities and Actis's successful project development track record supports our strategy of sustainable growth in the context of energy transition demand.

Maintain our commitment to sustainability and the energy transition.

As part of our sustainable growth through developments of renewable energy generation projects, we seek to support energy transition and position ourselves for growing demand in the renewables space. We review our sustainability policies and metrics annually and seek to constantly improve our performance with respect to emissions, environmental and social impact of our operations and increasingly clean energy mix. We maintain a strong commitment to our local communities through a variety of programs that contribute to local economic development, access to resources and basic services, health and educational support.

Maintain financial policies in line with our objectives of maintaining investment grade ratings.

Our commercial strategy seeks to preserve our stable and predictable cash flows that provide us financial strength, liquidity and flexibility to meet our financial and efficient operating obligations while investing in the development of new projects to seek sustainable growth in the renewables space. Our conservative financial policies will continue to prioritize prudent levels of indebtedness and liquidity in order to maintain an optimal cost of capital and our investment grade ratings.

Efficiently maintain our facilities to achieve long-term availability, reliability and asset integrity.

We are focused on the efficient and safe operation of our energy generating assets. With a view to maintaining the integrity and functionality of our plants in the long term, we have agreements with reliable and experienced original equipment manufacturers, we contract state of the art technology in each of our plants from reputable global suppliers and we maintain top tier insurance coverage, including with respect to loss of profits. Our maintenance initiatives support our provision of reliable service to our customers by maximizing efficient production as we preserve the highest industry standards for health, safety, accident prevention, security and environmental policies intended to protect our employees, customers and the local communities in which we operate.

Acquisition and Financing Transactions

Niagara Energy's Acquisition of Enel Generación Perú

In November 2023, Niagara Energy, as buyer, entered into a purchase and sale agreement with Enel Perú S.A.C. and Enel Américas S.A. (each an affiliate of the multinational energy group Enel Américas (the “Enel Group”)), as sellers, to purchase (i) 66.49% and 20.46%, respectively, of the outstanding shares in Orygen (formerly, Enel Generación Perú S.A.A.), including its subsidiaries Chinango S.A.C. (by acquiring 80% of the outstanding shares), SL Energy S.A.C. and Energética Monzón S.A.C. (by acquiring 100.00% of the outstanding shares in each); and (ii) 99.99% of the outstanding shares in CE Veracruz. Following the satisfaction of the conditions set forth in the purchase and sale agreement, including approval by INDECOPI in March 2024, Niagara Energy consummated this acquisition in May 2024. We refer to this transaction as the “Acquisition.”

In March 2024, Niagara Energy launched a public tender offer (*Oferta Pública de Adquisición Previa de Acciones* or “OPA”) in Peru to acquire up to all of the remaining outstanding shares in Orygen. In May 2024, Niagara Energy’s tender offer was settled and Niagara Energy’s total equity interest increased to 92.35%. In June 2024, *Enel Generación Perú* rebranded as *Orygen* and changed its legal name to Orygen Perú S.A.A.

Acquisition Financing

In connection and substantially concurrently with the Acquisition, in March 2024, Niagara Energy entered into a term loan (the “Acquisition Term Loan”) and a revolving facility (the “Acquisition Revolving Facility”) of up to US\$50.0 million. As of June 30, 2024, US\$1,279.3 million was outstanding under the Acquisition Term Loan, and the Acquisition Revolving Facility had not been drawn. In this offering memorandum, we refer to the Acquisition Term Loan and the Acquisition Revolving Facility as the “Acquisition Facilities.”

The Issuer intends to use the net proceeds from this offering to repay the Acquisition Term Loan, breakage costs, interest rate hedge unwind, and/or fees and expenses (if any) in respect of the Acquisition Term Loan. See “*Use of Proceeds.*”

Recent Developments

Dividend Distribution

In August 2024, Orygen paid dividends in the aggregate amount of S/181.8 million.

Concurrent Financing Transaction

On September 26, 2024, Niagara Energy entered into a US\$100.0 million term loan (the “New Term Loan”) and a US\$150.0 million revolving credit facility (the “New Revolving Facility”). We expect to use the net proceeds from the New Term Loan to repay any portion of the Acquisition Term Loan that remains outstanding following our use of proceeds from this offering of notes, and the remainder for general corporate purposes,

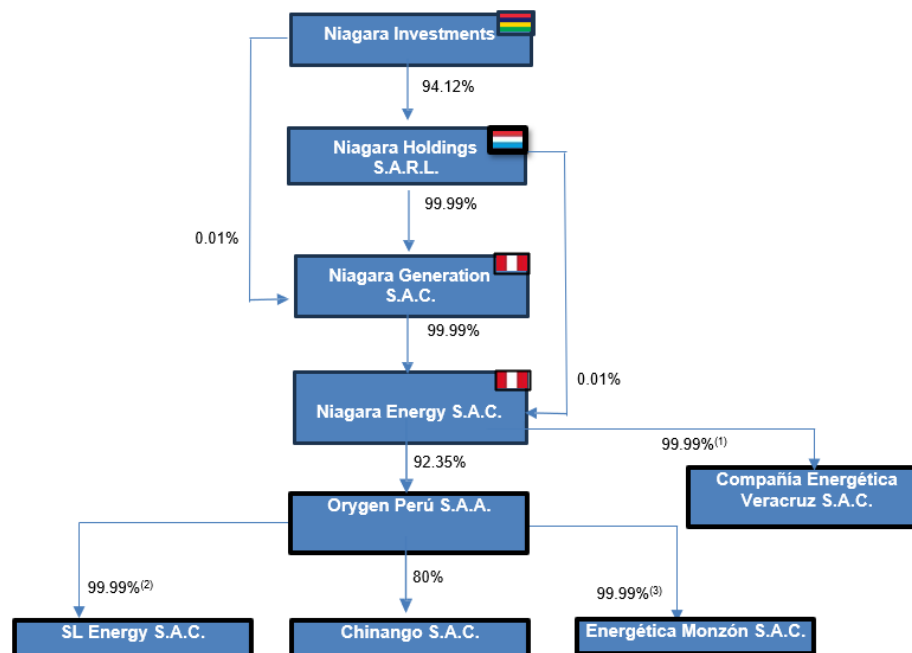
including the payment of dividends. We expect to use the net proceeds from the New Revolving Facility to finance growth capital expenditures, as part of our strategy to grow our energy generation capacity, subject to a limit of up to 50.0% to be used for other general working capital purposes. In this offering memorandum, we refer to the New Term Loan and the New Revolving Facility as the “Concurrent Financing.”

For a description of the New Term Loan and the New Revolving Facility, see “*Description of Principal Finance Agreements.*”

Corporate Structure

The notes will be issued by Niagara Energy. Niagara Energy was incorporated in June 2023 as the acquisition vehicle and holding company of Orygen and CE Veracruz. Prior to the consummation of the Acquisition Financing in March 2024 in connection with the Acquisition, Niagara Energy did not engage in any activities and had no material assets or liabilities. As a result of the Acquisition, as of the date of this offering memorandum, Niagara Energy holds 92.35% of the equity interest in Orygen and 99.99% of the equity interest in CE Veracruz. CE Veracruz, Energética Monzón S.A.C. and SL Energy S.A.C. are non-operating companies that were formed to develop certain energy generation projects and have no significant assets or liabilities. Niagara Energy does not hold equity interests in or shares of any other company.

The following diagram illustrates our corporate structure:



- (1) Niagara Generation S.A.C. holds one share in CE Veracruz (equivalent to 0.01% of the capital stock).
- (2) Niagara Energy S.A.C. holds one share in SL Energy S.A.C. (equivalent to 0.01% of the capital stock).
- (3) Niagara Energy S.A.C. holds one share in Energética Monzón S.A.C. (equivalent to 0.01% of the capital stock).

Corporate Information

Our principal office is located at Jr. Paseo del Bosque 500, San Borja, Lima, Peru.

Niagara Energy is registered in the electronic file no. 15342313 in the Legal Entities Registry of the Peruvian Public Register (*Registro de Personas Jurídicas de la Oficina Registral de Lima*).

Orygen is registered in the electronic file no. 11008822 in the Legal Entities Registry of the Peruvian Public Register. Orygen’s website is <https://www.orygen.com/>.

The information included on our websites or that may be accessed through our websites is not part of this offering memorandum and is not included herein by reference or otherwise.

THE OFFERING

The following is a brief summary of the terms of the notes. For a more complete description of the terms of the notes, see “Description of the Notes.”

Issuer	Niagara Energy S.A.C.
Securities Offered	US\$1,200,000,000 aggregate principal amount of 5.746% Senior Notes due 2034.
Issue Price	100.000% <i>plus</i> accrued interest, if any, from October 3, 2024.
Maturity Date	October 3, 2034.
Interest	The notes will accrue interest at a rate of 5.746% <i>per annum</i> , payable semiannually in arrears on April 3 and October 3 of each year, commencing on April 3, 2025.
Ranking	<p>The notes will be general, unsecured, senior obligations of the Issuer and will, at all times, be <i>pari passu</i> in right of payment with all of the Issuer’s other existing and future unsecured and unsubordinated debt, except for those obligations preferred by operation of Peruvian law, including labor claims, pension and social security contributions, and tax claims.</p> <p>The notes will be effectively subordinated to the Issuer’s existing and future secured debt to the extent of the assets securing such debt. In addition, the notes will be structurally subordinated to any current and future secured or unsecured and unsubordinated debt and other liabilities (including trade payables) of the Issuer’s subsidiaries, including Orygen.</p> <p>As of June 30, 2024, Niagara Energy’s current and non-current other financial liabilities, on a consolidated basis, were S/4,976.3 million (US\$1,296.9 million), of which S/4,907.6 million (US\$1,279.0 million) was secured. As of June 30, 2024, as adjusted for the receipt and application of the net proceeds from this offering and the New Term Loan, Niagara Energy’s current and non-current other financial liabilities, on a consolidated basis, would have been S/5,056.8 million (US\$1,317.9 million), none of which was secured.</p>
Non-Recourse Obligation	The obligations to make payments of principal, premium, if any, and interest on the notes will be obligations solely of the Issuer. None of Actis or any fund managed by Actis or any affiliates of any of the foregoing or their respective incorporators, stockholders, members, managers, representatives, partners, directors, officers or employees or any other person or entity (each, a “Non-Recourse Person”), will guarantee the payment of the notes or will have any liability for any of the Issuer’s obligations under the notes or the indenture or for any claim based on, in respect of or by reason of such obligations or the issuance of the notes. By accepting a note, each holder waives and releases all such liability. This waiver and release are part of the consideration for the issuance of the notes.

Additional Amounts All payments by the Issuer of principal, premium, if any, and interest in respect of the notes will be made free and clear of, and without any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, including interest, penalties and additions to tax with respect thereto (collectively, “Taxes”) imposed, levied, collected, withheld or assessed by or within Peru or any other jurisdiction in which the Issuer or any successor of the Issuer under the indenture is organized, incorporated, engaged in business for tax purposes or otherwise considered to be a resident for tax purposes or any paying agent is located or, in each case, any political subdivision thereof or any authority therein or thereof having power to tax, unless such withholding or deduction for such Taxes is required by law or by the interpretation or administration thereof. In that event, subject to certain exceptions, the Issuer will pay such additional amounts as are necessary to ensure that the holders of the notes receive the same amounts as they would have received in the absence of such withholding or deduction. See “*Description of the Notes—Additional Amounts.*”

Optional Redemption..... The notes will not be redeemable by the Issuer or by the holders of the notes prior to maturity except as set forth below.

Make Whole Redemption. Prior to July 3, 2034 (three months prior to the maturity date of the notes) (the “Par Call Date”), the Issuer may redeem the notes at its option, in whole or in part, at any time and from time to time, by paying the greater of the outstanding principal amount of the notes and a “make-whole” amount, in each case *plus* accrued and unpaid interest and any additional amounts. See “*Description of the Notes—Optional Redemption—Make-Whole Redemption.*”

At Par Redemption. On or after the Par Call Date, the Issuer may redeem the notes at its option, in whole or in part, at any time and from time to time, by paying 100% of the outstanding principal amount of the notes to be redeemed, *plus* accrued and unpaid interest and any additional amounts.

Tax Redemption. The Issuer may also redeem the notes at its option, in whole but not in part, at a redemption price equal to 100% of the outstanding principal amount of the notes, *plus* accrued and unpaid interest and any additional amounts then due and payable, in the event of certain changes in applicable laws or regulations affecting taxation. See “*Description of the Notes—Optional Redemption—Tax Redemption.*”

Optional Redemption Following a Change of Control Offer or a Tender Offer. The Issuer may also redeem the notes at its option, in whole but not in part, in the event that holders of not less than 90% of the aggregate principal amount of the outstanding notes validly tender and do not withdraw such notes in a Change of Control offer or other tender offer at a redemption price equal to the price paid to holders in such Change of Control offer or other tender offer, as the case may be, *plus* accrued and unpaid interest and any additional amounts then due and payable. See “*Description of the Notes—Optional Redemption—Optional*

Redemption Following a Change of Control Offer or a Tender Offer.”

Certain Covenants	<p>The indenture will contain certain covenants that restrict the Issuer’s ability to:</p> <ul style="list-style-type: none"> • enter into sale and leaseback transactions; • create liens; and • subject to compliance with certain conditions, merge or consolidate with another entity or sell substantially all of its assets to another entity. <p>However, these covenants are subject to significant exceptions. See “<i>Description of the Notes—Covenants.</i>”</p>
Change of Control	<p>If the Issuer experiences a Change of Control that results in a Ratings Decline (each as defined under the caption “<i>Description of the Notes</i>”), the Issuer must offer to repurchase the notes at a purchase price equal to 101% of the principal amount thereof, <i>plus</i> accrued and unpaid interest. See “<i>Description of the Notes—Change of Control.</i>”</p>
Use of Proceeds	<p>The Issuer intends to use the net proceeds from this offering to repay the Acquisition Term Loan, breakage costs, interest rate hedge unwind, and/or fees and expenses (if any) in respect of the Acquisition Term Loan. See “<i>Use of Proceeds.</i>”</p>
Form of Notes, Clearing and Settlement	<p>The notes will be issued in book entry form, without interest coupons, in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The notes will be delivered through the facilities of DTC, for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as the operator of the Euroclear System (“Euroclear”) and Clearstream Banking, <i>société anonyme</i> (“Clearstream”). The notes will be represented by one or more global notes registered in the name of Cede & Co. as nominee of DTC. Owners of beneficial interests in notes held in book-entry form will not be entitled to receive physical delivery of certificated notes except in certain limited circumstances.</p>
Transfer Restrictions	<p>The notes have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. As a result, the notes will be subject to certain restrictions on transfer and resale. See “<i>Transfer Restrictions.</i>”</p>
Listing	<p>The Issuer will apply to the SGX-ST for permission for the listing and quotation of the notes on the SGX-ST. There is no guarantee that such application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Approval in-principle received for the listing and quotation of the notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer or the merits of</p>

the notes. The notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000 as long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Governing Law State of New York.

**Trustee, Registrar, Transfer Agent and
Paying Agent**..... The Bank of New York Mellon.

Risk Factors Investing in the notes involves risks. You should carefully consider the risk factors discussed under the caption “*Risk Factors*” before making an investment decision with respect to the notes.

SUMMARY FINANCIAL AND OTHER INFORMATION

The following tables present selected historical financial data of Niagara Energy and Orygen. The selected historical financial data of Niagara Energy as of June 30, 2024 presented below has been derived from Niagara Energy's unaudited consolidated interim financial statements included elsewhere in this offering memorandum. The selected historical financial data of Orygen as of and for the years ended December 31, 2023, 2022 and 2021 and as of June 30, 2024 and for the six months ended June 30, 2024 and 2023 presented below has been derived from Orygen's financial statements included elsewhere in this offering memorandum. Historical results for any prior period are not necessarily indicative of results expected in any future period.

You should read the selected historical financial data forth below in conjunction with the sections entitled "Presentation of Financial and Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as in conjunction with the historical financial statements and notes thereto included elsewhere in this offering memorandum.

Niagara Energy

The following table presents Niagara Energy's selected statement of financial position data as of June 30, 2024:

	As of June 30, 2024	
	(in US\$ millions) ⁽¹⁾	(in S/ millions)
Cash and cash equivalents.....	164.1	629.7
Trade accounts receivable	114.6	439.6
Other accounts receivable	5.4	20.6
Inventories	24.3	93.1
Prepaid insurances.....	7.3	28.2
Total current assets.....	315.7	1,211.2
Goodwill	20.8	79.9
Investment projects	6.1	23.5
Property, plant and equipment.....	2,087.0	8,007.7
Intangible assets.....	49.3	189.0
Other non-financial assets	65.0	249.4
Total non-current assets	2,228.2	8,549.5
Total assets.....	2,543.9	9,760.7
Other financial liabilities.....	16.1	61.7
Trade accounts payables.....	79.3	304.3
Other accounts payables.....	62.9	241.4
Contract liabilities.....	1.3	5.0
Other provisions.....	2.4	8.8
Income tax liabilities.....	0.2	0.9
Total current liabilities	162.2	622.1
Other financial liabilities.....	1,280.8	4,914.6
Deferred income.....	16.1	61.8
Other accounts payable	2.2	8.4
Other provisions.....	28.8	110.6
Deferred tax liabilities.....	427.5	1,640.1
Total non-current liabilities.....	1,755.4	6,735.5
Total liabilities.....	1,917.6	7,357.6
Issued share capital	522.9	2,006.5
Net profit or loss from cash flow hedge	(26.2)	(100.6)
Retained earnings	(0.2)	(0.6)
Equity attributable to owners of the Company	496.5	1,905.2
Non-controlling interest	129.8	497.9
Total equity.....	626.3	2,403.1

(1) Calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See "Foreign Exchange Controls and Exchange Rate Information."

Orygen

The following table presents Orygen's selected statement of financial position data as of the dates indicated:

	As of June 30,		As of December 31,			
	2024 ⁽¹⁾	2024	2023 ⁽¹⁾	2023	2022	2021
	(in US\$ millions)	(in S/ millions)	(in US\$ millions)		(in S/ millions)	
Cash and cash equivalents	102.8	394.4	135.7	520.7	257.4	224.7
Trade accounts receivable.....	114.6	439.6	80.9	310.5	324.5	240.8
Other accounts receivable.....	5.1	19.4	9.7	37.1	21.5	91.1
Accounts receivable from related parties	-	-	28.9	110.9	109.6	106.5
Inventories	24.3	93.1	23.1	88.6	71.5	72.7
Tax credit from sales tax.....	-	-	14.8	56.9	243.4	192.2
Income tax assets	-	-	-	-	-	14.9
Prepaid insurances	3.1	11.9	1.3	4.5	34.8	1.9
Total current assets	249.9	958.4	294.4	1,129.2	1,062.7	944.8
Other accounts receivable.....	-	-	2.4	9.4	14.0	-
Investment projects.....	4.0	15.2	4.0	15.2	16.7	18.0
Property, plant and equipment	1,363.1	5,230.3	1,341.9	5,148.8	5,140.5	4,657.3
Intangible assets.....	22.9	87.8	30.0	115.2	116.6	109.6
Other non-financial assets.....	65.0	249.5	72.6	278.4	308.6	282.8
Total non-current assets	1,455.0	5,582.8	1,450.9	5,567.0	5,596.4	5,067.7
Total assets	1,704.9	6,541.2	1,745.3	6,696.2	6,659.1	6,012.5
Other financial liabilities	1.4	5.0	145.3	557.5	643.9	279.4
Trade accounts payables	79.4	304.3	92.7	355.7	562.0	348.4
Other accounts payables	62.9	241.4	97.5	374.0	120.7	57.7
Accounts payable to related parties	4.5	17.4	31.6	121.2	176.5	169.6
Contract liabilities.....	1.3	5.0	-	-	-	-
Deferred income	-	-	0.9	3.3	3.4	3.3
Other provisions	2.4	8.8	2.3	8.8	9.1	10.2
Income tax liabilities	0.2	0.9	3.8	14.7	55.1	-
Total current liabilities	152.1	582.8	374.1	1,435.2	1,570.7	868.7
Other financial liabilities	14.1	54.2	265.4	1,018.4	820.2	592.1
Accounts payable to related parties	400.0	1,534.8	-	-	-	-
Deferred income	16.1	61.8	16.5	63.4	66.7	70.0
Other accounts payables	2.2	8.4	1.7	6.7	5.3	5.7
Other provisions	28.8	110.6	28.6	109.8	115.9	202.0
Deferred tax liabilities	206.2	791.3	197.2	756.5	804.3	812.2
Total non-current liabilities	667.4	2,561.1	509.4	1,954.8	1,812.4	1,682.0
Total liabilities	819.5	3,143.9	883.5	3,390.0	3,383.1	2,550.6
Issued share capital.....	817.0	3,134.9	817.0	3,134.9	2,829.5	3,081.3
Legal reserve	18.9	72.5	0.6	2.2	286.1	228.7
Net profit or loss from cash flow hedge	(9.4)	(36.0)	(5.3)	(20.5)	(19.8)	(83.3)
Other reserves.....	(0.5)	(2.1)	(0.5)	(2.1)	(2.1)	(2.1)
Retained earnings	36.2	138.9	29.5	113.1	102.9	156.1
Non-controlling interest.....	23.2	89.1	20.5	78.6	79.4	81.2
Total equity	885.4	3,397.3	861.8	3,306.2	3,276.0	3,461.9
Total liabilities and equity	1,704.9	6,541.2	1,745.3	6,696.2	6,659.1	6,012.5

(1) Calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See "Foreign Exchange Controls and Exchange Rate Information."

The following table presents Orygen's selected statement of profit or loss data for the periods indicated:

	For the Six Months Ended June 30,			For the Year Ended December 31,			
	2024 ⁽¹⁾	2024	2023	2023 ⁽¹⁾	2023	2022	2021
	(in US\$ millions)	(in S/ millions)		(in US\$ millions)		(in S/ millions)	
Revenue from energy and power generation.....	359.8	1,380.7	1,270.4	683.5	2,622.6	2,375.0	1,936.8
Cost of energy generation.....	(171.3)	(657.4)	(651.5)	(375.6)	(1,441.0)	(1,244.7)	(984.4)
Gross profit	188.5	723.3	618.9	307.9	1,181.6	1,130.3	952.4
Administrative expenses.....	(9.8)	(37.7)	(52.4)	(27.9)	(107.0)	(97.6)	(112.6)
Other expenses	(6.9)	(26.3)	-	-	-	(4.2)	-
Other income	2.7	10.3	19.4	9.9	37.7	62.2	50.4
Operating profit	174.5	669.6	585.9	289.9	1,112.3	1,090.7	890.2
Finance income.....	9.2	35.3	79.0	24.5	94.0	83.8	14.0
Finance costs	(10.9)	(42.0)	(40.7)	(20.4)	(78.2)	(70.6)	(82.5)
Net finance income (cost)	(1.7)	(6.7)	38.3	4.1	15.8	13.2	(68.5)
Profit before tax	172.8	662.9	624.2	294.0	1,128.1	1,103.9	821.7
Income tax	(54.5)	(209.1)	(156.1)	(81.8)	(313.8)	(294.9)	(302.6)
Profit for the period	118.3	453.8	468.1	212.2	814.3	809.0	519.1

- (1) Calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See "Foreign Exchange Controls and Exchange Rate Information."

Reconciliation and Calculation of Non-IFRS Financial Information

Orygen's EBITDA

The following table sets forth Orygen's reconciliation of EBITDA to profit for the periods indicated:

	For the twelve months ended June 30,		For the six months ended June 30,			For the year ended December 31,			
	2024 ⁽¹⁾	2024 (A+B-C)	2024 ⁽¹⁾	2024 (A)	2023 (C)	2023 ⁽¹⁾	2023 (B)	2022	2021
	(in millions of US\$)	(in millions of S/)	(in millions of US\$)	(in millions of S/)		(in millions of US\$)	(in millions of S/)		
Profit for the period	208.5	800.0	118.3	453.8	468.1	212.2	814.3	809.0	519.1
(+) Interest expense	12.7	48.7	4.0	15.2	32.1	17.1	65.6	32.9	9.5
(+) Income tax expense.....	95.6	366.8	54.5	209.1	156.1	81.8	313.8	294.9	302.6
(+) Depreciation	50.4	193.4	25.5	97.8	90.9	48.6	186.5	187.4	191.5
(+) Amortization.....	4.0	15.2	2.0	7.8	6.2	3.5	13.6	13.5	11.3
EBITDA⁽²⁾	371.2	1,424.1	204.3	783.7	753.4	363.2	1,393.8	1,337.7	1,034.0

- (1) Calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See "Foreign Exchange Controls and Exchange Rate Information."
- (2) We calculate Orygen's EBITDA (earnings before interest, tax, depreciation and amortization) as profit for the period *plus* interest expense, income tax expense, depreciation and amortization. For more information on Orygen's EBITDA, see "Presentation of Financial and Other Information—Non-IFRS Financial Information."
- (3) We calculate figures for the twelve months ended June 30, 2024 as the amounts corresponding to the six months ended June 30, 2024, *plus* the amounts corresponding to the year ended December 31, 2023, *less* the amounts corresponding to the six months ended June 30, 2023.

Niagara Energy's Net Debt

The following table sets forth Niagara Energy's calculation of Net Debt as of the date indicated:

	As of June 30,	
	2024 ⁽¹⁾ <i>(in millions of US\$)</i>	2024 <i>(in millions of \$)</i>
(+) Current other financial liabilities	16.1	61.7
(+) Non-current other financial liabilities	1,280.8	4,914.6
Current and non-current other financial liabilities.....	1,296.9	4,976.3
(-) Cash and cash equivalents	164.1	629.7
Net Debt⁽³⁾.....	1,132.8	4,346.6

(1) Calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See “*Foreign Exchange Controls and Exchange Rate Information.*”

(3) We calculate Niagara Energy's Net Debt as current and non-current other financial liabilities less cash and cash equivalents. For more information on Niagara Energy's Net Debt, see “*Presentation of Financial and Other Information—Non-IFRS Financial Information.*”

Niagara Energy's indebtedness profile will materially change following the consummation of the Concurrent Financing (see “*Summary—Recent Developments—Concurrent Financing Transaction*”), the consummation of this offering of notes and the repayment of the Acquisition Term Loan (see “*Use of Proceeds*”). As a result, Niagara Energy's Net Debt presented above is not indicative of how this non-IFRS measure will look following the consummation of these transactions.

Certain Operating Information

The following table sets forth certain operating information of Orygen as of the dates and for the periods presented:

	As of and for the six months ended June 30,		As of and for the year ended December 31,		
	2024	2023	2023	2022	2021
Effective capacity (MW)					
Wind.....	309.3	132.3	132.3	132.3	132.3
Solar.....	259.4	144.5	144.5	144.5	144.5
Hydroelectric.....	795.4	795.4	795.4	795.4	795.4
Natural gas fueled.....	887.1	884.0	888.5	851.8	882.3
Total effective capacity (MW)	2,251.3	1,956.2	1,960.7	1,923.7	1,954.5
Energy sales (GWh)					
Distribution companies.....	2,887	2,370	4,684	4,385	3,408
Unregulated customers	2,529	2,250	4,865	4,462	4,552
MINEM.....	444	378	896	983	962
Spot sales.....	188	247	474	291	730
Total energy sales	6,049	5,245	10,919	10,120	9,652
Capacity sales (MW)					
Distribution companies.....	903	773	775	751	734
Unregulated customers	571	539	561	526	551
Total capacity sales	1,474	1,312	1,336	1,277	1,285
Net production (GWh)					
Wind.....	388	197	482	618	617
Solar.....	367	199	592	450	443
Hydroelectric.....	2,474	2,238	4,145	4,128	4,420
Natural gas fueled	1,463	1,988	4,485	3,740	3,393
Total net production	4,691	4,622	9,704	8,935	8,873
Spot market purchases.....	1,358	623	1,215	1,185	778
Monomic prices (USD/MWh)					
Distribution companies.....	64.8	65.7	66.4	60.6	51.3
Unregulated customers	42.8	42.2	43.9	40.1	32.0
MINEM.....	50.0	50.5	50.9	47.5	44.1

In February 2024, our Clemesí solar plant, with 114.9 MW of effective capacity, began operations. In June 2024, our Wayra Extension wind plant, with 177.0 MW of effective capacity, began operations. These operations increased, in the aggregate, our total effective capacity by 14.9%. Consequently, our operational results for prior periods presented in this offering memorandum do not fully, or at all, reflect such increased capacity and, accordingly, are not necessarily indicative of operational results expected in the future.

RISK FACTORS

Our business, financial condition, results of operations, liquidity and prospects, as well as the trading price of the notes, may suffer materially as a result of any of the risks described below. You should carefully consider the risks described below with all of the other information included in this offering memorandum. For purposes of this section, when we state that a risk, uncertainty or problem may, could or will have an “adverse effect” on us or “adversely affect” us, we mean that the risk, uncertainty or problem could have an adverse effect on our business, financial condition, results of operations, liquidity and/or prospects, as well as the trading price of the notes, except as otherwise indicated. The risks described below are those that we currently believe may materially and adversely affect us. Additional risks not known to us or that we currently consider immaterial may also materially and adversely affect us.

Risks Relating to Our Business

The Peruvian government has a high degree of influence in the industry in which we operate.

The power generation industry in Peru is subject to complex and dynamic laws and regulations that affect different aspects of our business, have broad application and, to a certain extent, limit management’s ability to independently make and implement decisions regarding certain operational matters. Among the scope of the Peruvian government’s influence in the power generation industry are the following:

- supply and consumption of natural gas, as well as natural gas prices;
- availability and use of water, including pursuant to regulation by the ANA;
- supply and consumption of electricity;
- operation and maintenance of generation, transmission or distribution facilities, including the receipt of provisional and/or permanent operational licenses;
- energy policy, including with respect to renewable energy generation;
- rules governing the dispatch merit order;
- calculations of marginal costs or spot prices;
- rules governing indexation formulas;
- key permits or operating licenses (*i.e.*, generation concessions or authorizations) that we currently hold;
- subsidies and incentives, including tax benefits;
- tax laws and interpretations;
- tariffs, including under PPAs where tariffs are limited to regulated rates;
- labor matters, including mandatory salary increases;
- public consultations for new generation units;
- acquisitions, construction or dispositions of power generating assets; and
- social responsibility obligations and environmental matters.

Changes in legislation, regulation and policy with respect to any of the above may require us to make significant unexpected expenditures that would redirect resources away from our business strategy and may otherwise adversely affect us. Any non-compliance on our part could lead to enforcement actions, sanctions and penalties of a monetary and non-monetary nature. Depending on the severity of the infraction, enforcement actions could include the closure or suspension of certain of our operations, the imposition of fines or other corrective measures, and the revocation of licenses.

We operate in a highly competitive industry.

The Peruvian energy generation industry is highly competitive and many of our competitors have extensive and diversified experience in developing and operating energy generation plants of different technologies. Our competitors may have financial resources greater than ours and may be able to develop more projects, including in the renewables space, and increase their market share. Competition in the energy generation industry relates to obtaining PPAs from major distribution companies and unregulated customers and acquiring existing energy generation assets. In recent years, certain of our key competitors have increased their market share from other market competitors. Key competitive terms include pricing, quality, development and introduction time, customer service and financing terms.

Continued and increasing competition in the Peruvian energy generation industry, including with respect to any of the developments described above, may adversely affect us.

We may not be able to enter into, or renew our existing, long-term PPAs, which would materially and adversely affect us.

Our long-term PPAs are one of our principal competitive strengths and a cornerstone of our business strategy. Our long-term PPAs provide us stable and predictable cash flows that are fundamental to our financial strength, liquidity and flexibility. As of June 30, 2024, we sell 100.0% of our generated energy pursuant to PPAs. Depending on market conditions and regulatory considerations, it may be difficult for us to secure long-term PPAs with new customers or to renew existing long-term PPAs as they approach their expiration date. Any of these events would result in our seeking to sell excess energy in the spot market at prices that could be below what we seek to negotiate in PPAs, and this uncertainty and volatility in revenue would require us to rethink our financial strategy and, consequently, our business strategy. See “—*In recent periods, we have been a net energy buyer, which position has exposed us and may continue to expose us to increased energy prices in the spot market.*”

In addition, the introduction of more efficient energy generation technology could adversely affect the competitiveness of our natural gas fueled power plants in the dispatch merit order. Any displacement of dispatch merit order could affect our competitiveness in the short-term and impact our ability to enter into long-term PPAs.

Any of these developments would materially and adversely affect us.

Customer concentration may expose us to significant counterparty risk.

In the six months ended June 30, 2024, eight distribution companies comprised 49% of consumption by our customers and 100.0% of consumption by distribution companies. As of June 30, 2024, our three largest unregulated customers represented 61.6% of consumption by unregulated customers. In addition, we operate in a highly competitive industry where our key customers are targeted by other energy generation companies in Peru. If we are unable to renew, extend or replace our long-term PPAs with these customers, or if we renew them on less favorable terms, or if any of these customers fail to make payments under our long-term PPAs or seek termination for any reason, we would be materially and adversely affected.

The deterioration of creditworthiness or overall financial condition of a material customer could expose us to an increased risk of non-payment or other default under our long-term PPAs. Furthermore, if a material customer were to initiate bankruptcy or similar proceedings, we may be unable to recover payment under local laws. For example, under Peruvian laws, our claims with respect to payments due by a customer from the private sector would rank junior to, among others, its labor, social security, pension fund, secured and tax obligations. Any default by any of our material customers could materially and adversely affect us.

For more information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors Affecting Orygen’s Results of Operations—Significant PPAs and Customer Concentration.*”

Supplier concentration for natural gas, and natural gas transportation and distribution services, may expose us to significant counterparty risk.

Our two natural gas fueled power plants, which represented 39% of our total effective capacity as of June 30, 2024, rely on Pluspetrol Block 88 for the supply of natural gas, and on TGP for its transportation and Cálidda for its distribution. Any disruption in the supply, transportation or distribution of natural gas, including because of infrastructure challenges or breach by counterparties, would materially and adversely affect our

generation of energy at our Santa Rosa and Ventanilla natural gas fueled power plants and our ability to meet our obligations under our outstanding PPAs, which may require us to purchase energy in the spot market at prices above our cost of generation.

Continued supply, transportation and distribution of natural gas to our Santa Rosa and Ventanilla natural gas fueled power plants depends upon a number of factors that we do not control, including:

- levels of exploration, drilling, reserves and production of natural gas in the Camisea Fields and other areas in Peru and natural gas prices;
- accessibility of the Camisea Fields and other gas production areas in Peru, which may be affected by climate conditions, natural disasters, geographic and geological conditions, environmental restrictions and regulations, activities of terrorist groups or other impediments to access, including roadblocks initiated as part of social protests;
- market conditions for the renewal of our natural gas supply, transportation and distribution agreements before their expiration on acceptable terms or at all; and
- regulatory policies in Peru with respect to natural gas supply, transportation and distribution.

Furthermore, because these suppliers are the principal suppliers of natural gas and natural gas transportation and distribution services to most natural gas fueled generation facilities in Peru, a change in the terms of these suppliers' agreements generally or a systematic failure by any of these suppliers to meet their contractual obligations, could have a significant effect on Peru's entire electricity supply and, therefore, prompt Peruvian governmental authorities to undertake certain remedial actions, any of which could materially and adversely affect us.

Our existing agreements for natural gas supply, transportation and distribution extend at most through 2034, and are therefore scheduled to expire prior to the end of the operational life of our natural gas fueled power plants. If we are unable to renew these agreements, or enter into alternative long-term agreements on acceptable terms or at all, we would be materially and adversely affected. For more information, see "*Business—Material Agreements*."

Our energy generation operations are affected by climate conditions, and changes in climate patterns or other occurrences of natural phenomena could materially and adversely affect us.

Our energy generation operations, principally those of wind, solar and hydroelectric technologies, are affected by climate conditions. Two climate phenomena that influence rainfall regularity in Peru and may result in excessive rainfall or droughts and materially affect our operations are El Niño and La Niña. Changes in climate patterns that affect the availability of wind, solar and water resources and the occurrence of natural phenomena, such as the climate phenomena of El Niño and La Niña, could affect our ability to generate energy pursuant to our obligations under our outstanding PPAs, and may require us to purchase energy in the spot market at prices higher than our generation costs.

In periods of excessive rainfall, hydroelectric plants, including ours, increase their generation. Excessive rainfall, however, may lead to floods and landslides, which could damage roads and limit access to our facilities. These events could also lead to temporary shutdowns to prevent damage, or may result in actual damage, at our plants. In addition, these events could adversely affect the operations of certain of our customers, especially in the mining industry, which could result in reduced energy demand.

In periods of drought, hydroelectric plants, including ours, decrease their generation and our natural gas fueled plants are used more frequently, which increases marginal costs. Our seven hydroelectric plants represented 35% of our total effective capacity as of June 30, 2024. The energy generation capability of these plants depends on sufficient water resources. Periods of drought materially affect our hydroelectric energy generation operations. In addition, the ANA has the right to divert the use of our water sources and may do so when water levels are critically low.

In addition to severe climate conditions, such as floods, landslides or other climate disasters, our facilities are exposed to climate change risk and to other natural phenomena occurring in Peru, including earthquakes (due to high seismic activity). In 2007, Peru experienced a 7.9 magnitude earthquake that struck the central coast of Peru

and, in May 2019, an earthquake with a magnitude of 8.0 struck a remote part of the Amazon in Peru, resulting in collapsed buildings, power failures and two reported deaths. In 2017, Peru experienced significant flooding and, in March 2022, heavy rainfall led to floods and landslides in the town of Retamas, La Libertad, and caused significant physical damage and several deaths. Forest fires across Peru may also cause significant damage, interrupt our operations and the operations of certain of our large customers, and adversely affect us. In September 2024, the Peruvian government declared a state of emergency in three northern regions affected by forest fires: Amazonas, San Martín and Ucayali.

Any of these events may cause significant damage to, or destruction of, our property, plant and equipment, as well as significant disruption to our operations, any of which may not be fully covered by our insurance policies and would materially and adversely affect us. Damage and disruption due to any of these events experienced by our customers could also materially and adversely affect us in the case of reduced energy demand.

Furthermore, many of our supply agreements, including our natural gas supply and transportation agreements, contain *force majeure* provisions that allow for the suspension of performance by our counterparties for the duration of certain *force majeure* events, which may include events relating to climate disasters and natural phenomena. Our two natural gas fueled plants represented 39% of our total effective capacity as of June 30, 2024. If a *force majeure* event were to occur and our counterparties were to temporarily suspend performance under their contracts, we may be forced to find alternative suppliers in the market on short notice, which we may be unable to do, and incur additional costs. Any such development could materially and adversely affect us.

In recent periods, we have been a net energy buyer, which position has exposed us and may continue to expose us to increased energy prices in the spot market.

Unlike most other commodities, electric power can only be stored on a very limited basis and generally must be produced concurrently with use. As a result, energy prices are subject to significant volatility from supply and demand imbalances, especially within the spot market. In recent periods, pending our development of new energy generation projects, we have been a net energy buyer in order to meet our obligations under our PPAs. In the six months ended June 30, 2024, we purchased 1,356 GWh of energy in the spot market, as compared to 1,212 GWh in 2023, 1,182 GWh in 2022 and 779 GWh in 2021. The increase in our energy purchases in the spot market in 2024 were mainly due to increased demand pursuant to our PPAs from distribution companies and delays in the commencement of operations at our Wayra Extension wind plant. This position as a net energy buyer has exposed us and may continue to expose us to increased energy prices in the spot market, especially in the case of any unavailability of our plants due to climate, maintenance or other factors, many of which are beyond our control.

In addition, as of June 30, 2024, all of our PPAs were either denominated in U.S. dollars or, if denominated in another currency, linked to the U.S. dollar. However, our energy purchases in the spot market are in *soles*. As a result, exchange rate imbalances in the case of a steep appreciation of the *sol* would reduce our margins or require us to absorb a loss on energy sold in excess of our generated energy. For each of these reasons, a spike in energy prices in the spot market during a time of extended unavailability of our plants could materially and adversely affect us.

Our operations are subject to extensive environmental, health and safety laws and regulations.

Our operations are subject to extensive environmental, health and safety laws and regulations promulgated and supervised by multiple regulatory entities. For more information, see “*Regulatory Matters*.” In order to comply with these laws and regulations, we are required to incur significant ongoing costs and to direct significant management and personnel attention. Compliance requires periodic and at times extraordinary capital expenditures and we cannot assure you that we will not be subject to significant liability in the event of non-compliance, even if inadvertent, or in the case of delays to achieve compliance with new or changing laws and regulations. These laws and regulations require us to, among other things, minimize and mitigate risks to the natural and social environment while maintaining the quality, safety and efficiency of our facilities. In addition, as our operations are inherently subject to various operational hazards, including personal injury and the loss of life, we are subject to laws and regulations that relate to the health and safety of our employees and third parties.

Pursuant to applicable laws and regulations, we are required to obtain, maintain and renew numerous environmental and other permits, licenses and approvals, especially in the case of construction of new facilities or the installation and operation of new equipment. Regulatory entities could take enforcement actions against us that could include, among other things, the imposition of fines, revocation of licenses, suspension of operations or imposition of criminal liability for non-compliance. Environmental laws and regulations can also impose strict

liability for the environmental remediation of spills and discharges of hazardous materials and waste and require us to indemnify or reimburse third parties for environmental damages. We cannot assure you that our procedures will be sufficient to avoid environmental damage and liability.

We expect the enforcement of environmental, health and safety laws and regulations to become more stringent over time, making our ability to comply with the applicable requirements and obtain permits and licenses in a timely fashion more difficult. Additionally, compliance with new or changing environmental, health and safety regulations could require us to make significant capital expenditures to implement controls or process modifications. With respect to our natural gas fueled energy generation plants, we have been subject to stricter emissions limits and have been required to assume a series of commitments to ensure that our controls and emissions measurement mechanisms are efficient and reliable. Recently we have been in the process of installing and validating continuous emission monitoring systems – CEMS – in our generation units in order to ensure compliance with new regulation by the established deadline at the end of 2024.

Any of these expenditures may not be recoverable and may consequently divert funds away from planned investments in a manner that could materially and adversely affect our ability to implement our business strategy.

New generation plants that we seek to develop may not be completed or, if completed, may not be completed on time or perform as expected.

A key part of our business strategy is the development of new generation plants, principally in the renewables space. The development of new generation plants requires significant capital expenditures and attention from our senior management and key personnel with respect to engineering, permits, legal, financial and other matters. We incur in significant expenses in order to undergo studies and feasibility analysis before we determine whether to proceed with construction. This means that we may divert a significant amount of resources towards the early development of new generation plants that we do not even proceed to construct. With respect to those that we do construct, we face significant risks, including:

- unanticipated construction delays or cost overruns;
- claims from contractors and others;
- an inability to obtain financing on acceptable terms or at all;
- delays in obtaining necessary approvals, permits and licenses, including environmental and operation permits;
- unforeseen engineering, environmental and geological difficulties;
- adverse changes in the political and regulatory environment that fundamentally change our projection model with respect to a new generation plant;
- opposition by political, environmental and other local groups;
- shortages or increases in the price of equipment, materials or labor;
- work stoppages or other labor disputes;
- adverse weather conditions, natural disasters, accidents or other unforeseen events; and
- inability to meet our obligations under our PPAs as a result of any delays in initiating operations or any shortfall in effective generation.

Any of these risks could result in lower than expected financial returns on our new generation plants or result in operations below expected capacity or availability levels, which could materially and adversely affect us.

We operate our business pursuant to concessions, authorizations and permits granted by MINEM, the termination, revocation or forfeiture of which would materially and adversely affect us.

We are authorized to conduct energy generation operations in Peru pursuant to concessions, authorizations and permits granted by MINEM. If we breach our obligations under any of these concessions, authorizations or permits or otherwise do not comply, even if inadvertently, with applicable regulations, we may be subject to

sanctions by OSINERGMIN and MINEM, and any such concessions, authorizations and permits may be terminated, revoked or forfeited.

We cannot assure you that we will be able to comply in full with the terms and conditions of our concessions, authorizations and permits or that we will be able to renew these on acceptable terms, or at all. We also cannot assure you that the amounts we would be entitled to in connection with any termination, revocation or forfeiture would be received or, if received, would be sufficient to compensate us for our loss. The termination, revocation or forfeiture of any of our concessions, authorizations or permits would materially and adversely affect us.

We operate our business pursuant to permits granted by the ANA, the revocation of which would adversely affect us.

In Peru, effective use of water resources for a permanent activity, for a specific purpose and at a specific place is authorized only upon issuance of a water use license granted by the ANA. Water use licenses are necessary in hydroelectric projects to collect and use water resources from rivers to generate energy. Compensation to the government pursuant to this kind of license takes into account the power output of the previous month and 1% of the average price of the generated energy. In addition, the ANA must also authorize the discharge of treated wastewater into rivers or other watercourses. Compensation to the government pursuant to this kind of authorization is approved annually by Supreme Decree.

If we do not comply with any of the ANA's requirements, including with respect to compensation, submission of information or non-compliant operations, or if the ANA declares a state of water scarcity or problems with respect to water quality, our hydroelectric generation operations may be constrained or interrupted, we may be unable to obtain or to renew permits with the ANA and we may be subject to significant fines. Any of these developments could materially and adversely affect us.

If any of our plants are unable to generate energy as a result of a breakdown or other failure, or in the case of extended or unexpected extraordinary maintenance, we may be required to purchase energy in the spot market to meet our contractual obligations under our outstanding PPAs.

Our plants may be subject to breakdown or other failure, or extended or unexpected extraordinary maintenance, including as a result of natural events and scheduled or unscheduled outages. Because our obligations under our PPAs refer to the supply of energy and are not linked specifically to our plants, any of these events may require us to purchase energy in the spot market to meet our contractual obligations. For example, in 2018, a combustion system explosion at our Santa Rosa thermal power plant resulted in temporary unavailability of the plant due to temporary failure of turbine equipment; and, in 2016, an incident involving the temporary failure of our heat recovery steam generator at our Ventanilla thermal power plant resulted in temporary unavailability of the plant.

Because we must always supply our customers the volume of contracted energy, to the extent our plants are unable to generate energy at expected volumes, we will be required to purchase additional energy in the spot market to continue to supply our customers' consumption as set forth in our PPAs, subjecting us to spot energy prices that may be higher than our generation costs, thereby reducing our margins. To the extent any such event is not covered by our business interruption insurance policies, we may be materially and adversely affected.

We require qualified personnel to manage and operate our business, and we may be subject to labor unrest.

We require qualified management personnel to direct our day-to-day business activities and execute our business strategy. We also require qualified personnel in different areas of expertise to seek and identify opportunities, implement plans to develop new plants, service our existing customers and seek and identify target customers, and manage suppliers and other stakeholders. Our business is highly technical in nature and requires specialized training and, in many cases, physically demanding work. We must be able to hire, train and retain professionals with the skills necessary to meet the needs of our customers, to maintain our plants and to ensure the timely and successful completion of any development plans.

In addition, because we are highly reliant on our personnel, any event of labor unrest, including strikes, may adversely affect us. This risk extends to the personnel and labor relations of our suppliers and of the power transmission companies on which we rely to deliver the wholesale electric power that our plants generate.

If we are unable to effectively hire, train and retain qualified personnel, including key management personnel, or in the event of excessive personnel turnover or labor unrest, we may experience a decline in productivity, delays in project development or plant maintenance, or other inefficiencies, as well as increased recruiting and training costs, any of which may redirect resources, including management attention, from our business strategy and may adversely affect us.

We rely on power transmission facilities that we do not own or control and that may be subject to transmission constraints. If these facilities fail to provide us with adequate transmission capacity, we may be restricted in our ability to deliver wholesale electric power and we may incur additional costs and forego revenues.

We rely on power transmission facilities owned and operated by others to deliver the wholesale electric power that our plants generate. If transmission is disrupted, or if the transmission capacity infrastructure is inadequate, our ability to sell and deliver wholesale electric power may be adversely affected. If the power transmission infrastructure in the market that we serve is inadequate, including because of maintenance stoppages, failure or otherwise, our recovery of wholesale costs and profits may be limited. If restrictive transmission price regulation is imposed, the transmission companies may not have sufficient incentive to invest in expansion of transmission infrastructure, which may limit our ability to sell and deliver wholesale electric power and may adversely affect our project development plans and our ability to generate cash flows from new projects.

In addition, different spot prices may occur within the grid as a result of a transmission constraint. As a result, we may need to purchase energy in the spot market in order to fulfill obligations under our PPAs in one part of the grid, even if we are generating energy in another part of the grid, and such purchases may occur at spot prices significantly higher than our generation costs.

We have a significant amount of indebtedness, and we will be able to incur significantly more indebtedness after the issue date, which could materially and adversely affect us.

As of June 30, 2024, Niagara Energy's current and non-current other financial liabilities, on a consolidated basis, were \$/4,976.3 million (US\$1,296.9 million). The indenture governing the notes will not restrict our ability, including the ability of any of our subsidiaries, to incur additional debt. We use a substantial portion of cash flow from operations to make debt service payments, reducing our ability to use our cash flow to fund our operations and capital expenditures and to pursue business opportunities. Our level of indebtedness could increase our vulnerability to general adverse macroeconomic and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business and industry, and limit our ability to adjust to changing market conditions, which may place us at a competitive disadvantage compared to our competitors that are not as highly leveraged.

We are exposed to the risk of material litigation and/or administrative proceedings.

As of the date of this offering memorandum, Orygen is party to several claims and legal actions arising in the ordinary course of business with respect to tax, labor and other legal matters. We may in the future be subject to material litigation, including with respect to our material agreements, and/or administrative proceedings, that may be inherently unpredictable and could result in excessive verdicts against us, including with respect to indemnification payments, injunctive relief or otherwise.

In addition, pursuant to our accounting policies, we only record provisions on our balance sheet with respect to claims and legal actions for which our management and external counsel have identified the risk of loss as probable. As a result, material litigation and/or administrative proceedings against us could result in significant payments for which we may not have adequate or any provisions recorded, as a result of which we may be required to redirect significant resources from our business strategy.

Any of these developments could materially and adversely affect us. For more information, see "Business—Legal Proceedings."

The laws of Peru include anti-bribery and anti-corruption legislation that may be less stringent than that of other jurisdictions, and our risk management and internal controls may not be successful in preventing or detecting all violations of law or internal policies.

The regulatory regime of Peru includes anti-bribery and anti-corruption legislation that is currently under development, and that may be less stringent than anti-bribery and anti-corruption legislation implemented in other jurisdictions. As a result, and because of inherent limitations, our risk management and internal controls may not be

successful in preventing or detecting all violations of law or internal policies, including with respect to anti-bribery and anti-corruption matters. Our risk management and internal controls also may not prevent or detect all inappropriate practices, fraud or other violations or instances of illicit conduct by our employees, contractors, agents, officers or any other persons who conduct business with or on behalf of us.

We may in the future discover instances in which we have failed to comply with applicable laws and regulations or internal policies. If any of our employees, contractors, agents, officers or other persons who conduct business with or on behalf of us engages in fraudulent, corrupt or otherwise illicit, improper or unethical business practices, or otherwise violates applicable laws, regulations or our internal policies, we could become subject to one or more enforcement actions by Peruvian or foreign authorities (including the U.S. Department of Justice) and be subject to high penalties, fines and sanctions. Consequences could be of a monetary and/or non-monetary nature, including with respect to the licenses and permits that we require to conduct our business and with respect to the actions that the counterparties that we rely on both as suppliers and customers may take to cease to conduct business with us. Any of such events or developments would materially and adversely affect us.

Our insurance policies may not fully cover damage and lost profits, and we may not be able to obtain insurance against certain risks.

Our operations are subject to the inherent risks normally associated with power generation, including equipment failures and ruptures, explosions, fires, adverse weather conditions, geological risks, vandalism and other hazards, each of which could result in material damage to or destruction of our facilities or injuries to persons and damage to property, as well as interruption of our operations.

We maintain insurance policies that cover our assets against loss for physical damage, loss of revenue from business interruptions and also third-party liability. However, we cannot assure you that the scope of damages suffered in the event of a natural disaster or catastrophic event, or the effects of extended business interruptions, would not exceed the policy limits of our insurance coverage. In addition, our insurance coverage is subject to caps per event and we may be required to pay insurance deductibles that are not recoverable in order to seek coverage from our insurance policies. We are also subject to important time lags between the time of loss and the receipt of payments pursuant to our insurance policies.

Our insurance policies may not be sufficient to fully cover all losses that may arise in the course of our business and we may not be able to obtain or to renew adequate insurance coverage in the future on comparable terms or at all. The effects of any losses that are not fully covered by our insurance policies would, and any such unavailability of adequate insurance coverage could, materially and adversely affect us. For more information on our insurance policies, see “*Business—Insurance.*”

Changes in tax laws may increase our tax burden and, as a result, adversely affect us.

The Peruvian government regularly implements changes in tax laws and any such changes may increase our tax burden. These changes may include modifications of the rate of assessments and, on occasion, enactment of temporary taxes, which in some cases have been changed into permanent taxes.

We have not and are not able to quantify the effects of any tax reform measures that could be proposed in the future, especially in the context of political instability and fast changing political agendas, as well as any other changes that result from enactment of additional tax reforms. Any changes to the Peruvian tax regime or interpretation thereof may result in an increase in our tax liabilities and/or overall compliance costs, which could adversely affect us. Furthermore, changes in tax laws or their interpretation may adversely affect the Peruvian economy as a whole or certain of our important customers, which could indirectly and adversely affect us.

Certain of our plants have been, and we expect that plants under development will be, eligible for certain tax benefits in Peru, the revocation of which would adversely affect us.

An important part of our business strategy is the development of new plants, especially in the renewables space. Certain of our renewable energy plants have been, and we expect that certain renewable energy plants under development will be, eligible for certain tax benefits in Peru that have a positive effect on our results of operations.

Pursuant to a Peruvian tax benefit that seeks to incentivize investments in renewable energy generation, our plants that had pre-operational stages of at least two years without any revenue could be eligible to obtain early recovery of the value-added tax paid in the acquisition of goods, services and construction activities. In the absence

of this tax benefit, the value-added tax paid for those goods and services during the pre-operational phase would have been offset against the value-added tax levied on energy and capacity sales following commencement of operations. We refer to this tax benefit as early recovery of value-added tax.

In May 2024, we became aware of a communication from the MINEM to the SUNAT alleging that the early recovery of value-added tax benefit granted to us in the context of the development of Wayra Extension, which allowed for anticipated recovery of value-added tax paid by Orygen in the construction of Wayra Extension, resulted in an alleged undue benefit because the effective date of project completion (commercial operations date) did not match the approved project completion date. If the SUNAT were to find that the tax benefit was unduly granted, we could be required to pay back the full amount of the tax benefit, as well as a possible penalty in an amount up to the tax benefit *plus* interest.

Pursuant to another Peruvian tax benefit that seeks to incentivize investments in renewable energy generation, new renewable plants that comply with certain requirements may choose to depreciate by applying a tax accelerated rate over a minimum period of five years instead of a period of 10 to 20 years, depending on the asset. This tax accelerated rate depreciation generates significant tax savings once a plant begins operations and allows us to recover part of our investment in the plant in a shorter period. We refer to this tax benefit as accelerated depreciation.

For more information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors Affecting Orygen’s Results of Operations—Tax Benefits.*”

The revocation of any of these tax benefits, or changes to the eligibility requirements, which we may not be able to comply with, would adversely affect expected returns from new plants, particularly in the first several years of operations, and potentially our cash reserves, and, consequently, us.

The interruption or failure of our information technology, communication and processing systems, or external attacks and invasions of these systems, could adversely affect us.

We depend on information technology, communication and processing systems to operate our business. These systems are vital to our ability to monitor operations of our plants, maintain generation and network performance, adequately generate invoices to customers, achieve operating efficiencies and meet our service targets and standards. Any interruption or failure of these systems, including as a result of damage to our networks and backup mechanisms, may result in service delays or interruptions and limit our ability to provide customers with reliable service, which could reduce our revenues and cause us to incur additional unexpected expenses. In addition, the occurrence of any such interruption or failure may subject us to penalties and other sanctions imposed by regulatory authorities.

Risks to our systems include:

- physical damage to access lines, including theft, vandalism, terrorism or other similar events;
- energy surges or outages;
- software defects;
- scarcity of network capacity and equipment;
- disruptions beyond our control;
- breaches of security, including external attacks and invasions of our systems; and
- natural disasters.

The occurrence of any of these events could materially and adversely affect us.

Risks Relating to Peru

Macroeconomic, political and social developments and uncertainty in Peru could materially and adversely affect us.

All of our operations and facilities are located in Peru and depend, among other factors, on the performance of the Peruvian economy, especially in the mining sector. As a result, macroeconomic, political and social

developments in Peru, as well as the economic and other policies of the Peruvian Government, including currency exchange controls, inflation, economic downturns, interest rates, price instability, regulation, political instability, corruption, scandals, social unrest and terrorism, over which we have no control, could have a material adverse effect on us. Adverse media coverage could worsen the impact of these effects.

During the past several decades, Peru has experienced political instability that has included a succession of elected governments and unelected regimes with differing economic policies, and a succession of governments and regimes with differing policies and programs thereafter. Historically, past administrations have directly intervened in Peru's economy and social structure. Among other things, past administrations have imposed controls on or otherwise regulated energy prices, exchange rates, repatriation of funds, local and foreign investment and international trade. Future administrations may take similar actions that may be adverse to us.

The Peruvian Government may not continue to pursue business-friendly and open-market economic policies that stimulate economic growth and social stability, or it may adopt new policies that could have an adverse effect on the Peruvian economy. In addition, a government gridlock may arise, which could cause political uncertainty.

Between 2018 and 2022, Peru experienced heightened political instability in a context marked by ongoing investigations into allegations of corruption and confrontation on the political front, including most recently former President Castillo in December 2022 following an attempted coup, as well as investigations of certain members of the judicial system and the public ministry who are now facing prosecution.

Peru's general elections to elect the president and all congressional members for 2021-2026 were held in April 2021. As a result, the candidates for president, Mr. José Pedro Castillo Terrones and Ms. Keiko Sofia Fujimori Higuchi obtained the highest number of votes but no outright majority, giving place to a ballottage presidential run-off that was held in June 2021, with Mr. Castillo resulting elected as the new President.

In December 2022, President Castillo announced the *de facto* dissolution of the Peruvian Congress and the reorganization of several public institutions, including the judiciary (*Poder Judicial*), the Prosecutors' Office (*Ministerio Público*), the Constitutional Court (*Tribunal Constitucional*) and the National Board of Justice (*Junta Nacional de Justicia*), and called for elections of a new Congress with special faculties to redraft the Peruvian Constitution as soon as possible. On the same day, he was removed from office by the Peruvian Congress and arrested by the Peruvian police. Subsequently, Vice President Dina Boluarte assumed the presidency of Peru, to serve the remaining presidential term until 2026. Since then, President Boluarte has publicly encouraged economic stability and private investment.

Following Mr. Castillo's impeachment, a wave of protests in support of Mr. Castillo erupted across Peru, which led President Boluarte to declare a state of emergency across several regions in Peru in December 2022 and call for congressional approval of a bill to permit early elections in 2024, which has been rejected as of the date of this offering memorandum. The political unrest also gave rise to roadblocks and damage to several major infrastructure assets across Peru between December 2022 and February 2023. In addition, certain smaller airports across Peru had their operations interrupted during the same period. There is no assurance as to when Peru could face similar social unrest. We cannot assure you that the current government will continue with its initial policies. Future proposals of the President (or of other political officials in Peru) could affect the macroeconomic climate in Peru, and any such political instability could materially and adversely affect us directly or indirectly in the case of adverse effects on major customers, principally those in the mining industry, which may be particularly subject to the effects of roadblocks and other measures.

Corruption and related ongoing high profile investigations may hinder the growth of the Peruvian economy and adversely affect us.

Over the past decade, investigations against former or current government officials relating to bribery payments have generated, and may continue to generate, political uncertainty in Peru. In March 2018, President Pedro Pablo Kuczynski presented his resignation due to allegations of corruption for vote-buying in connection with impeachment proceedings against him, and his first vice president, Martín Vizcarra, was sworn in as acting president. In September 2019, the executive branch, invoking article 134 of the Peruvian constitution, dissolved Congress and called for new legislative elections that were held in January 2020. Following these elections, the Peruvian executive and legislative branches have repeatedly disagreed with respect to economic and social measures. In November 2020, Congress impeached and removed from power Mr. Vizcarra and appointed Manuel

Merino as President, who in turn resigned five days after his appointment as was replaced by Francisco Sagasti. Criminal investigations have been initiated against former Peruvian presidents, including Alejandro Toledo, Ollanta Humala, Pedro Pablo Kuczynski and Martín Vizcarra. Several corruption scandals involving authorities at municipal, regional and national government levels are also ongoing, and former government officials have been detained. In the first quarter of 2024, the Peruvian prosecutor's office initiated preliminary investigations against President Dina Boluarte for her alleged irregular possession of a collection of luxury watches and jewelry.

These investigations have resulted in suspension or delay of infrastructure projects and adversely affected economic growth in Peru. We cannot predict how these or future corruption scandals or investigations may affect the Peruvian economy, hinder the growth of the Peruvian economy and adversely affect us.

Peru has a history of domestic terrorist activity and social conflict that could materially and adversely affect the Peruvian economy and us.

In the late 1980s and early 1990s, Peru experienced significant levels of terrorist activity targeted against, among others, the government and private sector. These activities were attributed mainly to two local terrorist groups: *Sendero Luminoso* ("SL") and *Movimiento Revolucionario Túpac Amaru* ("MRTA").

Both terrorist groups suffered significant defeats in the 1990s, including the arrest of their leaders, causing considerable limitations in their activities since the year 2000. Although we believe that SL and MRTA no longer pose a significant risk as they did during the 1980s and early 1990s, a small group of terrorists primarily related to drug trafficking still operates in remote mountainous and jungle areas in central and southern Peru. Terrorist activity and the illegal drug trade continue to be key challenges for Peruvian authorities. Any violence derived from the drug trade or a resumption of large-scale terrorist activities in Peru could materially and adversely affect the Peruvian economy and us.

Developments in other global markets, especially emerging and regional markets, may adversely affect the Peruvian economy and us.

The Peruvian economy and we may be adversely affected by downturns in the international financial markets and by global macroeconomic conditions, especially those in other emerging markets. The market for securities of Peruvian issuers is, to varying degrees, influenced by macroeconomic and market conditions in other emerging market countries, especially those in Latin America. Although macroeconomic conditions are different in each country, investors' reactions to developments in one country may affect the securities markets and the securities of issuers in other countries, including Peru.

In addition, developments relating to economic, political and regulatory conditions in the United States, or with respect to U.S. laws and policies governing foreign trade and foreign relations, could generate global economic uncertainty and adversely affect the Peruvian economy and us. Increases by the U.S. Federal Reserve of the target range for the federal funds rate in the United States may adversely affect the value of securities issued by Peruvian companies, including as a result of any precipitous unwinding of investments in emerging markets, depreciations and increased volatility in the value of their currency and higher interest rates in respect of financings. These developments may adversely affect and lead to increased volatility in Peruvian capital markets and may adversely affect the trading price of the notes.

We cannot predict the effects that developments in other global markets, especially emerging markets and regional markets, could have on us.

Peruvian inflation could adversely affect us.

In the past, Peru has undergone periods of high inflation and hyperinflation that materially undermined the Peruvian economy and the government's ability to foster economic growth. In response to increased inflation, the Peruvian Central Bank (*Banco Central de Reserva del Perú*), which sets the Peruvian basic interest rate and establishes an annual target inflation rate for each fiscal year, may increase or decrease the basic interest rate in an attempt to control inflation or foster economic growth. Annual inflation rates in Peru were 2.7% in the six months ended June 30, 2024, 6.3% in 2023, 7.9% in 2022 and 4.0% in 2021, as measured by the Peruvian Consumer Price Index (*Índice de Precios al Consumidor del Perú*).

A high inflationary environment and high interest rates would adversely affect economic conditions in Peru and could materially and adversely affect demand for energy and, consequently, us. In addition, high interest rates

could limit our ability to obtain necessary financing, for our operations and to implement our strategy, on acceptable terms or at all.

Fluctuations in the exchange rate of the Peruvian sol or the imposition of exchange controls could adversely affect us.

Fluctuations in the exchange rate of the Peruvian *sol*, especially with respect to the U.S. dollar, could adversely affect the Peruvian economy and us. In addition, although Peruvian law currently imposes no restrictions on the ability to convert Peruvian *soles* to foreign currency and transfer foreign currency outside of the country, Peru imposed exchange controls in the 1980s and early 1990s, including controls affecting the remittance of dividends to foreign investors. Exchange controls in Peru may be implemented in the future. The imposition of exchange controls could have an adverse effect on the Peruvian economy and our business and operations, and may restrict our ability to make payments on the notes.

As of June 30, 2024, all of our PPAs were either denominated in U.S. dollars or, if denominated in another currency, linked to the U.S. dollar. As a result, we do not customarily hedge foreign exchange risk for our U.S. dollar-denominated debt, including the Acquisition Facilities, the Concurrent Financing or the notes offered hereby. As a result, steep depreciation of the Peruvian *sol* may adversely affect us and our ability to make payments on the notes if the indexation formulas for U.S. inflation and natural gas prices on our PPAs that are denominated in Peruvian *soles* do not entirely offset such depreciation.

A downgrade in Peru's credit ratings may adversely affect us.

In September 2021, in light of political developments in Peru, Moody's Investors Service downgraded Peru's credit rating from A3 to 'Baa1' and, in January 2023, changed the outlook from stable to negative. In addition, in October 2021, Fitch Ratings downgraded Peru's credit rating from "BBB+" to "BBB" and, in October 2022, changed the outlook from stable to negative, which credit rating and outlook were affirmed in April 2024. Also in April 2024, Standard & Poor's downgraded Peru's credit rating in foreign currency from "BBB" to "BBB-" with a stable outlook. We cannot predict whether Peru's credit ratings will be further downgraded and what the effects of any such downgrades may be on Peru's economy and on the trading price of the notes. An increase in the perceived risks associated with investments in Peru may adversely affect the Peruvian economy in general and may discourage foreign investment in Peru and, in particular, in infrastructure, mining and other industrial sectors from which an important part of demand for our energy generation derives.

Risks Relating to the Notes

The Issuer is a holding company with no independent operations or cash flows of its own, and the Issuer's ability to make payments on the notes depends entirely on cash flows generated and payments made by its subsidiaries and investees, especially Orygen.

We are a holding company and our assets consist of 92.35% of the equity interest in Orygen and 99.99% of the equity interest in CE Veracruz, which is non-operational. All of the equity interests in the Issuer, Orygen and CE Veracruz, and all of the cash flows and certain bank account balances of the Issuer, have been pledged pursuant to the Acquisition Term Loan. As such, payments on our indebtedness, including the notes, is entirely dependent on the generation of cash flow by Orygen and Orygen's ability to make such cash available to us, by dividend distributions, debt repayments or otherwise. If Orygen fails or is unable to pay to us, we may not have sufficient resources to satisfy our obligations under the notes. The ability of Orygen to make dividend distributions, debt repayments or other payments to us may be limited by, among other factors, restrictions contained in agreements entered into by Orygen, including pursuant to new indebtedness that Orygen may incur.

The obligations to make payments of principal, premium, if any, and interest on the notes will be solely the obligations of the Issuer. None of Actis or any of its affiliates or respective incorporators, stockholders, members, directors, managers, officers or employees will guarantee any payment on or with respect to the notes. In addition, none of our existing or future subsidiaries, including Orygen, has any obligation to guarantee any payment on or with respect to the notes.

The interests of our shareholders may be contrary to our interests and the interests of the holders of the notes.

The Issuer is an indirectly owned subsidiary of certain investment funds managed by Actis, which has the power to elect our board of directors, officers and other representatives and to determine, in the majority of cases, the outcome of any action requiring shareholder approval, including transactions with related parties, corporate reorganizations and, subject to contractual and legal restrictions, the issuance of additional equity and the declaration and payment of dividends, in each case to the extent permitted under the New Term Loan, the terms of the indenture governing the notes offered hereby and the terms of the Issuer's other indebtedness outstanding at any time.

Actis will not have any liability for obligations under or relating to the notes, and its interests as controlling shareholder may be in conflict with yours as a holder of the notes. For example, if the Issuer encounters financial difficulties or is unable to pay its debts as they mature, Actis may pursue strategies that favor its equity interests over the interests of creditors, including the holders of the notes. In addition, the Issuer's equity holders may have an interest in pursuing transactions that could enhance the value of their equity interests, even though such transactions may involve risks to you as a holder of the notes. Additionally, Actis may make investments in businesses that directly or indirectly compete with the Issuer, and it may pursue acquisition and development opportunities that may be complementary to the Issuer's business and, as a result, those acquisition and development opportunities may not be available to the Issuer.

In circumstances involving a conflict of interest between the Issuer's equity holders and the holders of the notes, Actis or other equity holders may exercise their ability to control us in a manner that would be adverse to the holders of the notes by, for example, directing us to engage or not engage in certain activities, make certain expenditures and dividend distributions and/or enter into transactions with affiliates, which direction may be designed primarily to promote their own goals and not exclusively to enhance our business for the benefit of the holders of the notes. The indenture governing the notes will not generally limit our ability to do any of the above activities, expenditures, distributions or affiliates, subject to certain limited exceptions relating primarily to the incurrence of liens.

The impact of any of the above factors and actions may materially and adversely affect us.

Actis may seek to sell its ownership in the Issuer.

The Issuer is an indirectly owned subsidiary of certain investment funds managed by Actis. As a private equity firm, Actis is in the business of making investments in companies, and ultimately selling those investments. As a result, Actis may seek to sell its ownership interests in us at any time, which may trigger an obligation to offer to purchase the notes, subject to important exceptions (see "*Description of the Notes—Change of Control*"). If a sale by Actis is consummated, any new controlling shareholder could pursue a business strategy that differs from the business strategy described in this offering memorandum or implement corporate governance practices that differ from those described in this offering memorandum. Any such sale may adversely affect the trading price of the notes.

An active trading market may not develop for the notes.

The notes are new securities that may not be widely distributed and for which there is currently no active trading market and we cannot assure you that in the future a market for the notes will develop. We intend to apply for the listing and quotation of the notes on the SGX-ST. However, we cannot assure you that this application will be accepted, or if accepted, that the notes will remain so listed. We cannot provide you with any assurances regarding the future development of a market for the notes, the liquidity of any such market, the ability of holders of the notes to sell their notes or the price at which such holders may be able to sell their notes. If a trading market for the notes were to develop, the notes could trade at prices that may be higher or lower than the initial offering price, depending on many factors, including prevailing interest rates, our results of operations and financial condition, and political and macroeconomic developments in and affecting Peru, as well as other factors that may be outside of our control.

Your right to receive payment on the notes will be effectively subordinated to certain statutory liabilities.

Under Peruvian bankruptcy law, Niagara Energy's obligations under the notes are subordinated to certain statutory preferences. In the event of Niagara Energy's liquidation, the notes will be subordinated to the following categories of obligations, which are granted preferential treatment under Peruvian law: (i) labor claims and pension and social security contributions, (ii) existing and future secured indebtedness, which seniority extends only to the value of the assets securing such indebtedness, and (iii) tax claims.

The indenture governing the notes will not limit the amount of additional indebtedness that we, Orygen or any of our other current or future subsidiaries are permitted to incur in the future. In addition, the limitation in the indenture on our incurrence of liens will contain significant exceptions.

The Issuer may not be able to repurchase the notes upon a change of control repurchase event.

Upon the occurrence of a Change of Control followed by a Ratings Decline (as defined in "Description of the Notes"), the Issuer may be required by the holders of the notes to offer to repurchase all of the outstanding notes at 101% of their principal amount, *plus* accrued and unpaid interest to the date of repurchase. The source of funds for any such repurchase of the notes will be the Issuer's available cash or cash generated from other sources, including borrowings, sales of assets or sales of equity. The Issuer may not be able to repurchase the notes upon the occurrence of a Change of Control followed by a Ratings Decline because the Issuer may not have sufficient financial resources to repurchase all of the notes that are tendered. The Issuer's failure to repurchase all of the notes that are tendered in such an event would cause a default under the indenture governing the notes. The Concurrent Financing contains, and future debt agreements of the Issuer may contain, similar provisions.

It may be difficult to enforce civil liabilities against us or our directors and executive officers.

All or a substantial portion of our assets and those of our management and directors, substantially all of whom are non-residents of the United States, are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States on these persons, including with respect to matters arising under the federal securities laws of the United States, or to enforce against such persons or against us judgments of courts of the United States predicated upon the civil liability of the federal securities laws of the United States. There is no existing treaty between the United States and Peru for the reciprocal enforcement of foreign judgments. In addition, there may be doubt as to whether the courts of Peru would enforce in all respects, to the same extent and in as timely a manner as a U.S. court or foreign court, an action predicated solely upon the civil liability provisions of the U.S. federal securities laws or other foreign regulations. See "Enforcement of Civil Liabilities."

We cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the trading price and liquidity of the notes.

USE OF PROCEEDS

We expect the net proceeds from the issuance of the notes, after deducting the initial purchasers' discount and estimated offering expenses, to be approximately US\$1,187.3 million.

The Issuer intends to use these net proceeds to repay the Acquisition Term Loan, breakage costs, interest rate hedge unwind, and/or fees and expenses (if any) in respect of the Acquisition Term Loan. For more information on the Acquisition Facilities see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Material Indebtedness.*"

In connection with the repayment of the Acquisition Term Loan, certain affiliates of the initial purchasers may receive a portion of the net proceeds from this offering. See "*Plan of Distribution.*"

CAPITALIZATION

The following table sets forth the capitalization of Niagara Energy and its subsidiaries, on a consolidated basis, as of June 30, 2024 (i) on an actual basis and (ii) on an as adjusted basis after giving effect to the offering of the notes, the full disbursement of the New Term Loan and the receipt and application of the gross proceeds therefrom.

You should read the following table together with the information under the captions “*Presentation of Financial and Other Information*,” “*Summary Financial and Other Information*,” “*Use of Proceeds*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the financial statements and related notes thereto included elsewhere in this offering memorandum.

	As of June 30, 2024			
	Actual		As Adjusted	
	Niagara Energy			
	(in US\$ millions) ⁽¹⁾	(in S/ millions)	(in US\$ millions) ⁽¹⁾	(in S/ millions)
<i>Secured non-current other financial liabilities:</i>				
Acquisition Term Loan.....	1,264.7	4,852.6	-	-
<i>Unsecured non-current other financial liabilities:</i>				
Corporate bonds	10.4	39.9	10.4	39.9
Finance lease	3.8	14.4	3.8	14.4
Derivatives	2.0	7.7	2.0	7.7
Notes issued in this offering ⁽²⁾	-	-	1,200.0	4,604.4
New Term Loan ⁽³⁾	-	-	100.0	383.7
Non-current other financial liabilities	1,280.9	4,914.6	1,316.2	5,050.1
Total equity.....	626.3	2,403.1	626.3	2,403.1
Total capitalization⁽⁴⁾	1,907.2	7,317.7	1,942.5	7,453.2

- (1) Except for with respect to notes issued in this offering and the New Term Loan, which are each denominated in U.S. dollars, amounts in this column were calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See “*Foreign Exchange Controls and Exchange Rate Information*.”
- (2) Denominated in U.S. dollars; corresponding amount in *soles* was calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See “*Foreign Exchange Controls and Exchange Rate Information*.” We expect the initial purchasers’ discount and estimated offering expenses to be approximately US\$12.7 million. See “*Use of Proceeds*.”
- (3) Denominated in U.S. dollars; corresponding amount in *soles* was calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See “*Foreign Exchange Controls and Exchange Rate Information*.” Assumes full disbursement of the New Term Loan. See “*Summary—Recent Developments—Concurrent Financing Transaction*.”
- (4) We calculate total capitalization as total long-term debt *plus* total equity.

For more information on Niagara Energy’s statement of financial position data as of June 30, 2024, see “*Summary Financial and Other Information—Niagara Energy*.”

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information set forth in this section should be read in conjunction with the historical financial statements of Niagara Energy and Orygen included elsewhere in this offering memorandum, as well as with the section "Presentation of Financial and Other Information."

Certain information in this section includes forward-looking statements that are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such forward-looking statements. For further information on important factors that could cause the actual results of Niagara Energy and/or Orygen to differ materially from the expectations described in such forward-looking statements, see "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors."

The Issuer is a holding company and will continue to be a holding company upon issuance of the notes. As a result, the Issuer's ability to meet its obligations under the notes depends on (i) the earnings and cash flows of Orygen and (ii) the ability of Orygen to pay dividends or other amounts to the Issuer. See "Risk Factors—Risks Relating to the Notes—The Issuer is a holding company with no independent operations or cash flows of its own, and the Issuer's ability to make payments on the notes depends entirely on cash flows generated and payments made by its subsidiaries and investees, especially Orygen."

Overview

We are a Peruvian energy generation company and we own and operate a diversified 2.3 GW portfolio of energy generating effective capacity across 13 power plants. We are a leading energy generator in Peru, with 17% market share based on gross energy generation in 2023. As of June 30, 2024, our mixed asset base comprises two wind plants (309.3 MW aggregate effective capacity), two solar plants (259.4 MW aggregate effective capacity), seven hydroelectric plants (795.4 MW aggregate effective capacity) and two natural gas fueled plants (887.1 MW aggregate effective capacity). We hold the largest non-conventional renewable energy portfolio in Peru with 32.7% market share based on gross energy generation in 2023.

Orygen's revenue from energy and power generation was S/1,380.7 million (US\$359.8 million) in the six months ended June 30, 2024, S/2,732.9 million (US\$712.2 million) in the twelve months ended June 30, 2024 and S/2,622.6 million (US\$683.5 million) in 2023. In the same periods, Orygen's profit for the period was S/453.8 million (US\$118.3 million), S/800.0 million (US\$208.5 million) and S/814.3 million (US\$212.2 million), respectively, and its EBITDA was S/783.7 million (US\$204.3 million), S/1,424.1 million (US\$371.2 million) and S/1,393.8 million (US\$363.2 million), respectively.

Following the Acquisition (as described below), we are controlled by Actis, a global infrastructure investor and one of the largest investors in energy generation assets in Latin America. Actis has a strong track record developing leading energy platforms globally with more than US\$6 billion committed to 120+ projects and 30GW+ of installed capacity. Its investment strategy targets robust cash flow generation assets, supported by stable contracts with strong counterparties. Actis supports the energy transition and accelerates the journey to net zero by focusing on the development of non-conventional renewable platforms. Actis has invested in 50+ generation projects in Latin America for a total of 15 GW since 2003 and has created industry leaders in the region. Actis leverages both on its extensive team of investment, operational and sustainability professionals that bring deep industrial expertise, and on its local knowledge, network and relationships in the jurisdictions in which it operates.

Principal Factors Affecting Orygen's Results of Operations

The following are certain key factors that affect, or have recently affected, Orygen's results of operations.

Macroeconomic Conditions in Peru

The development of macroeconomic conditions in Peru affects electricity demand and consumption by industrial and individual consumers. In periods of sustained economic growth, energy generation companies like us generally experience an increase in demand. In recent years, demand for energy in Peru has been affected by mining operations in the country and, in 2023, 21.6% of our contracted revenue was with mining companies. As a result, macroeconomic developments that affect the Peruvian mining industry will also affect our results.

Additionally, macroeconomic conditions are likely to affect foreign exchange rates, domestic interest rates and inflation, each of which affects our financial and operating costs.

Fluctuations in foreign exchange rates, specifically the Peruvian *sol*, which is our functional and presentation currency, and the U.S. dollar may generate either gains or losses on monetary assets and liabilities denominated in U.S. dollars and can therefore affect our profitability. As of June 30, 2024, all of our PPAs were either denominated in U.S. dollars or, if denominated in another currency, linked to the U.S. dollar. Our PPAs denominated in *soles* are generally indexed in part to U.S. inflation and in part to natural gas prices (regulated price) in U.S. dollars. All of our outstanding indebtedness as of June 30, 2024 and the New Term Loan and New Revolving Facility are denominated in U.S. dollars. In addition, our natural gas supply contracts are denominated in U.S. dollars and components of certain of our plants, as well as certain maintenance services and technology, are sourced from international suppliers at prices denominated in U.S. dollars. As a result, our operations maintain an inherent hedge against foreign exchange fluctuations. However, most of our collections are in *soles*, we maintain cash balances in *soles* and certain other expenses, including the spot prices paid for energy purchases, labor costs, taxes and dividends are in *soles* and, consequently, depreciation of the U.S. dollar may adversely affect us.

Inflation increases certain of our costs, including labor, and other local expenses of our operations, and we may be unable to pass such increases on to our customers who purchase energy or capacity from us pursuant to agreements with price terms that are not linked to Peruvian inflation rates and that are instead, in certain cases, indexed to U.S. inflation.

The following table sets forth Peruvian annual inflation rates, GDP contraction and growth rates and the appreciation or depreciation of the Peruvian *sol* with respect to the U.S. dollar for the periods presented:

	Year ended December 31,		
	2023	2022	2021
Inflation rate	6.3%	7.9%	4.0%
GDP growth (contraction)	(0.6%)	2.7%	13.3%
Currency appreciation (depreciation).....	2.8%	4.5%	10.1%

Source: *Banco Central de Reserva de Perú* / The World Bank

For further information on macroeconomic conditions in Peru, see “*Risk Factors—Risks Relating to Peru.*”

Capacity Growth

As set forth below, Orygen’s total effective capacity was 2,251.3 MW as of June 30, 2024, representing 14.8% growth in capacity since December 31, 2023, 17.0% growth in capacity since December 31, 2022 and 15.2% growth in capacity since December 31, 2021.

	As of June 30,		As of December 31,		
	2024	2023	2023	2022	2021
Effective capacity (MW)					
Wind.....	309.3	132.3	132.3	132.3	132.3
Solar	259.4	144.5	144.5	144.5	144.5
Hydroelectric	795.4	795.4	795.4	795.4	795.4
Natural gas fueled.....	887.1	884.0	888.5	851.8	882.3
Total effective capacity (MW)	2,251.3	1,956.2	1,960.7	1,923.7	1,954.5

As a result of our capacity expansion, our revenue from energy and power generation, operating profit, net finance cost and profit for the period have generally increased since 2021. Capacity growth continues to be one of our strategies and, in the first half of 2024, we started operations at two plants – Wayra Extension wind plant and Cledesí solar plant – that added an aggregate of 291.9 MW to our capacity.

Availability and Dispatch

The regulatory framework in Peru establishes a marginal cost system, and the COES determines which generation units are to be dispatched according to each unit’s variable cost, so as to minimize the overall cost of generation to meet the required electricity demand.

The availability of a power generation asset refers to the percentage of time that a plant is available to generate energy. Pursuant to Peruvian regulations, renewable energy power plants have dispatch priority because

their variable cost is considered to be zero. Even though according to dispatch merit order, they are generally the first units being dispatched due to their low generation costs, certain hydroelectric plants may not be dispatched or may be dispatched at a reduced level of capacity during a certain period in order to conserve water in the associated daily and/or annual reservoirs in order to optimize the system generation cost during a drought or the dry season or during maintenance, or when there are unscheduled outages. Thermal plants are, according to dispatch merit order, dispatched after hydroelectric plants and are unavailable for dispatch when they are removed from operation for maintenance or when there are unscheduled outages. Depending on the technology, the COES considers availability and hydrology statistics of generation plants in order to allocate firm capacity, which is the amount of capacity that, pursuant to applicable regulations, is recognized and remunerated to each power generation unit for being available to cover the demand in peak hours.

The following table sets forth the average availability, weighted by capacity, of our generation units by technology for each of the periods presented:

	For the six months ended June 30, 2024	For the year ended December 31,		
		2023	2022	2021
Wind	92.2%	92.3%	97.6%	98.3%
Solar	99.1%	99.8%	99.7%	99.4%
Hydro	95.2%	96.9%	97.6%	96.7%
Thermal	84.2%	88.2%	87.8%	89.3%
Total average	91.0%	92.9%	93.4%	93.7%

When hydroelectric plants are unavailable or have been fully dispatched, other generation plants are then dispatched on the basis of cost, with lower cost units, such as natural gas plants, generally dispatched first.

Spot prices in the Peruvian electricity market were US\$30.7/MWh monthly average in the first six months ended June 30, 2024, as compared to US\$47.9/MWh monthly average in 2023.

The following table sets forth the amount of energy sold under Orygen's PPAs and in the spot market, and the amount of energy generated and purchased during the years presented:

GWh	2023	2022	2021
Sales under PPAs.....	10,445	9,829	8,922
Sales in spot market.....	474	291	730
Net energy generated ⁽¹⁾	9,704	8,935	8,873
Energy purchased	1,215	1,185	778

(1) Net energy generated is defined as energy delivered at the interconnection to the system.

Significant PPAs and Customer Concentration

Our ability to enter into long-term PPAs, and the terms of the PPAs we negotiate, largely determine our expected revenue and results of operations. The following tables set forth a summary of Orygen's significant PPAs as of June 30, 2024, accounting for 100.0% of total consumption from distribution companies, 79.6% of total consumption from unregulated customers and 100.0% of total consumption from the MINEM, in each case in the six months ended June 30, 2024:

Selected Distribution Companies Off-Takers

Off-Taker	Consumption (GWh)	%	Cumulative %	External Rating (Moody's/S&P/Fitch)	Industry	Years in PPA Left
Enel Distribución.....	1,395.2	51.2%	51.2%	Baa1/BBB+/BBB+	Regulated Power Distributor	7.5
Luz del Sur	877.5	32.2%	83.4%	A1/NR/A+	Regulated Power Distributor	7.5
Sociedad Eléctrica del Sur Oeste	149.5	5.5%	88.9%	Baa1/BBB/BBB	Regulated Power Distributor	4.5
Electrosueste.....	90.1	3.3%	92.2%	-	Regulated Power Distributor	1.5
Electrosur	66.4	2.4%	94.6%	-	Regulated Power Distributor	1.5
Hidrandina.....	49.5	1.8%	96.4%	-	Regulated Power Distributor	8.5
Electropuno	66.9	2.5%	98.9%	-	Regulated Power Distributor	1.5
Electroucayali.....	30.6	1.1%	100.0%	-	Regulated Power Distributor	2.8
Total distribution companies consumption	2,725.5	100.0%				

Selected Unregulated Customers Off-Takers

Off-Taker	Consumption (GWh)	%	Cumulative %	External Rating (Moody's/S&P/Fitch)	Industry	Years in PPA Left
Minera Las Bambas	646.8	28.1%	28.1%	-	Metals & Mining	4.5
Minera Chinalco	412.7	17.9%	46.0%	NR/A/BBB	Metals & Mining	2.3
Hudbay Peru	359.8	15.6%	61.7%	B2/B/BB-	Metals & Mining	1.5
Sider Peru	159.7	6.9%	68.6%	NR/NR/A-	Metals & Mining	10.5
Minera Boroo	72.7	3.2%	71.8%	NA/BBB-/BBB	Metals & Mining	0.5
Unión de Cervecerías Peruanas Backus y Johnston	61.5	2.7%	74.4%	-	Industrial	4.5
Minera Corona	39.0	1.7%	76.1%	-	Metals & Mining	2.3
Consorcio Eléctrico de Villacuri	32.3	1.4%	77.6%	-	Trader	4.5
Enel Distribución	26.6	1.2%	78.7%	-	Trader	1.5
Hidrandina Viru	19.9	0.9%	79.6%	-	Industrial	1.3
Total selected PPAs consumption (GWh)	1,831.1	79.6%				
Total unregulated customers consumption	2,301.2	100.0%				

MINEM

Off-Taker	Consumption (GWh)	%	Cumulative %	External Rating (Moody's/S&P/Fitch)	Industry	Years in PPA Left
MINEM (Rubí)	182.6	41.2%	41.2%	-	-	14.5
MINEM (Wayra I)	259.2	58.4%	99.6%	-	-	14.5
MINEM (HER I)	1.9	0.4%	100.0%	-	-	14.5
Total MINEM consumption ...	443.7	100.0%				

For more information, see “Risk Factors—Risks Relating to Our Business—We may not be able to enter into, or renew our existing, long-term PPAs, which would materially and adversely affect us” and “Risk Factors—Risks Relating to Our Business—Customer concentration may expose us to significant counterparty risk.”

Energy Purchases

Because we are a net buyer of energy, we are subject to fluctuations in spot prices that we are required to pay in order to meet our obligations under our PPAs. During the wet season, all of our wind, solar and hydro plants dispatch, while, of our natural gas fueled plants, Ventanilla dispatches partially and Santa Rosa does not dispatch. During the dry season of November to April, all plants dispatch at all times to the system, making Orygen a net buyer during the wet season, but a net seller during the dry season of May to October, allowing Orygen to acquire energy at the spot market when it is at its lowest prices and to sell energy to the system when it is at its highest prices.

We contract our capacity and energy production from each of our plants from the most efficient to the least, up to Ventanilla. We do not contract our capacity and energy production from Santa Rosa, our least efficient plant. When demand surpasses our energy production and we purchase energy in the spot market, we also use our Santa Rosa plant at the highest cost and at the highest prices, which partially offsets the cost of our energy purchases.

When our plants undergo routine or extraordinary maintenance or are otherwise unavailable for energy generation operations, we may be required to increase our energy purchases in the spot market, which may affect our results of operations. We sometimes seek to enter into our own energy purchase agreements in order to mitigate our exposure to the spot market and to maintain our energy purchase costs more stable and predictable.

Cost of Energy Generation

Orygen’s cost of energy generation is primarily composed of the supply, transportation and distribution of natural gas; our purchase of energy; depreciation of property, plant and equipment; personnel expenses; and third-party services such as technical services and server and software maintenance services.

Orygen’s cost of supply, transportation and distribution of natural gas vary primarily based on the quantity of natural gas consumed and whether Orygen burns all of the monthly natural gas that it is obligated to purchase

under its natural gas supply contracts. Orygen's long-term natural gas supply contracts with Pluspetrol Block 88 enable Orygen to hedge against fluctuations in the price of natural gas. For more information, see "*Take-or-Pay Agreements*" and "*Business—Material Agreements*."

For a break-down of the components that comprise Orygen's cost of energy generation, see note 25 to each of Orygen's unaudited condensed consolidated interim financial statements and audited consolidated financial statements included elsewhere in this offering memorandum.

Seasonality and Weather Variations

Our generation business is affected by seasonal weather patterns throughout the year and, therefore, our operating margins could vary by month during the year. Additionally, weather variations, including hydrological conditions, may also have an impact on generation output at our facilities. For example, hydrological conditions that result in a lower availability of water for our facilities could cause, among other things, a reduction in our ability to generate energy and, accordingly, in our ability to meet our obligations under our PPAs. Conversely, hydrological conditions that result in an oversupply of water near any of our facilities could cause flooding that significantly damages our plants, which would negatively affect our ability to generate energy and, accordingly, reduce our sales. For these reasons, seasonality and weather variations may affect our results of operations.

For more information, see "*Risk Factors—Risks Relating to Our Business—Our energy generation operations are affected by climate conditions, and changes in climate patterns or other occurrences of natural phenomena could materially and adversely affect us*" and "*Business—Natural Resources*."

Effects of Outstanding Indebtedness and Finance Leases

Because Niagara Energy is a holding company that depends entirely on cash flows and payments by Orygen, Orygen's outstanding indebtedness and obligation to make payments of interest affect Orygen's net income from which it is able to make payments of dividends to Niagara Energy. Orygen's current and non-current other financial liabilities as of June 30, 2024 were S/59.2 million, of which S/39.4 million was pursuant to a corporate bond and S/19.8 million was pursuant to right-of-use liabilities (finance lease) relating to our administrative offices and to certain vehicles.

In the context of Niagara Energy's acquisition of its majority equity interest in Orygen from the Enel Group in May 2024, Niagara Energy directly paid the entire balance outstanding under certain of Orygen's indebtedness (see "*Related Party Transactions*") and, as a result, as of June 30, 2024, Orygen's outstanding indebtedness primarily consisted of a shareholder loan from Niagara Energy. For more information on Orygen's outstanding indebtedness, see "*Liquidity and Capital Resources—Material Indebtedness*" and note 18 to Orygen's unaudited condensed consolidated interim financial statements included elsewhere in this offering memorandum.

Income Taxes

Because Niagara Energy is a holding company that depends entirely on cash flows and payments by Orygen, income tax rates in Peru applicable to Orygen affect Orygen's net income from which it is able to make payments of dividends to Niagara Energy. The general corporate income tax rate in Peru was 29.5% in each of 2021, 2022, 2023 and, as of the date of this offering memorandum, Orygen does not have any legal stability agreement with the relevant authority in Peru with the purpose of locking the applicable tax rate. As a result, the applicable tax rate may change.

For further information on Orygen's tax rates, see note 30 to Orygen's audited consolidated financial statements included elsewhere in this offering memorandum.

Tax Benefits

Certain of our plants have been, and we expect that plants under development will be, eligible for certain tax benefits in Peru that have a positive effect on our results of operations. Following is an overview of the two types of tax benefits that we seek to obtain in the context of new plants. We elected each of these tax benefits in the case of the four plants we inaugurated since 2021. For more information, see "*Risk Factors—Risks Relating to Our Business—Certain of our plants have been, and we expect that plants under development will be, eligible for certain tax benefits in Peru, the revocation of which would adversely affect us*."

Early Recovery of Value-Added Tax

Pursuant to a Peruvian tax benefit that seeks to incentivize investments in renewable energy generation, our plants that had pre-operational stages of at least two years without any revenue could be eligible to obtain early recovery of the value-added tax paid in the acquisition of goods, services and construction activities. In the absence of this tax benefit, the value-added tax paid for those goods and services during the pre-operational phase would have been offset against the value-added tax levied on energy and capacity sales following commencement of operations. This tax benefit resulted in the early recovery of value-added tax for us in the amounts of S/99.5 million in 2023 and S/10.7 million in 2022, in each case relating to Wayra Extension wind plant and Clemesí solar plant. This tax benefit did not generate any benefit for us in the six months ended June 30, 2024 or in 2021.

In May 2024, we became aware of a communication from the MINEM to the SUNAT alleging that the early recovery of value-added tax benefit granted to us in the context of the development of Wayra Extension, which allowed for anticipated recovery of value-added tax paid by Orygen in the construction of Wayra Extension, resulted in an alleged undue benefit because the effective date of project completion (commercial operations date) did not match the approved project completion date.

The initial delays in achieving project completion by the date indicated in the tax benefit approval were due to *force majeure* events, including issues with roads and bridges to access the site, as well as delays in granting permits, which delays were acknowledged by the MINEM and resulted in amendments to the project schedule under the respective concession agreement. Accordingly, based on such facts and circumstances, we believe that the MINEM does not have grounds to conclude that there was an undue benefit.

If the SUNAT were to find that the tax benefit was unduly granted, we could be required to pay back the full amount of the tax benefit, as well as a possible penalty in an amount up to the tax benefit *plus* interest. Because this matter is in early stages, we have not, as of the date of this offering memorandum, assessed our risk of loss or recorded any provision.

As of the date of this offering memorandum, we have not received any official notice or formal resolution of any such allegation or related proceeding (either from the MINEM or the SUNAT). However, in July 2024, we filed a request for reconsideration with the MINEM with respect to its initial position. We intend to challenge any future adverse resolution or proceeding relating to this matter.

Accelerated Depreciation

Pursuant to a Peruvian tax benefit that seeks to incentivize investments in renewable energy generation, new renewable plants that comply with certain requirements may choose to depreciate by applying a tax accelerated rate over a minimum period of five years instead of a period of 10 to 20 years, depending on the asset. This tax accelerated rate depreciation generates significant tax savings once a plant begins operations and allows us to recover part of our investment in the plant in a shorter period. This tax benefit generated tax savings for us in the amounts of S/31.5 million in the six months ended June 30, 2024, S/15.1 million in 2023, S/16.1 million in 2022 and S/16.2 million in 2021, which amounts relate to the difference between financial rate depreciation and tax accelerated rate depreciation, as set forth in the following table:

	2021		2022		2023		2024	
	Average financial rate depreciation	Average tax rate depreciation	Average financial rate depreciation	Average tax rate depreciation	Average financial rate depreciation	Average tax rate depreciation	Average financial rate depreciation	Average tax rate depreciation
Wayra I wind plant	3%	8%	3%	8%	3%	8%	3%	20%
Rubí solar plant	4%	8%	4%	8%	4%	8%	4%	20%
Clemesí solar plant ⁽¹⁾	-	-	-	-	-	-	3%	20%

(1) Clemesí solar plant initiated operations in February 2024.

Material Accounting Policies

In preparing our financial statements, we make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Our management reviews our estimates and associated assumptions, which we believe to be reasonable under the circumstances, on an ongoing

basis in light of historical experience. Actual results may differ from these estimates under different assumptions or conditions.

For a description of Orygen's material accounting policies, see note 5 to Orygen's audited consolidated financial statements included elsewhere in this offering memorandum.

Orygen's Results of Operations

The following discussion of Orygen's results of operations is based on Orygen's unaudited condensed consolidated interim financial statements and audited consolidated financial statements included elsewhere in this offering memorandum. In the following discussion, references to increases or declines in any period are made by comparison with the corresponding prior period, except as the context otherwise indicates.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The following tables set forth Orygen's statement of profit or loss data for the six months ended June 30, 2024 and 2023:

	For the six months ended June 30,		% Change
	2024	2023	
	(in S/ millions)		
Revenue from energy and power generation.....	1,380.7	1,270.4	8.7%
Cost of energy generation	(657.4)	(651.5)	0.9%
Gross profit	723.3	618.9	16.9%
Administrative expenses.....	(37.7)	(52.4)	(28.1)%
Other expenses	(26.3)	-	-
Other income	10.3	19.4	(46.9)%
Operating profit	669.6	585.9	14.3%
Finance income.....	35.3	79.0	(55.3)%
Finance costs	(42.0)	(40.7)	3.2%
Net finance income (cost)	(6.7)	38.3	n/a
Profit before tax	662.9	624.2	6.2%
Income tax expense	(209.1)	(156.1)	34.0%
Profit for the period	453.8	468.1	(3.1)%

Revenue from Energy and Power Generation

The 8.7% increase in revenue from energy and power generation in the six months ended June 30, 2024 as compared to the same period in 2023 was mainly due to a 15.3% increase in the volume of energy sales to 6,047 GWh in the six months ended June 30, 2024 from 5,243 GWh in the same period in 2023. This increase was primarily due to increased demand pursuant to our PPAs from distribution companies and unregulated customers in the six months ended June 30, 2024.

These effects were partially offset by the impact of a decrease in revenue in the amount of S/16.9 million in the six months ended June 30, 2024 due to lower dispatch as a result of scheduled maintenance in certain of our natural gas fueled power plants.

Cost of Energy Generation

Cost of energy generation remained relatively stable in the six months ended June 30, 2024 as compared to the same period in 2023 because the decreases in variable costs, marginal costs and personnel costs were offset by an increase in energy purchases in 2024, mainly due to increased demand pursuant to our PPAs from distribution companies and delays in the commencement of operations at our Wayra Extension wind plant.

Administrative Expenses

The 28.1% decrease in administrative expenses in the six months ended June 30, 2024 as compared to the same period in 2023 was mainly due to a decrease of S/10.3 million in technical, management and server and software maintenance expenses because Orygen ceased to provide these services to related entities of the Enel Group; and a decrease of S/2.6 million in personnel expenses as a result of reduced worker's participation costs,

which are mandatory under Peruvian law for energy generation companies and are calculated as 5% of taxable income, which amount is distributed annually to employees.

Other Expenses

In the six months ended June 30, 2024, other expenses were mainly S/14.4 million in impairment of information technology assets that had become obsolete and S/11.4 million in impairment of our investment in Energética Monzón S.A.C.

Other Income

The 46.9% decrease in other income in the six months ended June 30, 2024 as compared to the same period in 2023 was mainly due to a decrease of S/6.8 million in income from accounting and legal management services, among others, provided to related entities of the Enel Group prior to the Acquisition, and a decrease of S/2.1 million in income from insurance indemnities that we received in the six months ended June 30, 2023 due to an incident that occurred in the Moyopampa power plant in 2020-2021 relating to turbine equipment failure, which insurance indemnities did not recur in the same period in 2024.

Net Finance Income (Cost)

The change in net finance income (cost) in the six months ended June 30, 2024 as compared to the same period in 2023 was mainly due to a decrease of S/50.7 million in income from foreign exchange differences deriving from our hedging strategy with respect to debt incurred for investments in new renewable energy plants. These effects were partially offset by an increase of S/8.6 million in finance income resulting from the unwinding of Orygen's interest rate swap to hedge its variable rate loans that were repaid in May 2024 by Niagara Energy in the context of the Acquisition.

Income Tax Expense

The 34.0% increase in income tax expense in the six months ended June 30, 2024 as compared to the same period in 2023 was mainly due to non-deductible financing expenses and income from exchange rate variations recorded in 2023 related to debt of Enel Green Power Perú S.A.C.

Profit for the Period

As a result of the factors discussed above, Orygen's profit for the period decreased 3.1% in the six months ended June 30, 2024 as compared to the same period in 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table sets forth Orygen's statement of profit or loss data for the years ended December 31, 2023 and 2022:

	For the year ended December 31,		% Change
	2023	2022	
	(in S/ millions)		
Revenue from energy and power generation.....	2,622.6	2,375.0	10.4%
Cost of energy generation	(1,441.0)	(1,244.7)	15.8%
Gross profit	1,181.6	1,130.3	4.5%
Administrative expenses.....	(107.0)	(97.6)	9.6%
Other expenses	-	(4.2)	n/a
Other income	37.7	62.2	(39.4)%
Operating profit	1,112.3	1,090.7	2.0%
Finance income.....	94.0	83.8	12.2%
Finance costs	(78.2)	(70.6)	10.8%
Net finance income	15.8	13.2	19.7%
Profit before tax	1,128.1	1,103.9	2.2%
Income tax expense	(313.8)	(294.9)	6.4%
Profit for the period	814.3	809.0	0.7%

Revenue from Energy and Power Generation

The 10.4% increase in revenue from energy and power generation for the year ended December 31, 2023 as compared to 2022 was mainly due to a 7.9% increase in the volume of energy sales to 10,916 GWh in 2023 from 10,118 GWh in 2022 as a result of increased demand pursuant to our PPAs from distribution companies and unregulated customers. In addition, average sales price increased 6.6% as a result of price indexation in our PPAs.

Cost of Energy Generation

The 15.8% increase in cost of energy generation for the year ended December 31, 2023 as compared to 2022 was mainly due to an increase of S/131.5 million in natural gas supply, transportation and distribution costs and an increase of S/37.6 million in fuel costs, in each case as a result of an increase in our thermal generation to 4,493 GWh in 2023 from 3,734 GWh in 2022. This increase in our thermal generation was due to a drought in the second half of 2023, which resulted in decreased hydroelectric generation.

Administrative Expenses

The 9.6% increase in administrative expenses for the year ended December 31, 2023 as compared to 2022 was mainly due to our hiring 19 new employees in 2023, three of which are management personnel, as well as the impact of inflation on salaries.

Other Income

The 39.4% decrease in other income for the year ended December 31, 2023 as compared to 2022 was mainly due to our receipt in 2022 of S/23.4 million from an out-of-court settlement with a natural gas supplier for contract breach that did not recur in 2023.

For the year ended December 31, 2023, other income comprised mainly accounting and legal management services, among others, provided to related entities of the Enel Group for S/20.6 million, fines paid by suppliers for S/4.0 million and compensation for the use of hydraulic facilities for S/3.3 million.

Net Finance Income

The 19.7% increase in net finance income for the year ended December 31, 2023 as compared to 2022 was mainly due to a positive effect of S/12.6 million in exchange difference; an increase of S/12.3 million in the interest income on bank deposits; a change in derivative financial instruments from an expense of S/6.2 million to income of S/6.5 million; and, with respect to finance costs, a positive effect of S/30.6 million in interest capitalization relating to the finance costs of our property, plant and equipment.

These effects were partially offset by an increase of S/33.6 million, net in interest expense on bank loans (net of S/30.6 million in capitalized interest) as a result of an increase in market interest rates.

Income Tax Expense

The 6.4% increase in income tax expense for the year ended December 31, 2023 as compared to 2022 was mainly due to an increase in income before taxes and an increase in non-deductible interest expense.

Profit for the Period

As a result of the factors discussed above, Orygen's profit increased 0.7% for the year ended December 31, 2023 as compared to 2022.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

The following table sets forth Orygen's statement of profit or loss data for the years ended December 31, 2022 and 2021:

	For the year ended December 31,		% Change
	2022	2021	
	(in S/ millions)		
Revenue from energy and power generation.....	2,375.0	1,936.8	22.6%
Cost of energy generation	(1,244.7)	(984.4)	26.4%
Gross profit	1,130.3	952.4	18.7%
Administrative expenses	(97.6)	(112.6)	(13.3)%
Other expenses.....	(4.2)	-	n/a
Other income	62.2	50.4	23.4%
Operating profit	1,090.7	890.2	22.5%
Finance income.....	83.8	14.0	498.6%
Finance costs	(70.6)	(82.5)	(14.4)%
Net finance income (cost)	13.2	(68.5)	n/a
Profit before tax	1,103.9	821.7	34.3%
Income tax expense	(294.9)	(302.6)	(2.5)%
Profit for the period	809.0	519.1	55.8%

Revenue from Energy and Power Generation

The 22.6% increase in revenue from energy and power generation for the year ended December 31, 2022 as compared to 2021 was mainly due to a 4.9% increase in the volume of energy sales to 10,118 GWh in 2022 from 9,649 GWh in 2021 due to increased demand pursuant to our PPAs from distribution companies. In addition, average sales price increased 24.3% as a result of price indexation in our PPAs, mainly due to a 24% increase in natural gas prices in 2022.

Cost of Energy Generation

The 26.4% increase in cost of energy generation for the year ended December 31, 2022 as compared to 2021 was mainly due to (i) an increase of S/125.5 million in energy purchases in the spot market due to an increase of 108.6% in average spot prices to S/147.9 per GW in 2022 from S/70.9 per GW in 2021; and (ii) an increase of S/95.5 million in natural gas supply, transportation and distribution costs as a result of an increase in thermal generation in 2022. Each of the increase in energy purchases in the spot market, average spot prices and thermal generation were due to a decrease in the availability of water resources and, as a result, of hydro-generated energy from our plants as well as from the hydroelectric plants of other generators, due to a drought in the last quarter of 2022.

Administrative Expenses

The 13.3% decrease in administrative expenses for the year ended December 31, 2022 as compared to 2021 was mainly due to an impairment of S/20 million of the account receivable from Energética Monzón S.A.C. that we recorded in 2021. These effects were partially offset by an increase of S/3.4 million in personnel expenses, due to the impact of inflation on salaries, and an increase of S/2.5 million in depreciation.

Other Income

The 23.4% increase in other income for the year ended December 31, 2022 as compared to 2021 was mainly due to (i) a S/8.0 million increase in 2022 in insurance proceeds received for indemnification, as detailed below; and (ii) a S/3.6 million increase in 2022 for accounting and legal management services, among other services, provided to related entities of the Enel Group.

Other income in each of the years ended December 31, 2022 and 2021 comprised mainly income from out-of-court settlements with a natural gas supplier (S/23.5 million in 2022 and S/23.7 million in 2021); accounting and legal management services, among other services, provided to related entities of the Enel Group (S/19.1 million in 2022 and S/16.7 million in 2021); and S/12.0 million in insurance proceeds received for indemnification in 2022 for an incident relating to a combustion system explosion resulting in temporary failure of turbine equipment at our Santa Rosa thermal power plant in 2018 and S/4.0 million in insurance proceeds received for indemnification in 2021 for an incident relating to temporary failure of our heat recovery steam generator at our Ventanilla thermal

power plant in 2016. See “*Risk Factors—Risks Relating to Our Business—If any of our plants are unable to generate energy as a result of a breakdown or other failure, or in the case of extended or unexpected extraordinary maintenance, we may be required to purchase energy in the spot market to meet our contractual obligations under our outstanding PPAs*” and “*Risk Factors—Risks Relating to Our Business—Our insurance policies may not fully cover damage and lost profits, and we may not be able to obtain insurance against certain risks.*”

Net Finance Income (Cost)

The change in net finance income (cost) for the year ended December 31, 2022 as compared to 2021 was mainly due to (i) a positive net effect of S/97.7 million in exchange difference on Orygen’s U.S. dollar denominated outstanding debt because of the 5% appreciation of the *sol* against the U.S. dollar in 2022 following the 10% depreciation of the *sol* against the U.S. dollar in 2021; (ii) an increase of S/7.0 million in interest on bank deposits; and (iii) an increase of S/20.9 million in interest on tax refunds. These effects were partially offset by an increase of S/30.4 million in interest expense on bank loans because of an increase in outstanding indebtedness in 2022.

Income Tax Expense

Income tax expense remained relatively stable for the year ended December 31, 2022 as compared to 2021.

Profit for the Period

As a result of the factors discussed above, Orygen’s profit increased 55.8% for the year ended December 31, 2022 as compared to 2021.

Liquidity and Capital Resources

As of June 30, 2024, Niagara Energy had cash and cash equivalents of S/629.7 million.

As of June 30, 2024, Orygen had cash and cash equivalents of S/394.4 million.

Orygen’s principal sources of liquidity have traditionally comprised corporate bonds in the local market and credit lines committed with top tier banks in the Peruvian financial system and, in the case of the New Term Loan and the New Revolving Facility, with top tier international banks. In the context of the Acquisition, Niagara Energy repaid the entire balance outstanding under certain of Orygen’s indebtedness, as a result of which, as of June 30, 2024, Niagara Energy was Orygen’s principal creditor (see “*Related Party Transactions*”).

Orygen’s principal needs for liquidity comprise capital expenditures related to maintenance of its existing generation plants and development of new renewable generation plants, as well as working capital requirements. We believe that, based on Orygen’s current business plan and considering the expected use of proceeds from the New Term Loan and the New Revolving Facility, Orygen’s cash and cash equivalents on hand and its cash generated by operations will be adequate to meet its capital expenditure requirements and working capital needs in the ordinary course of its business in the near term. In addition, if Orygen were to require additional funds, we believe Orygen would be able to contract new financings pursuant to adequate terms, subject to the covenants contained in the New Term Loan.

Cash Flows

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The following table sets forth a summary of Orygen's cash flow information for the six months ended June 30, 2024 and 2023:

	For the six months ended June 30,		% Change
	2024	2023	
	(in S/ millions)		
Net cash from operating activities.....	477.5	443.5	7.7%
Net cash used in investing activities	(204.5)	(158.0)	29.4%
Net cash used in financing activities.....	(399.3)	(104.6)	281.7%
Net increase (decrease) in cash and cash equivalents for the period.	(126.3)	180.9	n/a
Effect of exchange rate variation on cash held.....	-	(12.0)	n/a
Cash and cash equivalents at beginning of period.....	520.7	257.4	102.3%
Cash and cash equivalents at end of period.....	394.4	426.3	(7.5)%

Cash Flows from Operating Activities

The increase of 7.7% in net cash from Orygen's operating activities, which are Orygen's primary source of liquidity, in the six months ended June 30, 2024 as compared to the same period in 2023 was mainly due to a decrease in advanced monthly income tax payments in 2024 in the context of a change to applicable tax regulation that reduced the monthly income tax rate.

Cash Flows Used in Investing Activities

The increase of 29.4% in net cash used in Orygen's investing activities in the six months ended June 30, 2024 as compared to the same period in 2023 was mainly due to an increase in remaining payments made related to renewable projects (Wayra Extension wind plant and Clemesí solar plant), which effects were partially offset by a net increase in collections of loans granted to related entities as compared to loans granted.

In the six months ended June 30, 2024, investing activities for which Orygen used cash were primarily purchases of property, plant and equipment for S/226.2 million for the Wayra Extension wind plant and the Clemesí solar plant.

In the six months ended June 30, 2023, investing activities for which Orygen used cash were primarily purchases of property, plant and equipment for S/138.9 million for the Wayra Extension wind plant and the Clemesí solar plant.

Cash Flows Used in Financing Activities

The increase of 281.7% in net cash used in Orygen's financing activities in the six months ended June 30, 2024 as compared to the same period in 2023 was mainly due to the change in Orygen's indebtedness composition from bank loans to Niagara Energy's shareholder loan. This transaction generated a net variation in financing activities of higher cash disbursements of S/318.8 million as a result of Orygen's repayment of certain of its outstanding indebtedness, with funds from Niagara Energy's shareholder loan, in the context of the Acquisition.

In the six months ended June 30, 2024, financing activities for which Orygen used cash were primarily repayment of bank loans, with funds from Niagara Energy's shareholder loan, and payment of dividends.

In the six months ended June 30, 2023, financing activities for which Orygen used cash were primarily repayment of bank loans, payment of dividends and payment of interest on outstanding indebtedness.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table sets forth a summary of Orygen's cash flow information for the years ended December 31, 2023 and 2022:

	For the year ended December 31,		% Change
	2023	2022	
	<i>(in S/ millions)</i>		
Net cash from operating activities	1,224.2	1,233.4	(0.7)%
Net cash used in investing activities	(337.9)	(860.5)	(60.7)%
Net cash used in financing activities	(611.0)	(324.3)	88.4%
Net increase in cash and cash equivalents	275.3	48.6	466.5%
Effect of exchange rate variation on cash held	(12.0)	(15.9)	(24.5)%
Cash and cash equivalents at the beginning of the period	257.4	224.7	14.6%
Cash and cash equivalents as of December 31	520.7	257.4	102.3%

Cash Flows from Operating Activities

Net cash from Orygen's operating activities, which are Orygen's primary source of liquidity, remained relatively stable in 2023 as compared to 2022.

Cash Flows Used in Investing Activities

The decrease of 60.7% in net cash used in Orygen's investing activities in 2023 as compared to 2022 was mainly due to a decrease in payments made related to the Wayra Extension wind plant and the Clemesí solar plant expansion projects due to a ramp down of pre-operational activities, as these projects neared commencement of operations.

In 2023, investing activities for which Orygen used cash were primarily purchases of property, plant and equipment for S/340.3 million.

In 2022, investing activities for which Orygen used cash were primarily purchases of property, plant and equipment for S/880.1 million.

Cash Flows Used in Financing Activities

The increase of 88.4% in net cash used in Orygen's financing activities in 2023 as compared to 2022 was mainly due to an increase in repayments of outstanding indebtedness, which effects were partially offset by a net capital reduction.

In 2023, financing activities for which Orygen used cash primarily comprised repayment of bank loans for S/1,209.5 million and payment of dividends for S/647.0 million.

In 2022, financing activities for which Orygen used cash primarily comprised payment of dividends for S/652.7 million and net capital reduction of S/251.8 million.

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

The following table sets forth a summary of Orygen's cash flow information for the years ended December 31, 2022 and 2021:

	For the year ended December 31,		% Change
	2022	2021	
	(in S/ millions)		
Net cash from operating activities	1,233.4	720.9	71.1%
Net cash used in investing activities	(860.5)	(215.9)	298.6%
Net cash used in financing activities	(324.3)	(898.5)	(63.9)%
Net increase (decrease) in cash and cash equivalents for the year	48.6	(393.5)	n/a
Effect of exchange rate variation on cash held	(15.9)	26.0	n/a
Cash and cash equivalents at the beginning of the period	224.7	592.2	(62.1)%
Cash and cash equivalents as of December 31	257.4	224.7	14.6%

Cash Flows from Operating Activities

The increase of 71.1% in net cash from Orygen's operating activities, which are Orygen's primary source of liquidity, in 2022 as compared to 2021 was mainly due to increased energy sales.

These effects were partially offset by an increase in payments to suppliers related to energy purchases in the context of increased spot prices, as well as natural gas supply, transportation and distribution in the context of increased generation at our natural gas fueled plants.

Cash Flows Used in Investing Activities

The increase of 298.5% in net cash used in Orygen's investing activities in 2022 as compared to 2021 was mainly due to payments associated with Wayra Extension wind plant and the Clemesf solar plant expansion projects.

In 2022, investing activities for which Orygen used cash were primarily purchases of property, plant and equipment for S/880.1 million.

In 2021, investing activities for which Orygen used cash were primarily purchases of property, plant and equipment for S/320.3 million.

Cash Flows Used in Financing Activities

The decrease of 63.9% in net cash used in Orygen's financing activities in 2022 as compared to 2021 was mainly due to an increase in outstanding indebtedness and a net capital increase. These effects were partially offset by an increase in loans to related parties and an increase in dividend payments.

In 2022, financing activities for which Orygen used cash primarily comprised payment of dividends for S/652.7 million and net capital reduction of S/251.8 million.

In 2021, financing activities for which Orygen used cash primarily comprised payment of dividends for S/601.2 million and payment for capital reduction of S/390.0 million.

Capital Expenditures

The following table sets forth Orygen's capital expenditures by category in each of the periods indicated:

	For the six months ended June 30,			For the year ended December 31,			
	2024 ⁽¹⁾ (in US\$ millions)	2024 (in S/ millions)	2023 (in S/ millions)	2023 ⁽¹⁾ (in US\$ millions)	2023 (in S/ millions)	2022 (in S/ millions)	2021 (in S/ millions)
Overhaul power plants and equipment maintenance and refurbishing	29.0	111.2	68.4	31.9	122.5	82.4	209.7
Environmental improvement works	0.9	3.3	0.3	1.1	4.1	3.4	9.0
Growth development	27.0	103.5	49.1	42.4	162.8	773.0	75.0
Others	2.1	8.2	21.1	13.3	50.9	21.3	26.6
Total capital expenditures	59.0	226.2	138.9	88.7	340.3	880.1	320.3

(1) Calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See "Foreign Exchange Controls and Exchange Rate Information."

Material Indebtedness

Orygen

In connection with the Acquisition, Niagara Energy directly repaid the entire balance outstanding under certain of Orygen's indebtedness. As a result, as of June 30, 2024, Orygen owed S/1,552.2 million to Niagara Energy pursuant to a shareholder loan. For more information, see "Related Party Transactions."

As of June 30, 2024, Orygen's current and non-current other financial liabilities were S/59.2 million, of which S/39.4 million was pursuant to a corporate bond and S/19.8 million was pursuant to right-of-use liabilities (finance lease) relating to our administrative offices and to certain vehicles.

Pursuant to the terms of Orygen's outstanding corporate bond, Orygen is subject to a financial covenant to maintain a debt to equity ratio that does not exceed 1:5, calculated pursuant to the indenture governing the corporate bond.

As of June 30, 2024, Orygen was in compliance with the material terms of the covenants set forth in the documents governing its outstanding indebtedness, including the debt to equity ratio under its corporate bond.

For more information on Orygen's outstanding indebtedness, see note 18 to Orygen's unaudited condensed consolidated interim financial statements included elsewhere in this offering memorandum.

Niagara Energy

As of June 30, 2024, Niagara Energy's current and non-current other financial liabilities, on a consolidated basis, S/4,976.3 million (US\$1,296.9 million), all of which was denominated in U.S. dollars and a portion of which we intend to repay with the net proceeds from this offering (see "Use of Proceeds").

As of June 30, 2024, Niagara Energy was in compliance with the material terms of the covenants set forth in the documents governing its outstanding indebtedness, including the debt to equity ratio under Orygen's corporate bond.

For more information on Niagara Energy's outstanding indebtedness, see note 19 to Niagara Energy's unaudited consolidated interim financial statements included elsewhere in this offering memorandum. For information on recent developments relating to our indebtedness, see "Summary—Recent Developments—Concurrent Financing Transaction" and "Description of Principal Finance Agreements."

Dividends and Dividend Policy

Orygen's board of directors proposes a dividend distribution at the annual shareholders' meeting, which pursuant to Peruvian law must occur within the first three months of each year. Once approved, this determination governs dividend distributions based on available cash and expected cash needs for the applicable year. Each dividend distribution is subject to approval by the board of directors.

Pursuant to Orygen's dividend policy applicable for its fiscal year 2024, Orygen has distributed or will distribute (as the case may be) in cash up to 100% of the profit for the period in 2024, as follows:

- *First interim dividend:* up to 100% of profit for the period in the first quarter of 2024, payable between May and June 2024.
- *Second interim dividend:* up to 100% of profit for the period in the second quarter of 2024 (after deducting the first interim dividend payment), payable between August and September 2024.
- *Third interim dividend:* up to 100% of profit for the period in the third quarter of 2024 (after deducting the first interim dividend payment and the second interim dividend payment), payable between November and December 2024.

In addition, a supplementary dividend may be paid for up to 100% of profit for the period in the fourth quarter of 2024 (after deducting all interim dividend payments previously made), payable on a date to be determined by Orygen's 2025 annual shareholders' meeting, unless such shareholders' meeting resolves to modify the use of the balance of profit for the period not distributed in 2024.

As of the date of this offering memorandum, Niagara Energy does not have a dividend policy. Since its incorporation in June 2023, Niagara Energy has not made any dividend payments.

The following table sets forth Orygen's dividend payments in each of the periods indicated:

Period	Dividend Payments	
	(in US\$ millions) ⁽¹⁾	(in S/ millions)
Six months ended June 30, 2024	89.2	342.2
2023.....	168.6	647.0
2022.....	170.1	652.7
2021.....	156.7	601.2

(1) Calculated based on the selling exchange rate of S/3.837 to US\$1.00 as of June 30, 2024. See "Foreign Exchange Controls and Exchange Rate Information."

In August 2024, Orygen paid dividends in the aggregate amount of S/181.8 million.

Trend Information

In 2024, we continue to see growth in demand from residential customers, which we serve through distribution companies, and from the industrial sector, mainly mining companies, in which our main unregulated customers operate. We expect continued increased demand from mining companies and also from large infrastructure projects, such as the Lima metro. In this context of increased demand, we also see increased supply from competitors, which means that maintaining our market share is a constant challenge.

Spare capacity levels in the Peruvian energy market continue to remain low and we do not expect high spare capacity levels in the foreseeable future. In this context, we expect energy prices to remain elevated.

In addition, we have seen a steep increase in unregulated customers requesting green energy certificates from non-conventional renewable energy sources. Following commencement of operations of our Clemesí solar plant in February 2024 and our Wayra Extension wind plant in June 2024, we believe we are better positioned to provide our customers with such certificates.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We maintain significant cash balances that may be remunerated at market interest rates. Orygen's revenues and operating cash flows are independent of changes in market interest rates. Our exposure to interest rate risk relates primarily to the remuneration of cash and the impact on our financial obligations.

Borrowings at variable rates could expose us to interest rate risk. On the other hand, borrowings at fixed rates could expose us to interest rate risk on the fair value of our financial liabilities. As of June 30, 2024, most of

Niagara Energy's financial obligations, pursuant to the Acquisition Term Loan, accrued interest at floating rates. In addition, the New Term Loan and the New Revolving Facility will accrue interest at floating rates.

We routinely hedge our interest rate exposure by entering into interest rate swap derivative financial instruments. For more information, see note 19 to Niagara Energy's unaudited consolidated interim financial statements included elsewhere in this offering memorandum.

Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Our exposure to foreign exchange rate risk relates primarily to Orygen's operating activities in which an important part of our revenues and certain costs or expenses are denominated in a currency other than Orygen's functional currency, primarily the U.S. dollar. In addition, our exposure to foreign exchange rate risk relates to our financial obligations denominated in U.S. dollars.

Orygen mitigates its exchange rate risk with a hedging policy formulated on the basis of projected cash flows and contemplates maintaining a balance between flows indexed to U.S. dollars and the levels of assets and liabilities in U.S. dollars.

We routinely hedge our exchange rate exposure by entering into forward contracts and non-derivative financial instruments for future cash flows from operating income.

Credit Risk

We seek to manage risk relating to financial and commercial counterparties by only transacting with investment grade rated financial counterparties and conducting regular credit assessments on our customer portfolio to determine when to require collateral in the context of executing commercial contracts.

For more information on market risks, see note 7B to Niagara Energy's unaudited consolidated interim financial statements included elsewhere in this offering memorandum.

Take-or-Pay Conditions in Certain Agreements

Certain of our natural gas purchase agreements with Pluspetrol Block 88, natural gas transportation agreements with TGP and natural gas distribution agreements with Cálidda contain take-or-pay conditions, which generate fixed payment obligations from us during the term of the agreements. These fixed payment obligations do not appear as liabilities on our statement of financial position until our counterparty provides the respective service. The following table sets forth the material terms of each of these agreements that contain take-or-pay conditions, as in effect as of June 30, 2024. For more information, see “*Business—Material Agreements.*”

	<i>Contracted Volume</i>	<i>Take-or-Pay Terms</i>
<i>Natural Gas Purchase Agreements with Pluspetrol Block 88</i>	<p><i>Contracted Daily Quantity</i> Ventanilla: 74.16 MMPCD</p> <p>Santa Rosa: 63.57 MMPCD</p>	<p>Ventanilla: Take-or-pay: 75% June – November Take-or-pay: 15% December – May</p> <p>Santa Rosa: Take-or-pay: 10% June – November Take-or-pay: 0% December – May</p>
<i>Natural Gas Transportation Agreements with TGP</i>	<p>Firm Contract <i>Total Contracted Capacity</i> 2.1 million cubic meters std/day</p> <p>Interruptible Contract N° 1 <i>Total Contracted Capacity</i> 2020-2025: 1.9 million cubic meters std/day 2026-2034: 3.1 million cubic meters std/day</p> <p>Interruptible Contract N° 2 <i>Total Contracted Capacity</i> 2023-2024: 1.1 million cubic meters std/day 2025: 0.2 million cubic meters std/day 2026-2029: 1.1 million cubic meters std/day</p>	<p>Firm Contract: Ship-or-pay: 100%</p> <p>Interruptible Contracts: Ship-or-pay: 0%</p>
<i>Natural Gas Distribution Agreements with Cálidda</i>	<p>Ventanilla: Firm Contract <i>Total Contracted Capacity</i> 2.1 million cubic meters std/day</p> <p>Interruptible Contract <i>Total Contracted Capacity</i> 0.1 million cubic meters std/day</p> <p>Santa Rosa: Firm Contract <i>Total Contracted Capacity</i> 0.12 million cubic meters std/day</p> <p>Interruptible Contract <i>Total Contracted Capacity</i> 2.8 million cubic meters std/day</p>	<p>Firm Contracts: Ship-or-pay: 100%</p> <p>Interruptible Contracts: Ship-or-pay: 0%</p>

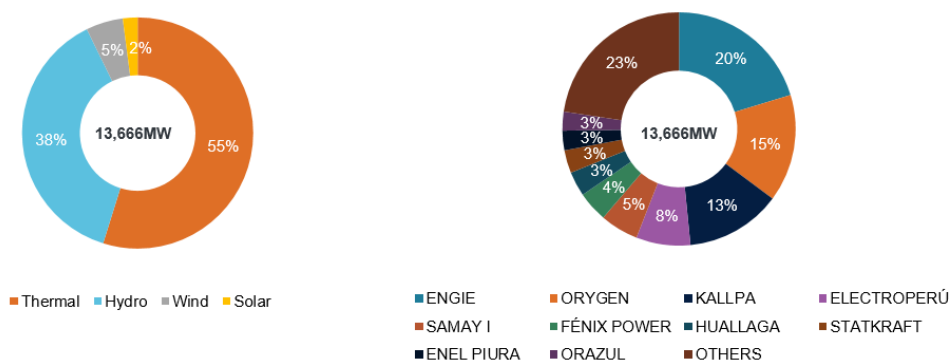
INDUSTRY

The power utility market in Peru is currently our sole market and, driven by the growth in GDP and the expansion of energy coverage, Peruvian energy consumption has grown in recent years. According to INEI, Peru had a population of 33.7 million as of December 31, 2023. According to the World Bank, Peruvian GDP grew by 13.4%, 2.7% and (0.6)% in 2021, 2022 and 2023, respectively. An increase in domestic demand, resulting from growth in the overall economic activity of Peru, an increase in the population's income, consumption and access to electricity, and an increase in infrastructure investment, has led to an increase in investments in value-added manufacturing processes to create products to serve the domestic market and for export. In addition, the availability and extraction of natural resources, in particular metals, as well as industrial production, has led to increased energy-intensive mining and industrial activity, which has supported the increase in Peru's energy consumption from 35,217 GWh in 2011 to 53,587 GWh in 2023, representing a 4.2% CAGR. According to the COES, Peruvian energy demand is expected to continue to increase, driven in part by large mining, industrial and infrastructure projects such as Lima Metro Line 2, Lima Airport's expansion, San Gabriel, Toromocho expansion, Las Bambas, Chancay Port, among others. In addition, we expect sustained growth in demand from the Peruvian population and increased access to electricity. According to BMI Power Industry Research, Chile and Peru have estimated 2024 *per capita* energy consumption of 4.5 MWh and 1.5 MWh, respectively, which indicates significant growth potential for the Peruvian energy market. According to the MINEM, Peru's total energy demand is estimated to increase by CAGR of 5.2% for the period 2024-2030.

Despite historical high demand growth largely driven by mining and other industrial activities, there was an intensive expansion of energy generation capacity in Peru during the second half of the 2010 decade. The repeatedly overly optimistic demand forecasts by the system planner and distributors led to greater expansion resulting in a temporary oversupply of capacity in the Peruvian market that has started to normalize. Moderate demand growth, coupled with relevant supply growth, contributed to increase the reserve margin that peaked above 60% in 2016 and has normalized to 44% in 2023. As of December 31, 2023, Peru has a power system with 13.7 GW of installed capacity, mostly composed of hydropower and natural gas-fired plants, while renewables are still incipient in the system. Peru has access to abundant natural gas from Camisea Fields, which has a specific lot that serves the domestic market at low regulated prices.

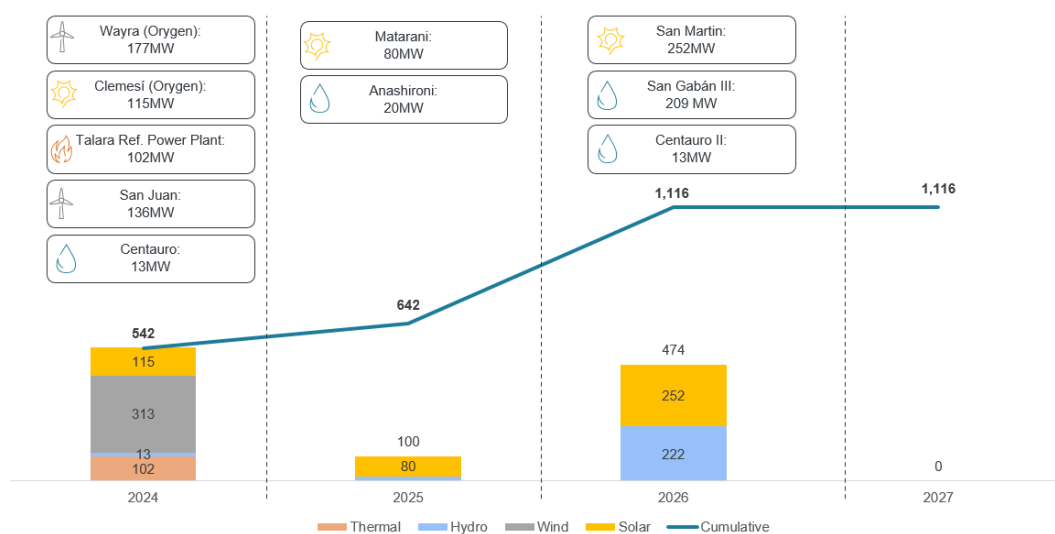
Total effective energy generation capacity is expected to increase by 1,116 MW from 2024 to 2027 and 70% of the expected capacity additions are expected to come from renewable sources (solar and wind) including Orygen's projects Wayra Extension wind plant and Clemesí solar plant. Energy demand growth coupled with small firm capacity additions due to the intermittency of the upcoming capacity additions are expected to reduce reserve margins to 26% by 2027 according to the COES. The reduction in reserve margins may provide adequate conditions in future PPA recontracting.

The following charts presents a breakdown of installed capacity in Peru based on generation fuel source and by generation company, as of December 31, 2023:

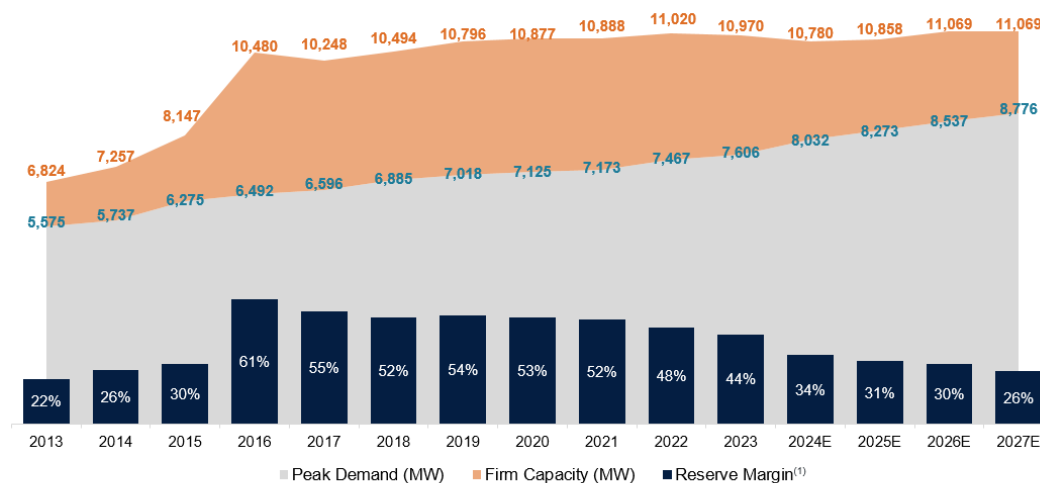


Source: COES

The following chart sets forth the capacity additions in MW considered by the COES for the period from 2024 to 2027:

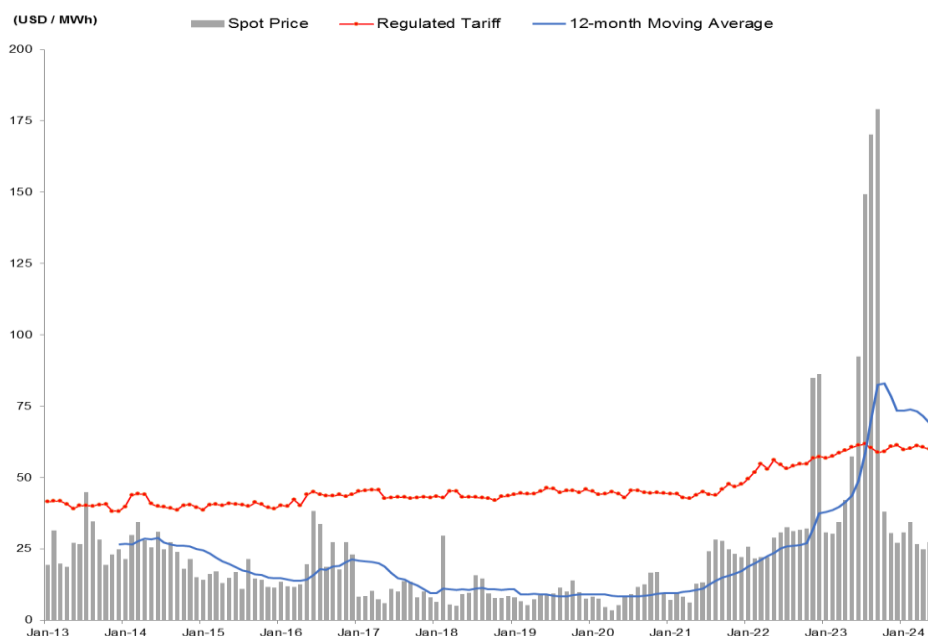


The following chart sets forth the historical and expected evolution of firm capacity, demand and the reserve margin in Peru:



Due to the over-supply situation, coupled with factors such as the low cost of natural gas, spot prices in the Peruvian electricity market decreased and achieved substantially low levels in the second half of the 2010 decade (US\$12.4 MWh average spot price from 2015 to 2020). However, since the implementation of a regulatory change in 2021 to incorporate the fixed portion of utilities' cost structure along with energy supply and demand rebalancing, spot prices in the Peruvian electricity market have followed an upward trend and monthly average spot prices peaked to US\$179.1 MWh in September 2023 and have normalized to US\$40.7 MWh as of June 2024.

The following chart sets forth spot prices and regulated tariffs in Peru as of the dates presented:



Source: COES

In Peru, power is generally generated by hydroelectric or thermal power stations, including those power stations that use natural gas as fuel. The power generated by these power stations varies in accordance with the rainy seasons and rainfall patterns in each year. For example, greater amounts of hydroelectric power are dispatched between November and April in Peru (the Peruvian rainy season) than between May and October, when the volume of rainfall declines and operators have less water available for electricity generation in the reservoirs serving their plants. During periods of drought, thermal plants are used more frequently. During periods of excessive rainfall when hydroelectric plants increase their generation, there may be a reduction in the spot market prices in the system and also a reduced dispatch of thermal power plants. Accordingly, revenues within the Peruvian generation industry are subject to, among other factors, seasonality and the effects of rainfall. Although generators in Peru seek to reduce this exposure to seasonality by contracting long-term PPAs, this effect cannot be completely neutralized. For further information on the impact of seasonality on our operations, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors Affecting Orygen’s Results of Operations—Seasonality and Weather Variations.*”

The following table sets forth a summary of energy sales in the Peruvian market for the periods presented, according to the latest available information published by the MINEM:

Year Ended December 31,	Energy Sales	
	Regulated	Unregulated
	(GWh)	
2017	19,466	24,757
2018	19,150	26,718
2019	19,138	28,283
2020	17,894	25,857
2021	18,372	29,682
2022*	18,638	31,795

*As of the date of this offering memorandum, the MINEM has not published its report (*Anuario Estadístico de Electricidad*) with respect to 2023.

The demand for power and electricity in Peru is served by a variety of generation companies. See “*Risk Factors—Risks Relating to Our Business—We operate in a highly competitive industry.*”

The following table sets forth a summary of the principal generation companies in Peru, indicating their capacity by type of generation, as of December 31, 2023:

Company	Capacity as of December 31, 2023									% of installed capacity
	Hydro	Natural Gas	Diesel	Biogas	Bagasse (MW)	Solar	Wind	Other	Total	
Engie	186	963	1,288	-	-	41	296	-	2,773	20.3%
Orygen.....	765	994	-	-	-	144	132	-	2,035	14.9%
Kallpa.....	525	1,286	-	-	-	-	-	-	1,810	13.2%
Electroperú	1,008	-	19	-	-	-	-	-	1,027	7.5%
Samay I	-	-	726	-	-	-	-	-	726	5.3%
Fenix Power.....	-	575	-	-	-	-	-	-	575	4.2%
Huallaga	468	-	-	-	-	-	-	-	468	3.4%
Statkraft.....	433	-	-	-	-	-	-	-	433	3.2%
Orazul.....	358	-	-	-	-	-	-	-	358	2.6%
Others.....	1,439	730	739	13	96	97	280	67	3,460	25.3%
Total	5,181	4,547	2,771	13	96	282	709	67	13,666	100.0%

For information on the availability and dispatch of Peru’s electricity generators, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors Affecting Orygen’s Results of Operations—Availability and Dispatch.*”

BUSINESS

Overview

We are a Peruvian energy generation company and we own and operate a diversified 2.3 GW portfolio of energy generating effective capacity across 13 power plants. We are a leading energy generator in Peru, with 17% market share based on gross energy generation in 2023. As of June 30, 2024, our mixed asset base comprises two wind plants (309.3 MW aggregate effective capacity), two solar plants (259.4 MW aggregate effective capacity), seven hydroelectric plants (795.4 MW aggregate effective capacity) and two natural gas fueled plants (887.1 MW aggregate effective capacity). We hold the largest non-conventional renewable energy portfolio in Peru with 32.7% market share based on gross energy generation in 2023.

Orygen's revenue from energy and power generation was S/1,380.7 million (US\$359.8 million) in the six months ended June 30, 2024, S/2,732.9 million (US\$712.2 million) in the twelve months ended June 30, 2024 and S/2,622.6 million (US\$683.5 million) in 2023. In the same periods, Orygen's profit for the period was S/453.8 million (US\$118.3 million), S/800.0 million (US\$208.5 million) and S/814.3 million (US\$212.2 million), respectively, and its EBITDA was S/783.7 million (US\$204.3 million), S/1,424.1 million (US\$371.2 million) and S/1,393.8 million (US\$363.2 million), respectively.

Following the Acquisition (as described below), we are controlled by Actis, a global infrastructure investor and one of the largest investors in energy generation assets in Latin America. Actis has a strong track record developing leading energy platforms globally with more than US\$6 billion committed to 120+ projects and 30GW+ of installed capacity. Its investment strategy targets robust cash flow generation assets, supported by stable contracts with strong counterparties. Actis supports the energy transition and accelerates the journey to net zero by focusing on the development of non-conventional renewable platforms. Actis has invested in 50+ generation projects in Latin America for a total of 15 GW since 2003 and has created industry leaders in the region. Actis leverages both on its extensive team of investment, operational and sustainability professionals that bring deep industrial expertise, and on its local knowledge, network and relationships in the jurisdictions in which it operates.

Competitive Strengths

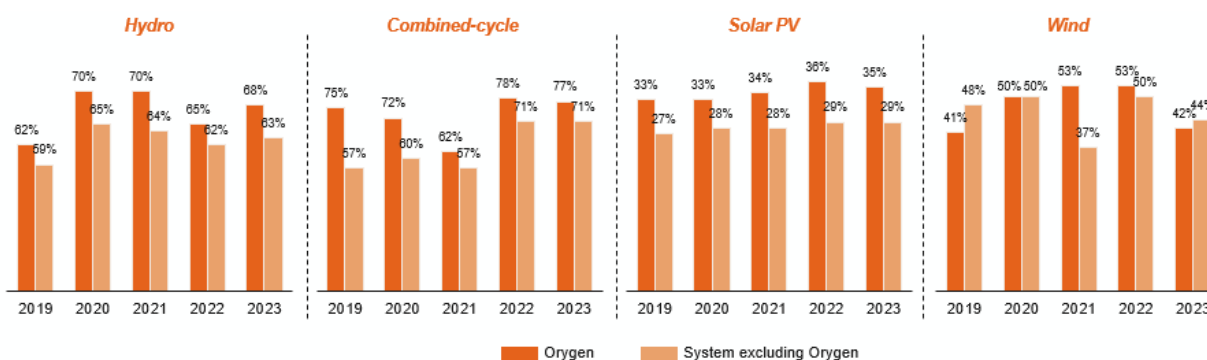
We believe our key competitive strengths are the following:

Diversified Portfolio of High Quality Energy Generation Assets

We operate a diversified portfolio of 2.3 GW of energy generating gross effective capacity across 13 power plants, of which 1,364.1 MW of effective capacity is sourced from renewable plants. We are a leading energy generator with the largest renewable energy portfolio in Peru that generates over one third of Peru's non-conventional renewable generation. Our operating asset base comprises an array of technologies, including two wind plants, two solar plants, seven hydroelectric plants (five run-of-the-river plants and two reservoirs) and two natural gas fueled plants. We also own and operate a hydro-energy recovery and a battery energy storage system – BESS – facility. We are the first movers in the implementation of non-conventional renewable plants in Peru's energy matrix with the development of our Wayra I wind plant and Rubí solar plant in 2018, as well as the BESS facility in 2021. In addition to technology diversification, our portfolio is geographically diversified. Our plants are strategically located across four regions of Peru: Lima, Junin, Ica and Moquegua.

Since the 1995 privatization of the assets that now belong to us, our portfolio has demonstrated a sustained track record of growth coupled to Peru's economic development. We have grown our effective capacity from 1.6 GW in 2017 to 2.0 GW in 2020 and increased net energy generation from 6,946 GWh in 2017 to 9,704 GWh in 2023. Growth has been supported by our highly diversified and efficient portfolio that provides reliable energy generation capabilities. Orygen's diversified generation technology base allows us to benefit from abundant generation during the wet season driven by higher hydro production and profitable thermal production during the dry season. Our asset base provides Orygen with flexibility to react to different scenarios and energy prices. Additionally, Orygen's unscheduled unavailability has been approximately 1% historically, which we believe evidences the relevance of our assets to supply efficient and reliable energy to Peru's grid.

The following chart sets forth load factors for Orygen and the Peruvian electricity system across technologies for the periods presented, according to the COES:



Attractive Peruvian Energy Market Dynamics

Our high quality energy generation assets are distributed across Peru, an investment grade economy driven by solid macroeconomic fundamentals and a stable regulatory environment. We expect Peru to remain an attractive power market in Latin America over the coming decade. Its solid regulatory framework was introduced in 1992, with a focus on minimizing electricity costs for end users while ensuring an adequate return on investment for sector participants. Peru also has a strong energy-intensive mining industry and growing manufacturing industry, with a significant expected pipeline of projects. Mining activities in Peru, which generate significant energy demand, have proved resilient and have been generally constant or growing even in the context of challenging macroeconomic conditions. Peru's hydrology and wind and solar resources, as well as access to natural gas, makes it conducive to our existing energy generation activities and our focus on developing projects in the renewables space.

Peru has one of the fastest growing economies in Latin America, with historically fast-growing energy demand and a strong outlook for increased energy demand. According to the MINEM, from 2011 to 2023, total energy demand (equal to gross generation) grew at a CAGR of 4.3%. Additionally, according to the MINEM, Peru's total energy demand is estimated to increase by a CAGR of 5.2% for the period 2024-2030. In the context of growing energy demand and Peru's energy transition, according to the COES, 70% of expected capacity additions in Peru in the next three years are expected to be from renewable sources. Solar and wind generation capacity in Peru is expected to experience CAGRs of 21% and 11%, respectively, from 2024 to 2030.

Accordingly, we believe Peru represents an attractive geography for energy generation capacity expansion, especially for alternative renewables and hydro generation, and we look to strategically continue to expand our portfolio.

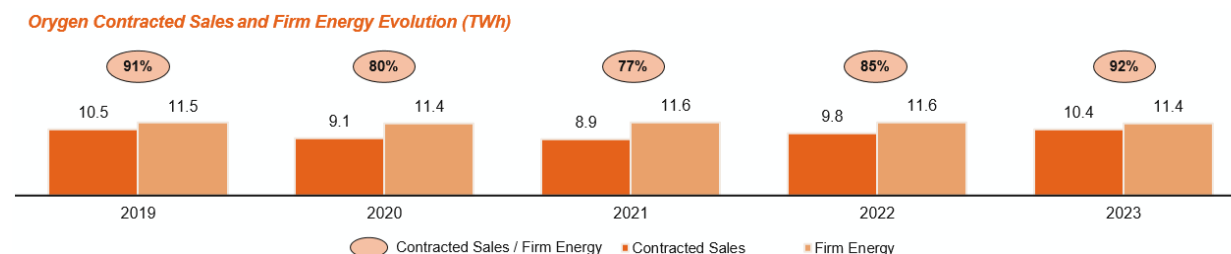
Resilient Commercial Strategy with Proven Track Record

Our commercial strategy, which essentially focuses on leveraging our diverse energy generating assets across wind, solar, hydro and natural gas fueled capacities and maintaining long-term PPAs at levels of contractedness above 90% as of June 30, 2024 with a diverse base of customers that we individually select to manage credit exposure, has proven reliable and resilient over the course of recent years, providing stable and predictable results even in times of unprecedented political and social turmoil in Peru, global uncertainty in the context of the COVID-19 global pandemic and global geopolitical conflicts.

We break down our commercial strategy into sales, sourcing and pricing. Our sales strategy begins with targeting customers that we select by load factor and clusters and that we filter by creditworthiness and reputation. We draw up a capture and retention plan for each target customer in order to define our integrated sales strategy. Our sourcing strategy starts with our own diversified, competitive and reliable energy generation that, in the current context of increasing demand, leads us to seek new energy generation project opportunities, as well as to complement with energy purchases from third parties. We provide each of our key customers preference to the generation capacity of choice. For example, as demand for green energy certificates from non-conventional renewable energy sources grows in the unregulated market, we are able to tailor our solutions for large customers entering into long-term PPAs, offering a customized approach to meet their sustainability goals. Our integrated approach promotes a cohesive and effective customer acquisition and retention plan, as illustrated by our proven

recontracting track record due to our disciplined commercial management. We base our pricing strategy on our asset cash cost and our energy purchases from third parties and build in a commercial margin pursuant to market reference. Our continuous monitoring of risk factors and financial indicators seeks to ensure the adequate development of a robust commercial strategy that aligns with our financial goals.

The following chart sets forth our contracted sales, including as a percentage of firm energy, for the periods presented:



Highly Contracted Portfolio with Diverse and Well Managed Counterparty Exposure

Orygen enters into long-term PPAs with an average weighted remaining contract life, as of June 30, 2024, of 8.5 years.

As of June 30, 2024, all of our PPAs were either denominated in U.S. dollars or, if denominated in another currency, linked to the U.S. dollar. Our PPAs denominated in *soles* are generally indexed in part to U.S. inflation and in part to natural gas prices (regulated price) in U.S. dollars, thereby limiting our exposure to natural gas price fluctuations and exchange rate fluctuations.

In 2023, distribution companies, unregulated customers and the MINEM represented 45%, 47% and 9% of our contracted energy sales, respectively. Our PPAs are contracted with a wide client base primarily composed of investment grade customers (principally metals and mining or industrial companies) and government-owned counterparties. In the six months ended June 30, 2024, 49% of our contracted energy sales were to distribution companies, 43% to unregulated customers and 8% to the MINEM.

We believe that our diverse portfolio of customers mitigates counterparty risk and aligns our counterparty risk profile to the grid risk profile.

Stable and Predictable Cash Flows and Robust Financial Strength, Liquidity and Flexibility

Our stable and predictable cash flows permit us to maintain ample liquidity while meeting our efficient operating expenditure obligations and directing capital expenditures to the development of new projects that we expect will generate additional stable and predictable cash flows once operational. Orygen's financial strength provides us flexibility to take advantage of development opportunities and to position ourselves for growing energy transition demand, while enabling regular dividend distributions to us, Niagara Energy, Orygen's controlling shareholder.

Experienced Management Team Backed by World-Class Sponsor

Our management team has extensive experience in the power generation business. Our executive officers have an average of 16 years of experience in the power generation industry. Five members of our management team have been with Orygen since before the Acquisition and the remainder, including our new chief financial officer, have previously held senior positions in leading energy companies, financial institutions and the Peruvian government. Our management team provides in depth market knowledge and power industry experience, with significant experience in the Peruvian energy industry and in working with government regulators. We believe that this overall level of experience allows our management team to lead us in the effective operation and maintenance of our facilities with an eye towards propelling our business strategy.

Orygen's strong and experienced management team is backed by Actis, a world-class sponsor and a leading sustainable global infrastructure and energy investor focused on developing markets. Actis has extensive experience in development of new energy generation projects, especially in the renewables space. As of December 31, 2023, Actis has committed over US\$9 billion of capital to 200+ energy projects globally having built and operated 33 GW

in over 20 countries across Asia, Africa and Latin America over the past 20 years and has 17 offices, over 120 investment professionals and 49 portfolio companies. Actis has raised US\$25 billion since 2004 and has completed 235 exits as of December 31, 2023. In Latin America, Actis has developed a leading energy investment platform with 16 investments across the region with over 20 GW of installed capacity. For more information, see “*Principal Shareholders—Our Controlling Shareholder.*”

Business Strategy

Secure long-term PPAs that generate stable and predictable revenues and margins with financially strong counterparties.

Orygen has historically sought, and will continue to seek, to renew its long-term PPAs before they approach their expiration date and to enter into new long-term contracts. We expect we will be in a strong position to recontract given our diverse portfolio of energy generation plants, customer relationships and pricing trends in the Peruvian energy market. We believe our contract strategy limits our exposure to fluctuations in Peruvian energy spot market prices and generates stable and predictable margins and cash flows. Given the scale of our portfolio of clean energy generating assets and our critical baseload capacity, we have a successful track record of recontracting our PPAs on favorable terms and expect to be able to continue to recontract our capacity and production as our current PPAs expire. Our commercial strategy prioritizes financially strong counterparties, and we believe that our reputation for providing reliable service from high quality plants, which service we are able to tailor for large customers to provide the energy mix sought, positions us well to recontract with existing customers and to target new customers, principally in the mining and manufacturing sectors. Our financial strength provides us flexibility to adapt our commercial strategy to market conditions and we may also consider maintaining a portion of our diverse portfolio’s capacity available in the spot market, which could offer temporarily high profitability and add commercial flexibility to capitalize on expected high realized energy prices.

Continue to sustainably grow our capacity through the development of new renewable energy generation projects.

We regularly assess opportunities to develop new projects in the renewables space and to grow our capacity, principally in wind and solar technologies, in order to increase energy generation from renewable sources in our energy mix. According to the COES, 70% of expected capacity additions in Peru in the next three years are expected to be from renewable sources. Solar and wind generation capacity in Peru is expected to experience CAGRs of 21% and 11%, respectively, from 2024 to 2030. We are committed to maintain Orygen at the forefront of renewable energy generation in Peru and believe we are well positioned, given our experience and portfolio of renewable energy generation plants and projects, to implement our capacity growth strategy in the context of Peru’s energy transition. We have over one dozen wind and solar projects in our pipeline that are under feasibility studies or are in the process of elaborating permits. We continue to elaborate our pipeline of projects so that, as they mature, we can periodically deliver projects to maintain our leading position in wind and solar energy generation in Peru.

We expect that our financial discipline will enable us to take advantage of attractive capacity growth opportunities and Actis’s successful project development track record supports our strategy of sustainable growth in the context of energy transition demand.

Maintain our commitment to sustainability and the energy transition.

As part of our sustainable growth through developments of renewable energy generation projects, we seek to support energy transition and position ourselves for growing demand in the renewables space. We review our sustainability policies and metrics annually and seek to constantly improve our performance with respect to emissions, environmental and social impact of our operations and increasingly clean energy mix. We maintain a strong commitment to our local communities through a variety of programs that contribute to local economic development, access to resources and basic services, health and educational support.

Maintain financial policies in line with our objectives of maintaining investment grade ratings.

Our commercial strategy seeks to preserve our stable and predictable cash flows that provide us financial strength, liquidity and flexibility to meet our financial and efficient operating obligations while investing in the development of new projects to seek sustainable growth in the renewables space. Our conservative financial policies will continue to prioritize prudent levels of indebtedness and liquidity in order to maintain an optimal cost of capital and our investment grade ratings.

Efficiently maintain our facilities to achieve long-term availability, reliability and asset integrity.

We are focused on the efficient and safe operation of our energy generating assets. With a view to maintaining the integrity and functionality of our plants in the long term, we have agreements with reliable and experienced original equipment manufacturers, we contract state of the art technology in each of our plants from reputable global suppliers and we maintain top tier insurance coverage, including with respect to loss of profits. Our maintenance initiatives support our provision of reliable service to our customers by maximizing efficient production as we preserve the highest industry standards for health, safety, accident prevention, security and environmental policies intended to protect our employees, customers and the local communities in which we operate.

Background and History

Niagara Energy

Niagara Energy is a privately held Peruvian corporation that is part of the economic group Actis Energy 5, and an indirect subsidiary of Actis. Actis is a leading global private equity investor in sustainable infrastructure and energy projects. Niagara Energy was incorporated in June 2023 as the acquisition vehicle and holding company of Orygen and CE Veracruz. Prior to the consummation of the Acquisition Financing in March 2024 in connection with the Acquisition, Niagara Energy did not engage in any activities and had no material assets or liabilities. As a result of the Acquisition, as of the date of this offering memorandum, Niagara Energy holds 92.35% of the equity interest in Orygen and 99.99% of the equity interest in CE Veracruz. CE Veracruz, Energética Monzón S.A.C. and SL Energy S.A.C. are non-operating companies that were formed to develop certain energy generation projects and have no significant assets or liabilities. Niagara Energy does not hold equity interests in or shares of any other company.

Orygen

Orygen was founded in 1996 following the spin-off of Peruvian corporation Edegel S.A., which itself was founded in 1994. In June 2006, the merger of Empresa de Generación Termoeléctrica Ventanilla S.A. (Etevensa) was approved, whereby Orygen acquired all the rights and obligations of Etevensa.

On May 31, 2009, through a reorganization, Orygen transferred to its subsidiary, Chinango S.A.C., a block of assets, liabilities, rights, concessions, authorizations, permits and licenses associated with the Yanango and Chimay hydroelectric power plants. After this reorganization, Orygen acquired the ownership of 80% of the shares of Chinango S.A.C. and Peruana de Energía S.A.A. was left as owner of the remaining 20%.

In 2016, Edegel S.A.A. changed its name to Enel Generación Perú S.A.A.

Pursuant to the asset purchase agreement entered into with Conelsur LT S.A.C. on July 19, 2016, and by virtue of various related agreements, as of November 22, 2016, Orygen transferred in favor of Conelsur LT S.A.C. the ownership of all transmission lines that until that date belonged to it. Likewise, with the prior approval of the MINEM, we assigned in favor of Conelsur LT S.A.C. the concessions granted in its favor by the MINEM to carry out activities related to the operation of transmission lines.

Furthermore, pursuant to the asset purchase agreement entered into by Chinango S.A.C. with Conelsur LT S.A.C. on July 19, 2016, and by virtue of several related agreements, as of October 27, 2016, Chinango S.A.C. transferred in favor of Conelsur LT S.A.C. the ownership of all transmission lines that until that date belonged to it. In turn, with the prior approval of the MINEM, it assigned in favor of Conelsur LT S.A.C. the concessions granted in its favor by the MINEM to carry out activities related to the operation of transmission lines.

On August 1, 2023, Enel Generación Perú S.A.A. merged with its related entities Enel Green Power Perú S.A.C., Empresa de Generación Eléctrica Marcona S.A.C. (“EGELMARSAC”) and Empresa de Generación Eléctrica Los Pinos S.A.C. (“EGEPISAC”), where Enel Generación Perú S.A.A. acted as absorbing entity and the absorbed related entities were extinguished. The merger was carried out with the purpose of taking advantage of the existing synergies between Enel Generación Perú S.A.A., Enel Green Power Perú S.A.C., EGELMARSAC and EGEPISAC, which would permit an optimal relationship between generation from non-conventional renewable technologies, hydroelectric generation and thermoelectric generation, as well as the incorporation of a solid portfolio of renewable projects.

On June 24, 2024, following the Acquisition, the general shareholders' meeting approved the corporate name change to "Orygen Perú S.A.A."

Renewable Energy, Hydroelectric and Natural Gas Fueled Facilities

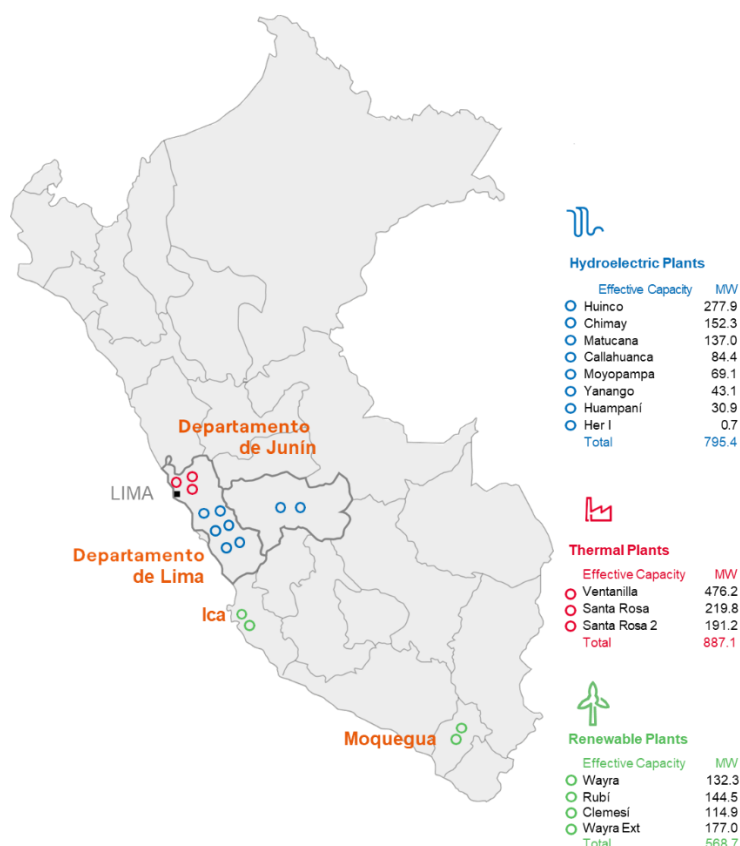
The following table sets forth certain information regarding each of the plants and turbines of Orygen for each of the periods presented:

Plant/Turbine	COD/Date of Acquisition	For the years ended December 31,					
		2023		2022		2021	
		Gross Energy Generated	Load Factor	Gross Energy Generated	Load Factor	Gross Energy Generated	Load Factor
		(GWh)	(%)	(GWh)	(%)	(GWh)	(%)
Ventanilla.....	July 1993	3,200.6	76.7	3,235.8	78.3	2,979.7	72.1
Central Térmica Santa Rosa 1	2006 (UTI5.6) 2014 (TG7)	609.3	31.5	400.0	20.5	164.0	8.3
Central Térmica Santa Rosa 2	September 2009	740.9	44.2	183.9	11.4	313.3	19.3
Huínco.....	1964 (1 st unit)	1,035.5	42.5	1,127.8	46.3	1,267.7	52.1
Matucana.....	1972 (1 st unit)	871.6	72.6	828.8	69.1	852.0	71.0
Callahuanca	1938 (1 st unit)	560.6	75.8	582.1	78.8	602.5	81.5
Moyopampa.....	1951	524.6	86.6	502.1	82.9	517.2	85.4
Huampaní.....	1960 (1 st unit)	215.5	79.7	230.6	85.3	209.7	77.6
Her I (Hydro Energy Recovery).....	August 2018	4.2	70.0	2.7	46.2	2.7	45.9
Rubi ⁽¹⁾	January 2018	439.6	34.7	458.1	36.2	443.6	35.0
Wayra I ⁽¹⁾	May 2018	481.3	41.5	627.0	54.1	618.7	53.4
Clemesí	February 2024	156.8	31.2	-	-	-	-
Wayra Extension	June 2024	1.9	-	-	-	-	-
Chimay ⁽²⁾	2000	780.7	58.5	713.9	53.5	819.1	61.4
Yanango ⁽²⁾	February 2000	212.8	56.3	205.6	54.4	213.6	56.6
Total		9,835.9		9,098.4		9,003.9	

(1) In 2022, belonged to Enel Green Power Perú S.A.C. and is included for comparative purposes.

(2) Belongs to Chinango.

The following map sets forth the location of Orygen's renewable power plants, hydroelectric power plants and natural gas fueled power plants in Peru:



Source: Orygen

Renewable Power Plants

In the department of Ica, we operate the Wayra I wind plant, with 132.3 MW of effective capacity, and the Wayra Extension wind plant, with 177.0 MW of effective capacity, that take advantage of excellent wind conditions in the area. In the department of Moquegua, we operate the Rubí solar plant, with 144.5 MW of effective capacity, and the Clemesi solar plant, with 114.9 MW of effective capacity, that take advantage of abundant solar conditions in the area. Wayra I wind plant and Rubí solar plant were the result of state bids for the development of renewable energies in Peru.

Hydroelectric Power Plants

Our hydroelectric power plants in Lima are located in the Rímac and Santa Eulalia River basin. Our Matucana power plant is located in the Rímac River basin, with a generation capacity of 137.0 MW. Our Huinco power plant is located in the Santa Eulalia River basin, with a generation capacity of 277.9 MW. Most of the water from these rivers is diverted via tunnels and canals to the town of Barba Blanca, where the Callahuanca power plant is located, with a generation capacity of 84.4 MW.

Located downstream are the Moyopampa power plants with 69.1 MW, Huampaní with 30.9 MW and the HER 1 (Hydro Energy Recovery) Huampaní with 0.7 MW, in each case of generation capacity. The total generation capacity of these six plants is 600 MW. We have 21 lagoons with a combined water storage capacity of 282.4 hm³, which allows us to regulate the flow for generation and supply of water to the city of Lima, in coordination with Lima's Drinking Water and Sewer Service (*Servicio de Agua Potable y Alcantarillado de Lima – SEDAPAL*). Two hydroelectric power plants are located in the department of Junín: Central Yanango, with a generation capacity of 43.1 MW, and Central Chimay, with a generation capacity of 152.3 MW. These two plants are part of Chinango.

Natural Gas Fueled Power Plants

Orygen also has two natural gas fueled power plants, with an aggregate generation capacity of 888.5 MW. Our Santa Rosa natural gas fueled power plant, located in Cercado de Lima, comprises the units UTI with 101.6 MW, TG7 with 119.5 MW and TG8 with 191.2 MW. Our Ventanilla natural gas fueled power plant, located in the Constitutional Province of Callao, has three generation units that comprise a 476.2 MW combined cycle. This cycle was the first to be installed in the SEIN and currently corresponds to one of the seven combined cycles of the Peruvian electric system. In addition, our Ventanilla natural gas fueled power plant has a 14.6 MW BESS energy storage system to manage the plant's primary frequency regulation. Orygen's natural gas fueled power plants use natural gas from Block 88 of the Camisea Fields as the main fuel and diesel oil as an alternative fuel, representing an average of less than 0.05% of fuel used in these plants since 2021.

Development of New Projects and Capacity Expansion

Peru represents an attractive geography for energy generation capacity expansion, especially in the alternative renewables and hydro generation segment. Peru has one of the fastest growing economies in Latin America, with a strong outlook for power demand coupled with a stable regulatory framework and a well-run power system.

We regularly assess opportunities to develop new projects in the renewables space and to grow our capacity, principally in wind and solar technologies, in order to increase energy generation from renewable sources in our energy mix. According to the COES, 70% of expected capacity additions in Peru in the next three years are expected to be from renewable sources. Solar and wind generation capacity in Peru is expected to experience CAGRs of 21% and 11%, respectively, from 2024 to 2030. We are committed to maintain Orygen at the forefront of renewable energy generation in Peru and believe we are well positioned, given our experience and portfolio of renewable energy generation plants and projects, to implement our capacity growth strategy in the context of Peru's energy transition. We have over one dozen wind and solar projects in our pipeline that are under feasibility studies or are in the process of elaborating permits. We continue to elaborate our pipeline of projects so that, as they mature, we can periodically deliver projects to maintain our leading position in wind and solar energy generation in Peru.

Commercial Strategy

Our commercial strategy is aligned with our purpose to satisfy the electricity supply needs of our customers, present in different economic sectors throughout Peru. Focusing on our customers means developing new relationship models that promote customer engagement to ensure continuous improvement of our services. In 2023, our customer portfolio comprised eight electricity distributors to serve their regulated market, 169 unregulated customers from different industrial sectors (mainly from the mining sector), and the MINEM. In 2023, distribution companies, unregulated customers and the MINEM represented 45%, 47% and 9% of our contracted energy sales, respectively. In the six months ended June 30, 2024, 49% of our contracted energy sales were to distribution companies, 43% to unregulated customers and 8% to the MINEM.

The following table sets forth certain commercial metrics in the periods presented:

	For the six months ended June 30,		For the year ended December 31,		
	2024	2023	2023	2022	2021
Energy sales (GWh)					
Distribution companies.....	2,887	2,370	4,684	4,385	3,408
Unregulated customers	2,529	2,250	4,865	4,462	4,552
MINEM.....	444	378	896	983	962
Spot sales	188	247	474	291	730
Total energy sales	6,049	5,245	10,919	10,120	9,652

Source: Energy and Commodity Management – Enel Generación Perú

Natural Resources

Wind and Solar Conditions

In the department of Ica, we operate the Wayra I wind plant, with 132.3 MW of effective capacity, and the Wayra Extension wind plant, with 177.0 MW of effective capacity, that take advantage of excellent wind conditions in the area. In the department of Moquegua, we operate the Rubí solar plant, with 144.5 MW of effective capacity,

and the Clemesí solar plant, with 114.9 MW of effective capacity, that take advantage of abundant solar conditions in the area. Peru provides abundant wind and solar resources for our growing portfolio of wind and solar energy generation plants. Our development of new projects in the renewables space is focused on, among other matters, selecting strategic locations to make the most of natural conditions to maximize efficient energy generation.

Hydrological Conditions

Hydrological conditions in Peru are highly variable in the different hydrographic regions. The Pacific region is characterized by the fact that river flows depend mainly on the rains that occur in the highlands between December and April, according to the hydrological cycle.

The Pacific region is home to the largest population and is where the greatest development of economic activities takes place. For this reason, different water regulation systems have been built to ensure the supply of water to the population, such as the one used in the Rímac River. Six of Orygen's eight hydroelectric power plants are located in this basin, whose water resources are guaranteed by the *21 Lagunas* regulation system and the water transfer from the Mantaro basin (Atlantic basin).

In 2023, the Rímac basin presented varied natural behavior, starting with a dry hydrology in January and culminating with an extremely wet hydrology in December. However, due to the fact that the storage system started 2023 with a volume 38% below the historical average, regulated flows for the 2023 low water period were below the historical average. Likewise, in 2023, the objective was to recover the storage system in anticipation of the effects of the El Niño climate phenomenon.

The Amazon hydrographic region is characterized by a greater water supply due to abundant rainfall from December to April. The Tarma and Tulumayo river basins are located in this region, where two hydroelectric power plants are installed: Yanango and Chimay. In 2023, the Tulumayo and Tarma basins had varied natural behavior and were predominantly extremely dry. In the Tulumayo basin, extremely dry conditions were observed between June and October, with the lowest flow of the last 58 years in July 2023, with a value of 23.5 m³/s. Similarly, the Tarma basin presented extremely dry hydrological conditions in the month of January and between the months of June and November.

Another event that occurred in 2023 was the Yaku Cyclone in March 2023, characterized by excessive rainfall along the northern and central coast of Peru, causing damage to the Malacas thermal power plant, the activation of streams and the outflow of the Huampaní channel due to a high concentration of solids. As of April 2023, the Multisectoral Committee for the Study of the El Niño Phenomenon issued a coastal El Niño warning indicating effects of El Niño focused along the South American Pacific coast that typically result in heavy rains. Meanwhile, in June 2023, a global El Niño warning was issued, indicating effects of El Niño globally, generating concerns of droughts in early 2024. However, from continuous monitoring, it has been observed that both events have decreased in intensity, dissipating the concern about future effects. As of the date of this offering memorandum, there are no active alerts for coastal El Niño effects; however, conditions are favorable for the development of weak La Niña effects from September 2024 through the first quarter of 2025, which could result in increased rainfall.

For more information on the impact of hydrological conditions on our operations, see *“Risk Factors—Risks Relating to Our Business—Our energy generation operations are affected by climate conditions, and changes in climate patterns or other occurrences of natural phenomena could materially and adversely affect us”* and *“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors Affecting Orygen’s Results of Operations—Seasonality and Weather Variations.”*

Fuel Conditions

In addition to the use of hydrological resources, other sources are also used to generate energy in Peru, such as natural gas, from deposits within the national territory in Peru's base, coast and jungle areas. Additionally, liquid fuels derived from petroleum of national and international origin are used to a lesser extent.

In the early 2000s, natural gas transformed Peru's energy matrix, displacing liquid fuels derived from oil (a more expensive and volatile fossil source) and has become an important complement to hydroelectric generation (subject to climatic variations). In this way, Peru's energy matrix has been diversified with different sources of energy available for power generation plants and the efficiency of energy production has been increased through the use of new technologies, such as natural gas combined cycles.

The natural gas that supplies our plants and others located in the central coast of the country comes from the basins of the southern jungle area of Peru (Block 88 of the Camisea Fields).

We assure our supply of natural gas through medium and long-term contracts with Pluspetrol for supply, TGP for transportation and Cálidda for distribution. In this sense, we consider our natural gas supply to be stable and reliable except in periods when maintenance is performed in any part of the supply chain that partially or totally restricts the supply. For more information, see “—*Material Agreements*” and “*Risk Factors—Risks Relating to Our Business—Supplier concentration for natural gas, and natural gas transportation and distribution services, may expose us to significant counterparty risk.*”

We use liquid fuel as an alternative to operate certain of our natural gas fueled energy generation plants in exceptional cases, such as tests or in the event of an emergency and/or restriction in the natural gas supply chain. Likewise, liquid fuel requirements are managed to replenish a stock level necessary to ensure compliance with duality regimes. These requirements are ensured through physical stock at each plant and through medium and/or long-term liquid fuel supply contracts with wholesale suppliers of this type of fuel. In this sense, we consider our natural gas supply to be stable and reliable.

Material Agreements

PPAs

As of June 30, 2024, Orygen had 71 PPAs outstanding with distribution companies. The term of these PPAs ranges between two and 19 years and the maximum annual contracted power between 0.09 MW and 166.69 MW.

In May 2016, Enel Green Power Perú S.A.C. (now part of Orygen) signed with the Peruvian Government two PPAs pursuant to which Orygen injects into the SEIN 573 GWh/year and 415 GWh/year, from its Wayra I wind and Rubí solar power plants, respectively. These PPAs ensured a guaranteed income of US\$37.83 MW/h and US\$47.98 MW/h for each plant, respectively. Both agreements will expire on December 31, 2038.

In addition, as of June 30, 2024, Orygen had 171 agreements in place with unregulated customers with agreement terms ranging from one to 12 years, with a maximum annual contracted capacity between 0.20 MW and 185 MW.

As of June 30, 2024, Orygen had three PPAs outstanding with the MINEM, in each case with 14.5 years remaining as of June 30, 2024.

For more information on our outstanding PPAs as of June 30, 2024, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors Affecting Orygen’s Results of Operations—Significant PPAs and Customer Concentration.*”

Natural Gas Supply Agreements with Pluspetrol Block 88

Orygen has two natural gas supply agreements with Pluspetrol Block 88, to attend the operations of the Santa Rosa and Ventanilla natural gas fueled power plants. These agreements were signed in May 2019, effective from July 1, 2019 until January 1, 2030. The contracted daily quantities (*Cantidades Diarias Contratadas* or “CDC”) are 74.16 MMPCD for Ventanilla and 63.57 MMPCD for Santa Rosa. The purchase price is fixed at the reception point (Las Malvinas – Camisea) and is expressed in US\$/MMBTU (U.S. dollars per million BTU).

Orygen records its cost of natural gas supply in the line item “cost of energy generation” in its consolidated statement of profit or loss. For more information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Take-or-Pay Conditions in Certain Agreements.*”

Natural Gas Transportation Agreements with TGP

In May 2005, Orygen entered into a natural gas interruptible transportation service agreement with Transportadora de Gas del Perú S.A. (“TGP”), in order for TGP to provide the service from the reception point located in Las Malvinas (Camisea) to the delivery point at the “City Gate” in Lurin. This agreement is valid until January 2034.

In September 2023, Orygen entered into an additional natural gas interruptible transportation service agreement with TGP, in order for TGP to provide such service until December 2029.

In December 2007, Orygen entered into a natural gas firm transportation service agreement with TGP for TGP to provide such service from August 2008 until December 2025.

The consideration for the service referred to in the aforementioned interruptible and firm agreements is calculated based on the tariffs regulated by OSINERGMIN, applied to the volumes of natural gas actually transported in the case of the interruptible transportation service agreements and to the reserved volume in the case of the firm transportation service agreement.

Orygen records its cost of natural gas transportation in the line item “cost of energy generation” in its consolidated statement of profit or loss. For more information, see *“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Take-or-Pay Conditions in Certain Agreements.”*

Natural Gas Distribution Agreements with Cálidda

In May 2005, Gas Natural de Lima y Callao S.A. and Orygen entered into an interruptible natural gas distribution service agreement via the main distribution network, from the reception point located at the “City Gate” of Lurin to the delivery point at the Santa Rosa plant. This agreement is valid until December 31, 2029.

In September 2008 and within the framework of the eleventh public offer for the firm service agreement and call for the interruptible service agreement for the transportation of natural gas through the main distribution network, GNLC and Orygen signed a firm service agreement for the Ventanilla plant. In April 2023, GNLC and Orygen signed a firm service agreement for the Santa Rosa plant.

The consideration for the services referred to in the aforementioned agreements is calculated on the basis of the tariffs regulated by OSINERGMIN, applied to the volumes of gas actually transported in the case of interruptible service agreements and to the volumes reserved in the case of firm service agreements.

Orygen records its cost of natural gas distribution in the line item “cost of energy generation” in its consolidated statement of profit or loss. For more information, see *“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Take-or-Pay Conditions in Certain Agreements.”*

Long-Term Agreement for the Procurement of Replacement Parts and Provision of Maintenance Services at Natural Gas Fueled Plants

In March 2009, Siemens Power Generation, Inc. (now Siemens Energy Inc.) and Siemens Power Generation Service Company, Ltd. (whose rights and obligations are now assigned to Siemens S.A.C.) entered into a long-term services agreement with Orygen for the acquisition of spare and replacement parts, as well as the provision of scheduled maintenance services (minor and major) for the Siemens turbine installed at the Santa Rosa plant. The agreement for the Santa Rosa Siemens turbine will remain in effect until the earlier of: (i) the Santa Rosa plant’s Siemens turbine accumulating 100,000 service equivalent hours (“SEH”); (ii) once 18 years have elapsed since its execution; or (iii) two major inspections and two hot gas path inspections as defined in the same agreement have been performed. As of June 30, 2024, the agreement was in effect and we expect termination to occur upon prong (ii) in 2027.

The agreement, with payment terms denominated in U.S. dollars, establishes several forms of payment, such as an initial payment for spare parts and equipment specified in the respective agreements, monthly payments based on a turbine SEH accumulation schedule, fixed monthly payments for the turbines, payments according to the specified schedule for scheduled minor and major maintenance services based on SEH accumulation, and monthly payments for maintenance services for the gas turbine control system of each agreement.

Energy Purchase Agreement

In August 2023, we entered into an agreement with GR Cortarrama S.A.C. for the purchase of energy from the Matarani solar plant, which is expected to begin operations in early 2025, in order to guarantee the availability and the price of energy to complement our energy generation, given our position as a net energy buyer in recent periods. We continue to have the option to purchase energy in the spot market if price conditions are favorable. Our energy purchase agreement, however, limits our exposure to increased spot energy prices. For more information, see *“Risk Factors—Risks Relating to Our Business—In recent periods, we have been a net energy buyer, which position has exposed us and may continue to expose us to increased energy prices in the spot market.”*

Alternative Fuel Supply Agreements

In September 2009, Orygen entered into an agreement with Petr leos del Per  – Petroper  S.A. (“Petroper ”) for the supply of B2 GE Biodiesel or other similar fuel for Orygen’s thermal power plants for a renewable term of one year, which was subsequently extended to three years, and was formalized through an addendum in December 2010, including automatic renewal for similar periods if there is no prior notice to the contrary.

Pursuant to this agreement, Petroper  assumes the commitment to deliver a monthly volume of 20,000 barrels (“free volume”) or any other volume greater than this, on a “firm” basis, that Orygen has requested with a 60-day notice. If Orygen does not comply with the withdrawal of the requested “firm” volume, it will be subject to the payment of a penalty in favor of Petroper  to compensate its financial and storage costs.

In December 2018, Orygen entered into a Biodiesel B5 S50 supply agreement with Repsol Comercial S.A.C. (“Repsol”) intended for Orygen’s thermal power plants for a term of three years, which was subsequently extended until December 31, 2026 by addendum and automatically extends for periods of one year. Pursuant to this agreement, Repsol assumes the commitment to deliver a monthly volume of 25,000 barrels (“free volume”) in case Orygen requests it. Orygen is obligated to pay Repsol the market price for fuel effectively supplied.

Competition

Our major competitors are generally large international power generation corporations operating in Peru, in addition to certain local competitors, including certain government owned generators. Since privatization initiatives began in Peru in the energy sector in the 1990s, the participation of government owned generations has been decreasing. On the other hand, the presence of foreign competitors, certain of which are substantially larger and have substantially greater resources than we do, has increased.

In Peru, power generation companies compete to (i) source and enter into long-term PPAs with power purchasers, (ii) source and secure land for the development or expansion of additional power generation units, (iii) source and secure natural gas to fuel power generation stations, (iv) win tenders by the Peruvian government to build cold-reserve plants or other supply reserve plants, and (v) maintain or increase market share in the growing Peruvian energy market.

The following table sets forth the percentage of effective power and market share for the periods presented:

Company	Effective Capacity					
	For the year ended December 31,					
	2023		2022		2021	
	(MW)	Market Share (%)	(MW)	Market Share (%)	(MW)	Market Share (%)
Orygen ⁽¹⁾	1,960.7	15.0%	1,647.0	12.5%	1,677.7	13.1%
Enel Green Power Per� S.A.C. ⁽²⁾	-	-	276.8	2.1%	276.8	2.2%
Enel Generaci�n Piura S.A.A.	326.1	2.5%	326.1	2.5%	341.0	2.7%
ENGIE Energ�a Per� S.A.	2,571.2	19.6%	2,740.3	20.8%	2,491.5	19.4%
Kallpa Generaci�n S.A.	1,811.0	13.8%	1,793.3	13.6%	1,616.4	12.6%
Electroper� S.A. (a state-owned generation company)	915.7	7.0%	898.2	6.8%	898.2	7.0%
Samay S.A.	723.4	5.5%	723.6	5.5%	723.6	5.6%
Fenix Power S.A.	572.0	4.4%	572.6	4.3%	572.6	4.5%
Empresa de Generaci�n Huallaga	476.7	3.6%	476.7	3.6%	476.7	3.7%
Statkraft	441.4	3.4%	451.1	3.4%	447.8	3.5%
Orazul Energy	375.8	2.9%	375.8	2.8%	375.8	2.9%
Termichilca	296.3	2.3%	296.3	2.2%	296.3	2.3%
Celepsa	227.1	1.7%	227.1	1.7%	227.1	1.8%
Other generation companies	2,409.2	18.4%	2,385.5	18.1%	2,420.0	18.8%
Total	13,106.6	100.0%	13,190.2	100.0%	12,841.4	100%

Source: COES

- (1) Orygen’s participation includes Chinango.
- (2) In 2023, Enel Green Power Per  S.A.C. was merged into Orygen.

Property, Plant and Equipment

The following table sets forth certain information regarding Orygen's energy generation units as of June 30, 2024:

Generation Unit	Location	Effective Capacity (MW)	Fuel Type
Ventanilla.....	Callao	476.2	Natural gas/Diesel/Vapor
Central Térmica Santa Rosa 1	Lima	219.8	Natural gas/Diesel
Central Térmica Santa Rosa 2	Lima	191.2	Natural gas
Huinco.....	Lima	277.9	Reservoir
Matucana.....	Lima	137.0	Run-of-the river
Callahuanca.....	Lima	84.4	Run-of-the river
Moyopampa	Lima	69.1	Run-of-the river
Huampaní.....	Lima	30.9	Run-of-the river
Her I (Hydro Energy Recovery)	Lima	0.7	Hydro Energy Recovery
Rubí	Moquegua	144.5	Solar
Clevesí	Moquegua	114.9	Solar
Wayra I	Ica	132.3	Wind
Wayra Extension	Ica	177.0	Wind
Chimay	Junín	152.3	Reservoir
Yanango.....	Junín	43.1	Run-of-the river
		2,251.3	

As of the date of this offering memorandum, we believe that our energy generation units are in good operating condition and that Orygen has satisfactory title in accordance with standards generally accepted in the industry. As of June 30, 2024, the net book value of Orygen's property, plant and equipment was S/5,230.3 million.

We and Orygen lease our principal executive offices in Lima, Peru and certain vehicles pursuant to finance leases. For more information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Principal Factors Affecting Orygen's Results of Operations—Effects of Outstanding Indebtedness and Finance Leases"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Material Indebtedness."*

Maintenance

We regularly perform comprehensive maintenance on our facilities, including maintenance to turbines, engines, generators, transformers, the balance of plant and substations, as well as civil works maintenance. We typically perform maintenance according to a predefined schedule at fixed intervals, based on running hours or otherwise according to manufacturer or engineering specifications. Maintenance is either performed by our trained employees, or is outsourced to third party contractors, sometimes pursuant to long-term service agreements.

Orygen's maintenance schedule is coordinated with, and approved by, the COES. From 2019 to 2021, we carried out the replacement of 220 KV cables in the cavern of our Huinco hydroelectric plant, which involved the replacement of high voltage equipment (4,000 m of asbestos trays and paper and oil insulation cables which was replaced by XLPE cable). In this period, we replaced all cables of the Electric Generation Units 1, 3 and 4 of the Huinco Hydroelectric Power Plant. In 2023, we replaced the cables in Generation Unit 2 and the Reserve Pole. Between 2019 and 2023, we renewed 13 kilometers of cables that carry the energy generated by our Huinco hydroelectric plant, guaranteeing operational continuity and improving efficiency and safety conditions, which include mitigating the risk of fire.

In 2023, Orygen conducted major maintenance at its Santa Rosa Thermal Power Plant (Unit TG8) after 50,000 hours of operation, which culminated with zero accidents and the execution of several projects that allowed us to recover power (+6MW) and efficiency (+0.97%), improving flexibility and operational continuity.

In 2023, Orygen also conducted major maintenance at its Ventanilla natural gas fueled power plant (TG4 Unit) and, after 150,000 hours of operation, Orygen carried out the third major maintenance of the TG4 gas turbine of its Ventanilla natural gas fueled power plant, which comprised repair of blades that allowed Orygen to extend its useful life by one repair cycle. Orygen recovered effective capacity (+4.5MW) and also executed several projects with the objective of recovering the plant's efficiency.

When necessary, we also perform extraordinary maintenance on our facilities, which may lead to unexpected downtime and unavailability of our facilities. For more information, see *“Risk Factors—Risks Relating to Our Business—If any of our plants are unable to generate energy as a result of a breakdown or other failure, or in the case of extended or unexpected extraordinary maintenance, we may be required to purchase energy in the spot market to meet our contractual obligations under our outstanding PPAs.”*

For financial information regarding our maintenance measures, see *“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Capital Expenditures.”*

Insurance

Orygen maintains extensive insurance coverage for the possible risks to which its assets are subject, including possible claims that may arise in the course of its operations. For this purpose, Orygen takes out corporate insurance policies that mainly include:

- (i) *All Risks Material Damage*, which covers machinery breakdown and loss of profits that could occur as a consequence of a stoppage of operations in its facilities, due to various circumstances. This coverage covers all assets owned by Orygen, as well as other assets of insurable interest. This coverage has a maximum indemnification limit of US\$300.0 million per event (combined single limit material damage and business interruption coverage). These policies have deductibles of US\$250,000 to US\$2.5 million.
- (ii) *General Liability*, which covers possible damages to third parties caused during operations, with limits of up to US\$100.0 million for any event.
- (iii) *Environmental Liability*, which covers damages to third parties derived from environmental contamination that may occur as a consequence of a contingency in Orygen’s operations with limits of up to US\$20.0 million for each environmental contamination event.

Orygen’s insurance coverage is underwritten by top tier large reinsurance companies.

We do not anticipate difficulties in renewing our insurance policies and believe that the insurance coverage that we maintain is reasonable in amount and consistent with industry standards. For more information, see *“Risk Factors—Risks Relating to Our Business—Our insurance policies may not fully cover damage and lost profits, and we may not be able to obtain insurance against certain risks.”*

Sustainability Strategy

Environment

As of the date of this offering memorandum, Orygen has all material required environmental permits and authorizations to conduct its business. For more information, see *“Risk Factors—Risks Relating to Our Business—Our operations are subject to extensive environmental, health and safety laws and regulations”* and *“Regulatory Matters.”*

With respect to our natural gas fueled energy generation plants, laws and regulations, such as Supreme Decree No. 030-2021-MINAM, that introduce stricter emissions limits by governmental action require that we assume a series of commitments to ensure that our controls and emissions measurement mechanisms are efficient and reliable. Since the approval of this decree, the evaluation of compliance with the new *“Maximum Permissible Limits for atmospheric emissions from thermoelectric generation activities”* has been part of the agenda of Orygen’s thermal generation line, with the execution of activities such as the installation and validation of continuous emission monitoring systems – CEMS – in Orygen’s generation units, all in order to ensure compliance with this new regulation by the established deadline at the end of 2024.

Community

As part of our commitment to sustainable development, we continuously seek to implement programs in the communities in our areas of influence that promote learning about efficient resource management to stimulate the economic development of these communities.

In 2023, we furthered our initiatives, including our “Computing for all Program” (*Programa Computación para Todos*), which provides local communities the opportunity to learn about computer tools needed in an increasingly digital world. We also support the Curibamba Coffee Production Program, where we work with farming families in the Tulumayo valley to promote opportunities through crop development, standardization of coffee harvest quality and environmental care.

In addition, through the Pine and Bamboo Reforestation Project, we contribute to the environment and biodiversity of the communities surrounding certain of our areas of influence. As of December 31, 2023, we had planted approximately 63,500 specimens of pine and bamboo, benefiting more than 200 farmers in the Tulumayo, Comas and Uchubamba river basins.

Safety

As our operations are inherently subject to a variety of potential hazards, our management places a high priority on and closely monitors the health and safety of our employees and of the communities in which we operate. We have in place policies, procedures and training programs to reduce workplace accidents, including, among others, training and safety committees, an annual improvement plan and regular inspections and audits.

Employees

As of December 31, 2023, Orygen had a total of 385 employees, of which 318 were permanent employees and 67 were temporary employees. The following table sets forth Orygen’s breakdown of employees by main category of activity:

	As of December 31, 2023
Number of employees by category of activity:	
Executives	7
Leaders and professionals.....	314
Technicians.....	57
Administrative support	7
Total.....	385

As of December 31, 2023, Orygen’s unionized personnel represented 27% of its total workforce and 34% of employees were subject of collective bargaining agreements.

Orygen provides competitive compensation structures for its employees and managers. Compensation for managers typically comprises an annual compensation package that includes a base salary, mandatory profit sharing and a year-end bonus, which is based on the personal performance of the manager and the performance of Orygen.

Legal Proceedings

As of the date of this offering memorandum, Orygen is party to several claims and legal actions arising in the ordinary course of business with respect to tax, labor and other legal matters. Based on information currently available to us, we do not expect any of these claims and legal actions to have a material adverse effect on our operations or financial condition, individually or in the aggregate. As of June 30, 2024 and December 31, 2023, the total amount involved in the claims and legal actions for which our management and external counsel have identified the risk of loss as possible was S/62.8 million (S/96.9 million as of December 31, 2022 and S/113.2 million as of December 31, 2021). As of June 30, 2024 and December 31, 2023, we recorded provisions for S/8.8 million with respect to claims and legal actions for which our management and external counsel have identified the risk of loss as probable.

For more information on legal proceedings, including a description of our main tax contingency, see note 31 to Orygen’s audited consolidated financial statements included elsewhere in this offering memorandum.

Pursuant to our accounting policies, we only record provisions on our balance sheet with respect to claims and legal actions for which our management and external counsel have identified the risk of loss as probable. As of June 30, 2024, Orygen had recorded provisions for contingencies in an amount of S/8.8 million (see note 22 to Orygen’s unaudited condensed consolidated interim financial statements included elsewhere in this offering memorandum). For more information, see “*Risk Factors—Risks Relating to Our Business—We are exposed to the risk of material litigation and/or administrative proceedings.*”

REGULATORY MATTERS

Overview

In Peru, the structure and operation of the electricity sector have the following characteristics: (i) vertical disintegration of generation, transmission and distribution activities; (ii) competition in power generation; (iii) public planning and private operation of interconnected power networks through the granting of transmission concessions; (iv) total monopoly of distribution networks and retail trading; (v) competition for the supply of unregulated customers; (vi) open access to transmission and distribution networks (i.e. the transmission company must transmit power through the grid up to its capacity and, in exchange, charges a transmission rate set by the supervisory authority or based on a competitive proceeding or regulated tariff); (vii) regulation of distribution tariffs based on efficient investments and operation costs; and (viii) a system of concessions and authorizations to operate in the market.

In the scope of this structure, the electricity sector allows for sale and delivery of power from power generators (private or government owned) to distribution companies (private or government owned) and to final consumers (distribution companies and unregulated customers). While private and government owned entities compete in power generation activities, transmission and distribution activities are natural monopolies.

Delivery and sale of power is subject to a regulatory regime (typical of privatized electricity markets) that includes supervision by an independent supervisory entity for the electricity sector.

For further information on the regulatory risks of our operations, see “*Risk Factors—Risks Relating to Our Business—The Peruvian government has a high degree of influence in the industry in which we operate*” and “*Risk Factors—Risks Relating to Our Business—Our operations are subject to extensive environmental, health and safety laws and regulations.*”

The power utility market in Peru has experienced significant changes since structural reforms initiated in 1992 and resulted in privatizations. In that context, the Peruvian power industry underwent a structural reform characterized by: (1) the enactment of a new regulatory model under the Electricity Concessions Law; (2) the restructuring and reorganization of the vertically integrated state owned power utilities into non vertically integrated generation, transmission and distribution companies; (3) the privatization of most of the state owned utilities; (4) the promotion of private investment; (5) the regulation of the remuneration model for distribution and transmission activities based on cost-efficient standards; (6) the creation of an “open access” principle for the use of transmission and distribution networks; (7) the creation of a compensation system between generators that operates independently from contractual arrangements; and (8) the segmentation of power consumers as “regulated” and “unregulated,” the latter being entitled to directly contract the supply of electricity from generators or distributors. From a regulatory perspective, the Peruvian system has split the regulatory roles among a policy body, the MINEM; an independent regulator, OSINERGMIN; and a market operator that is a private entity, the COES. The structure and its separation have remained since the start of the reforms in 1992 and the economic model (i.e., marginal cost system) upon which the reform has been built is effectively embedded in the Electricity Concessions Law, providing long-term economic stability for investment.

Concessions are required for (i) generation activities with hydraulic resources (with an installed capacity of over 500 KW); (ii) generation activities with renewable energy resources (with an installed capacity of over 500 KW for all types of renewable energy and no greater than 20 MW in case of water sources); (iii) transmission activities (when these affect state property or require legal easements); and (iv) distribution activities (above 500 KW). Thermal generation with an installed capacity over 500 KW requires authorization.

The Law to Ensure Effective Development of Power Generation (*Ley para Asegurar el Desarrollo Eficiente de la Generación Eléctrica*, or Law No. 28832, published on July 23, 2006) introduced further changes to the power utility market and strengthened the model, mainly aiming to: (1) maintain the economic principles used in Law No. 25844 and add new measures to facilitate competition in the wholesale market; (2) reduce government intervention in establishing power generation tariffs; (3) allow power generation tariffs for regulated power consumers to reflect a competitive market, facilitating the construction of new generation plants when required; and (4) ensure a sufficient power supply by reducing the system’s exposure to the risks of high prices and rationing energy shortages. Law No. 28832 was approved as a consequence of a severe crisis in the Peruvian electricity market that resulted from, among other causes, OSINERGMIN defining the tariff at which distribution companies purchased electricity to supply to regulated customers at levels that did not reflect market conditions and were not

attractive for generators to sell to distribution companies. The changes introduced by Law No. 28832 strengthened the model and incorporated mechanisms to effectively transfer risks from generators to end users that were not contemplated when the reforms were approved in 1992.

Moreover, the 2010-2040 Peruvian National Energy Policy and Legislative Decrees No. 1002, No. 1041 and No. 1058, published between May and June 2008, promote the use of renewable energy sources, such as biomass, wind, solar, geothermal, tidal, and hydraulic (for which installed capacity may not exceed 20 MW). Thus, electricity generated from these resources will have priority in the daily dispatch, for which it is assigned a variable generation cost equal to zero. Similarly, the current legal framework establishes an interconnection priority for power plants based on these technologies, as long as there is sufficient capacity in the transmission and distribution systems. Likewise, and according to the abovementioned regulation and in order to foster investment in these technologies, since 2009 to date, four auctions of renewable energy resources have been called by the OSINERGMIN, resulting in the award of PPAs to several solar, wind, hydroelectric and biomass projects. Likewise, the Peruvian government also conducted an auction to cover areas not connected to the grid. All these projects have a payment mechanism designed to guarantee revenues, through the collection of a tariff charge paid by users.

Regulation of the Peruvian Electricity Sector

In Peru, electricity is generated by companies that primarily operate hydroelectric and natural gas based power stations. In Peru, Law No. 25844 forms the statutory framework governing the electricity sector in Peru and covers, among other things:

- generation, transmission and distribution of electricity;
- operation of the energy sector; and
- generation prices, capacity prices and other tariffs.

All entities that generate, transmit, distribute or sell electricity to third parties in Peru operate subject to the Electricity Concessions Law. Power generating companies in Peru, such as Orygen, are affected by, among other things, the regulation applicable to generation, transmission and distribution companies.

Although significant private investment has been made in the electricity sector in Peru and independent supervisory entities have been created to supervise and regulate the electricity sector, the Republic of Peru has remained in the role of supervisor and regulator. In addition, the Republic of Peru owns multiple power generation and distribution companies in Peru, although their market participation has diminished over time and these companies face significant legal restrictions to engage in new generation units or investments.

Regulatory Entities

There are multiple entities in charge of regulation, operation and supervision of the electricity sector (and related activities) in Peru in general, and of our operations in particular:

MINEM – Ministry of Energy and Mines is responsible for, among other things:

(a) setting the national energy policy; (b) proposing and adopting laws and regulations to supervise the energy sector; (c) controlling transmission expansion plans for the SEIN; (d) approving proposed transmission expansion plans by the COES; (e) promoting scientific research and investment in energy; and (f) granting concessions or authorizations, as applicable, to participate in power generation, transmission or distribution activities in Peru.

OSINERGMIN – Supervisory Entity of Investment in Energy and Mining is an independent governmental regulatory agency responsible for, among other things:

(a) supervising compliance with laws and regulations concerning power generation, transmission, distribution and trading; (b) setting transmission and distribution tariffs; (c) setting and enforcing price levels in the electricity market in Peru and setting tariffs for customers subject to regulated tariffs; (d) imposing fines and compensation for violations of laws and regulations; (e) handling claims made by, against or between consumers and players in the electricity sector in matters subject to OSINERGMIN's supervision; (f) supervising public tenders with respect to PPAs between generation companies and distribution companies for the supply to regulated

consumers; (g) granting interconnection mandates to transmission and distribution grids when involved parties cannot reach an agreement; and (h) supervising operations of the COES.

Generation tariffs for the sale of energy by generation companies to distribution companies for customers subject to regulated tariffs, or in certain events, for unregulated customers, are generally determined based on tenders where OSINERGMIN sets a price cap that is not disclosed to participants except when the respective bid is unsuccessful because no party has made an offer below such price cap. In addition, OSINERGMIN annually specifies energy prices, known as the regulated tariff, which is used by market participants only in exceptional situations, as most of the PPAs with distribution companies are based on the results of the tenders. Energy tariffs determined by OSINERGMIN may not differ by more than 10% of the weighted average energy prices of the referred tender process. OSINERGMIN also determines the annual capacity tariff used in agreements between generation companies and distribution companies, as well as in the spot market.

COES – Committee for the Economic Operation of the System is an independent private entity composed of qualified participants undertaking activities in the SEIN (*i.e.*, electric power generators, transmission companies, distributors and major unregulated users) that is responsible for, among other things:

(a) planning and coordination of the operation of the power generation system for all power generation and transmission units, in order to ensure reliable generation at minimum cost; (b) setting spot market prices based on marginal cost; (c) managing the clearing house of the spot market transactions between generation companies (excess and shortage of actual generation versus demand pursuant to PPAs); (d) allocating firm capacity and firm energy to generation units; (e) submitting proposals to OSINERGMIN for issuing regulatory standards, including technical standards and procedures used as guidelines for carrying out COES directives; (f) determining on a monthly basis the amounts owed between generators as consideration for energy injected into the grid and for ancillary services; (g) evaluating and approving pre-operative and operative studies for every new generation unit that desires to connect to the system; and (h) proposing expansion plans for the transmission grid to MINEM for its approval.

INDECOPI – Antitrust and Intellectual Property Authority in Peru.

ANA – National Water Authority (*Autoridad Nacional del Agua*) was created in 2008 pursuant to Legislative Decree 997. As the governing body and technical-regulatory authority of the National Management System of Water Resources, the ANA is responsible for exercising exclusive jurisdiction over natural water resources, and managing, monitoring, controlling and regulating the industry aimed to ensure the preservation and conservation of natural water sources, natural assets associated with such sources and hydraulic infrastructure. The ANA has sanctioning and enforcement authority.

SENACE – National Service for Environmental Certification of Sustainable Investments (*Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles*) is a specialized technical governmental agency, dependent of the Ministry of Environment, in charge of evaluating and approving detailed Environmental Impact Assessments, their amendments and Technical Reports of Viability (*Informes Técnicos Sustentatorios*), related to projects involving activities, works or services that may cause significant impacts to the environment.

Peruvian Ministry of Culture was created in 2010 pursuant to Law No. 29565, and is the main authority in terms of the management and surveillance of property considered part of Peru's cultural heritage. The Ministry of Culture is the competent authority responsible for the issuance of the Certificates of Inexistence of Archaeological Remains (*Certificado de Inexistencia de Restos Arqueológicos*, or "CIRA"), prior to the development of investment projects, as well as other permits in order to protect the Peru's cultural heritage.

OEFA – Agency for Environmental Assessment and Enforcement (*Organismo de Evaluación y Fiscalización Ambiental*) is a specialized technical governmental body, dependent of the Ministry of Environment, responsible for enforcing, overseeing, controlling and sanctioning with respect to environmental matters. In 2011, OEFA became the competent authority in verifying compliance by companies operating in the energy sector (electricity and hydrocarbon activities) – among other sectors – with environmental regulations.

SERFOR – National Service for Forest and Wildlife (*Servicio Nacional Forestal y de Fauna Silvestre*) was created by Law No. 29763, enacted in 2011. SERFOR is a specialized technical governmental agency, dependent of the Ministry of Agriculture, in charge of regulating forest and wildlife matters and proposing policies, strategies, plans and other instruments to promote the sustainable use of forest and wildlife resources. SERFOR is the entity in charge of granting permits in order to perform activities such as forest clearing, among others.

PROINVERSION – Private Investment Promotion Agency (*Agencia de Promoción de la Inversión Privada*) was created in 2002 as a result of the merger of the COPRI, CONITE and the Economic Promotion Management of PROMPERU. PROINVERSION promotes and strengthens private investment in Peru through public-private partnerships.

Permits

Law No. 25844 requires generators with an installed capacity in excess of 500 kW that use renewable energy sources or hydraulic resources to obtain a definitive generation concession, and generators with an installed capacity in excess of 500 kW that use thermal energy sources to obtain a generation authorization. A concession for electricity generation activity is granted by the Republic of Peru acting through the MINEM, while an authorization is merely a unilateral permit granted by the MINEM or, for projects with an installed capacity less than 10 MW, definitive generation concessions or authorizations are granted by resolution of the Energy and Mines Regional Directorate (*Dirección Regional de Energía y Minas*) of the corresponding regional government.

In case of transmission activities, a definitive transmission concession is required when the transmission facility will affect public lands or will require the imposition of easements by the government. In case of distribution activities, a definitive distribution concession is required when the demand to be supplied exceeds 500 kW.

In all cases, a definitive concession involves the execution of a concession agreement under the form of a public deed. The concession agreement is based on a standard form and is recorded in the public registries.

The Republic of Peru grants authorizations and concessions for an unlimited period of time and their termination, respectively, is subject to the same considerations and requirements under the procedures set forth in the Electricity Concessions Law. However, concessions or authorizations granted as a result of an investment promotion process will have a term of up to 30 years.

The definitive concession allows its titleholder to use public lands and infrastructure, and obtain easements imposed by the MINEM or by a regional government (in lieu of easements agreed with the owner of the affected land plots) for the construction and operation of generation plants, substations or transmission lines, and distribution networks, as applicable. It also entitles its titleholder to request the MINEM or regional government, as the case may be, to recognize conventional easements already obtained for the concessions.

Pursuant to Law No. 25844, titleholders of authorizations have similar rights, benefits and obligations as those of concessionaires. Authorizations may be terminated by relinquishment or breach upon the occurrence of certain termination events set forth in Law No. 25844. Termination events include: (i) repeated violations of the conservation of the environment or cultural heritage that is declared as such at the time of executing the works; (ii) after being sanctioned, the company fails to operate its facilities in accordance with the coordination standards of the COES; and (iii) non-compliance with the schedule for completion of the project included in the concession agreement, unless otherwise authorized due to *force majeure* or technical-economic reasons duly accredited and approved.

Definitive concessions may be terminated by relinquishment or breach upon the occurrence of certain termination events set forth in Law No. 25844. Termination events include: (i) failure to provide evidence of registration of the concession agreement in the public registry within the term of 20 business days following such registration; (ii) non-compliance with the schedule for completion of the project included in the concession agreement, unless otherwise authorized due to *force majeure* or if a new works schedule is approved with an additional bond letter; (iii) failure to be available to operate for at least 876 hours during a calendar year, without justified cause; (iv) failure by the concessionaire, after being penalized, to operate the facilities in accordance with the COES's operative regulations, unless otherwise authorized by the MINEM by justified reasons; (v) failure of a distributor to, after having applied the corresponding fines, comply with its obligations (including but not limited to not providing services in accordance with the quality standards set forth in its concession agreement); (vi) failure of a distributor to accredit that it has contracted sufficient energy from regulated customers, unless it has called for public bids in accordance with the regulations in force and has not obtained offers to cover all its requirements for the term indicated; and (vii) repeated failure to pay generation companies for the supply of energy and power intended for the Public Electricity Service, *provided* that such payment is not in dispute.

Notwithstanding the above, Law No. 25844 provides that if the Republic of Peru declares the termination of a definitive concession for a reason different from those mentioned above (*i.e.*, termination at will), the concessionaire will be indemnified at the present value of the net cash flow of future funds generated by the

concession's activities, using the discount rate set forth in article 79 of such law (12% on an annual basis). The net cash flow for compensation purposes will be estimated for a period of 25 years and its present value will be obtained on the effective date of termination. As of the date of this offering memorandum, we are not aware of any concession that has been terminated by the Peruvian government invoking its authority to terminate at will.

Termination of a definitive concession is declared by a ministerial resolution issued by the MINEM or regional government, as appropriate. In such case, the government must ensure the continuity of the operation of the facility by appointing a temporary administrator of the assets (*intervención*), until the concession is transferred to a new concessionaire. The MINEM appoints a consultant to make a valuation of the concession and its assets, elaborates the corresponding bidding rules and organizes a tender procedure. The MINEM awards the definitive concession to the best bid offered. The product of the tender is used to pay the costs of the temporary administration, the costs of the tender procedure, and any balance is allocated in favor of the former concessionaire.

As of the date of this offering memorandum, we are not aware of any cases where a definitive concession or authorization of a project that actually started construction or operation has been terminated.

Generation Companies

Since 1992, the Peruvian market has been operating based upon a “marginal generation cost” system. This system is embedded in Law No. 25844 and is administrated by the COES. In such capacity, the COES has as its main mandate to satisfy all the demand of electricity at any given time with the most efficient generation assets available at such time, taking also into account reliability considerations, independently of contractual arrangements between generators and their customers. For such purpose, the COES determines which generation facilities will be in operation at any given time with the objective of minimizing the overall system energy cost. Generation units are dispatched (*i.e.*, ordered by the COES to inject energy into the system) on a real-time basis; units with lower variable generation costs are dispatched first and other less efficient generation units will be ordered to dispatch until electricity demand is satisfied.

The variable cost for the most expensive generation unit dispatching in each 15-minute time period determines the short-term marginal cost (spot price) of electricity in said time period. Generally, the variable cost used for dispatch is audited by the COES, based on actual fuel costs, plant efficiency and variable maintenance costs.

Before July 2021, thermal generators were allowed flexibility to declare as variable their cost of natural gas (considering their fixed obligations in their natural gas supply contracts). This resulted in many generators declaring very low variable natural gas prices (generators with take-or-pay natural gas commitments argued that these were fixed in nature), which resulted in depressed spot prices. In July 2021, through resolution No. 092-2021-OS/CD, OSINERGMIN approved a new procedure to declare the variable cost of natural gas, this procedure established that the variable costs will be based on the actual volume of natural gas consumed by thermal generators (regardless of their take-or-pay commitments). As a result, variable costs reported by thermal generators generally increased and spot prices increased significantly.

The spot market price is determined by the COES and is the price at which generation companies sell or buy energy in the spot market during each 15-minute period. All injections and withdrawals of electricity are valued at the spot market price of the 15-minute period when they are made. Any generation companies with excess generation over energy sold pursuant to PPAs in each 15-minute interval sell their excess energy at spot prices to generation companies with lower generation than their contractual obligations under PPAs for that time period. The COES defines, on a monthly basis, the amounts that are owed by each generator with a net “buyer” position to generators with a net “seller” position. Generators with a net seller position directly invoice and collect from generators with a net buyer position the amounts liquidated by the COES, respectively, and the COES is not involved in the payment procedure or providing any form of payment guarantee.

Prior to the effectiveness of the MME regulations detailed below, distribution companies and unregulated customers were not able to purchase power off the grid at spot prices, but rather had to contract agreements with power generation companies or – for smaller consumers – with distribution companies. This meant that spot transactions were a zero-sum between generators. Nevertheless, unregulated customers, and distribution companies with respect to the demand of their unregulated customers, were provided access to the spot market only for the part of their demand not contracted with a supplier, which, for unregulated customers, cannot be higher than 10% of their total maximum demand and, in case of distribution companies, cannot be higher than 10% of the total demand of

their unregulated customers, in either case with respect to the maximum demand of the last 12 months. The technical procedures that are necessary to operate are established in the MME regulations approved by Supreme Decree No. 026-2016-EM, which regulation has been in effect since January 2018. The MME regulations were amended to adjust the operation of the spot market and the participation of power generators, distributors and unregulated customers.

Power generation companies are also paid capacity fees by the SEIN, based on their firm capacity and other variables. Capacity transactions are subject to Law No. 25844. This law stipulates a methodology for calculating the capacity payments for each generation unit. Firm capacity calculation varies by type of technology but is principally based upon the capacity that each generating unit can supply with high security according to what is defined in applicable regulations. Capacity payments are based primarily upon the unit's firm capacity and the regulated capacity price, but are also affected by other variables, such as the expected supply-demand balance, the approved reserve margin, and the merit order of the generation unit.

PPAs are commercial agreements, independent of actual allocation of generation or actual provision of capacity to the system. Generation companies that generate over any 15-minute period insufficient energy to satisfy the supply obligations under their PPAs in any such periods purchase in the spot market the energy required to satisfy such supply obligations, based on COES procedures, from other generation companies with excess generation or availability during any such period. The energy price for those transactions is the spot price (marginal cost), and the capacity price is regulated and defined annually by OSINERGMIN.

If the generation units are available for dispatch and are not dispatched, or are partially dispatched, by the system operator (COES) and if the obligations to deliver energy under PPAs exceed the energy dispatched from the generation units of the power company at any particular time, the power company must purchase energy on the spot market to satisfy these obligations. If the price of such energy is lower than the price agreed in the PPA, operating margin would increase. If the price of such energy is higher than the price agreed in the PPA, operating margin would decrease.

With respect to spot prices, due to short-term constraints in the supply of natural gas, the Peruvian government issued Supreme Decree No. 017-2018-EM in 2018. This decree establishes the rationing mechanism for the supply of natural gas to the domestic market in the event of an emergency declaration, maintenance actions or other programmed interventions in the gas transportation pipeline or in gas producing wells, or due to the occurrence of unscheduled situations in the development of hydrocarbon activities. Such regulatory framework sets forth that (i) natural gas will be destined only to the domestic market, for which the allocation priority and proration will be applied; (ii) there can be an automatic declaration of an exceptional situation throughout the SEIN; and (iii) the natural gas producer will have the use of the volume of natural gas for allocation to customers. After the mechanism is activated, actions must be taken to allocate the volume of natural gas under an order of priority and proration, where: (a) priority is given to regulated residential and commercial consumers, and VNG retail establishments, VNG supply establishments in integrated transport systems and direct consumers of VNG destined for public transport; and, (b) after applying said priority, a prorated criteria will be applied for: (1) electric generators; (2) regulated industrial consumers with consumption of less than 20,000 m³/day; (3) regulated industrial consumers with consumption of more than 20,000 m³/day; and (4) independent consumers with supply contracts and firm and uninterruptible transportation service.

Sales of electricity under PPAs are not regulated unless they involve sales to distribution companies for the supply to regulated customers. The latter PPAs are subject to fixed prices resulting from public bidding processes carried out by OSINERGMIN. Generation and distribution companies may also enter into contracts resulting from a direct negotiation and not a bidding process, but the price in such PPAs cannot be higher than the bus bar tariff approved by OSINERGMIN, which price may not differ by more than 10% from the weighted average of the bid prices. Bus bar tariffs are calculated as the sum of the basic prices of energy and power in a given bar and the transmission charges corresponding to the Main Transmission System (as defined below) and the Guaranteed Transmission System (as defined below). The bus bar tariff is calculated annually by OSINERGMIN for periods ranging from May to April.

COES does not have an obligation to allocate the capacity necessary to fulfill PPA commitments. COES allocates capacity in a manner designed to match the supply and demand for peak capacity during any particular year. Generation companies that have not been allocated sufficient firm capacity by COES to cover their commitments under their PPAs purchase firm capacity from generation companies that have been allocated firm capacity in excess of the amounts necessary to cover their commitments under their PPAs.

COES calculates firm capacity for energy generation units on a monthly basis based on information provided by generation companies. OSINERGMIN sets capacity prices based on an assumed return on capital investment required for a theoretical power plant.

In order to guarantee that electricity supply is provided in an adequate, reliable and timely manner, Supreme Decree No. 020-97-EM approved the Technical Standard for the Quality of Electric Services (*Norma Técnica de Calidad de los Servicios Eléctricos – NTCSE*). The purpose of the NTCSE is to establish the minimum quality levels of electric services, including public lighting, and the obligations of energy companies in the execution of their activities. In the case of electricity supply, three factors have been determined to supervise the quality of the energy delivered (voltage, frequency and disturbances), in case the parameters of the NTCSE are not met, penalties are applied.

Transmission Companies

Transmission in the SEIN is operated by the individual companies that conform the transmission system and is centrally coordinated by the COES.

Prior to 2006, Peru's transmission system comprised only transmission lines that work in high voltage power and allow electricity exchange and commercialization in any bus bar of the grid, without having capacity to identify any dominant flow (the "Main Transmission System"), and a transmission system that permits (i) electricity to be transferred to a distributor or free consumer from a Main Transmission System bus bar; or (ii) generators to deliver the electricity produced in their facilities to a Main Transmission System bus bar (the "Secondary Transmission System") – the former including high tension transmission lines that were connected to a network of sub-stations and the latter including medium and low tension transmission lines that brought power from the Main Transmission System to end users.

Principal transmission line tariffs are determined by OSINERGMIN and are paid by all end users. Secondary transmission line tariffs are also determined by OSINERGMIN but are paid based on actual usage, including by generation companies or customers. The following plants, built before 2006, were connected to the Main Transmission System via the Secondary Transmission System: CH Huinco, CH Matucana, CH Callahuanca, CH Moyopampa, CH Huampaní, CH Chimay, CH Yanango, CT Ventanilla, and CT Santa Rosa 1. After 2006, all plants connect to the Main Transmission System and/or Guaranteed Transmission System through the Secondary Transmission System and/or Complementary Transmission System (as defined below). Therefore, through Resolution No. 070-2021-OS-CD, periodically amended by Resolutions No. 145-2021-OS-CD, No. 057-2023-OS/CD, No. 114-2023-OS/CD and No. 110-2024-OS/CD, among others, OSINERGMIN has determined and adjusted the transmission tariffs for all of Orygen's plants and those of its subsidiary Chinango.

Since the implementation of Law No. 28832, in 2006, two new categories have been added to Peru's transmission system: the "Guaranteed Transmission System" and the "Complementary Transmission System" (which comprises medium voltage transmission facilities that are also listed on the Transmission Plan). The Guaranteed Transmission System comprises transmission facilities that are granted as concessions through public bids in accordance with a transmission plan that details investments required to maintain or improve the system's overall quality, security or profitability over a ten-year period. The transmission plan is updated every two years by COES and approved by OSINERGMIN and MINEM.

The transmission company awarded the tender may operate the line over the term of its concession (usually 30 years) and would be eligible to receive tariff payments paid by all the final users in the SEIN, as specified in the tender document and incorporated into its concession contract.

The Complementary Transmission System comprises transmission facilities that are granted as concessions through private initiatives in accordance with the transmission plan and generally includes all other transmission facilities that are not included in the transmission plan.

The Peruvian power transmission system currently comprises all four of these systems. All transmission lines that were built after the implementation of the Law No. 28832, however, may only be classified under the Guaranteed Transmission System or the Complementary Transmission System.

In 2013, OSINERGMIN issued Resolution No. 217-2013-OS-CD, approving the regulation of tariffs and compensation for secondary transmission systems and complementary transmission systems. OSINERGMIN determined tariffs for the compensation of secondary transmission systems and complementary transmission

systems for a period of four years. Through Resolution No. 070-2021-OS-CD, OSINERGMIN approved the tariffs and compensation of secondary and complementary transmission systems for the period between May 1, 2021, to April 30, 2025. OSINERGMIN is also responsible for defining payment allocation between generation and demand based upon actual use.

Distribution Companies

According to Law No. 25844, distribution companies are required to provide energy to regulated customers at regulated prices. Distribution companies may also provide energy to customers not subject to regulated prices pursuant to PPAs competing with generation companies for these unregulated customers. As of the date of this offering memorandum, the only private distribution companies holding a distribution concession are: Luz del Sur, Enel Distribución Peru, Electro Dunas and Coelvisac. These four companies distributed 64.2% of all energy distributed by distribution companies in Peru in 2023. The remainder of distribution companies are government-owned entities.

Prior to July 2006, pricing in all contracts between generation companies and distribution companies with respect to sale of electricity to end customers was defined at regulated prices, composed of payment for capacity, energy and transmission, as determined by OSINERGMIN. Distribution companies sell energy on the regulated market at cost *plus* an additional distribution charge known as VAD. After July 2006, most of the agreements result from tenders in which generation companies bid prices that include payment for capacity and energy.

Since July 2006, pursuant to Law No. 28832 (*Law to ensure the efficient development of Electricity Generation*), contracts to sell energy to distribution companies for resale to regulated customers may be made at fixed prices based on public bids of generation companies or at bus bar tariffs set by OSINERGMIN. After the bidding process is concluded, a distribution company will be entitled to purchase energy from the winning bidder at the bid price for the life of the relevant PPA. The prices obtained through the public bid process are subject to a maximum energy price set by OSINERGMIN prior to bidding. If all the bids are higher than the price set by OSINERGMIN, the public bids are disregarded and no PPA will be awarded. The process may be repeated until the prices that are offered are below the cap set by OSINERGMIN for each process.

Distribution companies are allowed to establish the requirements and modalities for the purchase of capacity and energy, as well as the contractual terms to be tendered. Contracts with terms of less than five years may not cover requirements greater than 25% of the total demand of regulated customers of the distribution companies. Contracts derived from these bids have generally covered a term beyond five years (usually 10 years).

It is the obligation of distribution companies to initiate a public bid, with a minimum of three years of anticipation in order to prevent the demand of their regulated customers from being left without contract coverage. Distribution companies may initiate public bids less than three years in advance for an amount not greater than 10% of the total demand of its regulated customers, in order to cover the deviations that occur in its projections of demand. In these cases, OSINERGMIN will approve the corresponding contractual terms at the proposal of the distribution companies.

Regulated tariffs are annually set by OSINERGMIN through a public procedure conducted by the Adjunct Manager's Office for Tariff Regulation (*Gerencia Adjunta de Regulación Tarifaria*) and are effective from the month of May of each year. During this process, OSINERGMIN takes into account a proposal delivered by the COES.

The price components of the regulated tariffs are: (i) the regulated price of energy; (ii) the capacity price in peak hours; and (iii) the transmission toll. Regulated tariffs are calculated considering the following:

- a projection of demand for the next 24 months, considering generation and transmission facilities scheduled to start operations during such period. The projection assumes, as a constant, the cross-border (*i.e.*, Ecuador) supply and demand based on historical data of transactions in the last year;
- an operations program that minimizes the operation and rationing costs for the period taking into account the hydrology, reservoirs, fuel costs and an annual rate of return (*Tasa de Actualización*) of 12%. The evaluation period includes a projection of the next 24 months and the 12 months precedent to March 31 of each year considering historic data;

- a forecast of the short-term marginal costs of the expected operations program, adapted to the hourly blocks (*bloques horarios*) established by OSINERGMIN;
- determination of the basic price of energy (*precio básico de la energía*) for the hourly blocks of the evaluation period, as a weighted average of the marginal costs previously calculated and electricity demand, updated to March 31 of the corresponding year;
- determination of the most efficient type of generation unit to supply additional power to the system during the hour of maximum peak demand during the year (*demanda máxima anual*) and the annual investment costs, considering an annual rate of return of 12%;
- the base price of capacity in peak hours (*precio básico de la potencia de punta*) is determined following the procedure established in the Electricity Concessions Law, considering as a cap the annual investment costs (which include connection and operation and maintenance costs). An additional margin to the basic price is included if the reserve of the system is insufficient;
- calculation of the nodal factors of energy (*factores nodales de energía*) for each bar of the system. The factor shall be equal to 1.00 for the bar where the basic price is set;
- the capacity price in peak hours (*precio de la potencia de punta en barra*) is calculated for each bar of the system, adding to the basic price of capacity in peak hours the unit values of the transmission toll and the connection toll referred to in Article 60 of Law No. 25844; and
- the bus bar price of energy (*precio de energía en barra*) is calculated for each bar of the system, multiplying the nodal basic price of energy (*precio básico de la energía nodal*) of each hourly block by the respective nodal factor of energy.

Peruvian Energy Policy 2010-2040

The Peruvian Energy Policy 2010-2040 was approved by Supreme Decree No. 064-2010-EM. Pursuant to this decree, the Peruvian government set forth the following objectives in order to improve the energy market:

- develop a diversified energy matrix, based on renewable energy resources and efficiency. The government, among other measures, will prioritize the development of efficient hydroelectric projects for electricity generation;
- competitive energy supply. One of the main guidelines is to promote private investment in energy projects. The Peruvian government has a complementary role (*rol subsidiario*) in the economy as mandated by the Peruvian Constitution;
- universal access to energy supply. Among other guidelines, the Peruvian government shall develop plans to ensure the supply of power and hydrocarbons;
- promote a more efficient supply chain and efficient energy use. Comprises promoting the automation of the energy market through technological repowering;
- achieve energy self-sufficiency. For such purpose, the Peruvian government will promote the use of energy resources located in the country;
- develop an energy sector with minimal environmental impact and low carbon in a sustainable development framework. Promote the use of renewable energy and eco-friendly technologies that avoid environmental damage and promote obtaining Certified Emission Reductions by the energy projects developed;
- strengthen the institutional framework of the energy sector. Maintain a legal stability intended to promote development of the sector in the long term. Likewise, simplification and optimization of administrative and institutional structure of the sector will be promoted;
- regional market integration for long-term development. Regional interconnection agreements will permit the development of infrastructure for energy uses; and

- developing the natural gas industry and its use in household activities, transportation, commerce and industry as well as efficient power generation.

Environmental Matters

The environmental legal framework is primarily based on the General Environmental Law, enacted by Law No. 28611, and the Environmental Impact Assessment National System Law, enacted by Law No. 27446 and regulations thereto enacted by Supreme Decree No. 019-2009-MINAM. The Ministry of Environment and other administrative entities have the authority to enact implementing regulations related to environmental matters.

These environmental regulations govern, among other matters, the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of hazardous materials into the ground, air or water; and the protection of migratory birds and endangered and threatened species and plants. They also set environmental quality standards for noise, water, air and soil.

The environmental aspects of the electric power industry are specifically governed by the REPEA, which promote and regulate the environmental management of electric power generation, transmission and distribution activities, with the purpose of preventing, minimizing, rehabilitating and/or compensating the adverse environmental impacts derived from such activities, within a sustainable development framework.

According to current Peruvian environmental regulation and the REPEA, companies that carry out activities in the electricity sector (whether generation, transmission or distribution) are obliged to perform their activities in a manner that ensures the protection of the environment by controlling and mitigating the environmental impact of their activities. Consequently, and according to applicable laws and regulations, the execution of electric activities requires the prior approval of an environmental management instrument (*i.e.*, EIA, EIAsd or DIA, as the case may be). The applicable environmental management instrument depends on the level of impact that the specific activity may have on the environment, as explained below:

Category	Level of impact	Applicable Management Instrument
I	Non-significant negative environmental impacts	DIA
II	Moderate negative environmental impacts	EIAsd
III	Significant negative environmental impacts	EIA

Before undertaking any activity in the electricity sector, the applicable environmental management instrument must be submitted to the DGAAE of MINEM (or its regional bureaus) or SENACE for its approval, as the case may be.

SENACE was created by means of Law No. 29968 enacted in 2012. SENACE is a specialized technical governmental agency, dependent of the Ministry of Environment, in charge of reviewing and approving EIAs related to projects involving activities, works or services that may cause significant impacts to the environment. Pursuant to Ministerial Resolution No. 328-2015-MINAM, since 2015, SENACE reviews and approves detailed EIAs submitted by titleholders of electricity sector activities. However, other environmental management instruments that are not detailed EIAs (*i.e.*, EIAsd and DIA) will continue to be approved by the DGAAE of the MINEM or its regional bureaus (specifically, in case of regional transmission lines and distribution activities).

Pursuant to the REPEA, an applicant for definitive concessions or authorizations for carrying out generation activities must prepare and submit an environmental management instrument to the DGAAE or SENACE, as applicable, for its corresponding approval, prior to the commencement of construction activities. An environmental management instrument includes a description of the activities to be performed in an electric power project, detailing (i) information about its location, including main and ancillary components; and (ii) the environmental baseline study (*i.e.*, geographic, social, cultural and economic aspects within the areas of influence of the project), among other items. Additionally, it identifies and classifies the potential or existing environmental impacts throughout the lifespan of the project and proposes mitigating actions for avoiding, reducing and/or compensating for those impacts. The corresponding environmental management instrument, in more or less detail, as the case may be, includes an environmental management plan detailing the measures to be implemented to comply with environmental quality standards and other obligations, a contingency plan, a compensation plan, a community participation plan and a closure plan. The titleholder must strictly comply with its environmental

commitments included in the corresponding environmental management instrument (whether EIA, EIA_{sd} or DIA) throughout the life-cycle of the project. Once the corresponding environmental management instrument is approved, the titleholder is allowed to initiate its project.

The procedure for prior consultation in Peru is regulated by Law No. 29785, in force since December 2011, as well as in its regulations, approved by Supreme Decree No. 001-2012-MC. According to the provisions of these regulations, the recognition of prior consultation in Peru implies the development of a process that the Peruvian government must implement prior to the adoption of an “administrative measure” that generates a direct impact on the collective rights of indigenous peoples. An “administrative measure” is any administrative act that authorizes the initiation of an activity or project.

With respect to the electricity sector, Ministerial Resolution No. 104-2024-MINEM/DM specifies that the “administrative measure” applicable to the prior consultation for generation projects is the definitive generation concession, the definitive transmission concession and its modifications, or the generation authorization. Therefore, the prior consultation must be made prior to the grant of any such permit. The holders of the right to consultation are the indigenous peoples whose collective rights may be directly affected by a legislative or administrative measure.

Andean communities and native communities may also be identified as indigenous peoples. The entity in charge of carrying out the prior consultation procedure – the MINEM – must identify the indigenous or native people from the information contained in the “Official Database” of the Ministry of Culture. Both the prior consultation Law and its regulations state that indigenous peoples do not have the right to veto a specific activity or project. Therefore, the result of the prior consultation procedure is not binding for the Peruvian government, except in those aspects in which an agreement has been reached between the indigenous peoples and the Peruvian government, meaning that only if a total or partial agreement is reached, it will be binding for both parties. This criterion has been recognized by the Peruvian Constitutional Court.

Likewise, through Supreme Decree No. 014-2023-EM, an exceptional environmental adaptation procedure has been regulated in order to allow holders of electricity concessions to adjust the development of their activities to the environmental regulations in force through a PAD.

In order to be able to submit a PAD, the infrastructure that does not have an environmental management instrument must have been built before July 8, 2019, and the interested party must send a communication to MINEM requesting to be included in the exception regime before November 20, 2023. Likewise, it has been established that all those who applied for this new regularization regime are required to submit their PAD for approval until August 20, 2026. The PAD applied without prejudice to the powers of supervision and control held by OEFA.

Based on the particular characteristics of each project and the activities to be undertaken, the REPEA includes additional obligations and permits.

The most relevant permits necessary for the performance of activities in the electricity sector, depending on the particular type of activity, include the following:

- certificate of non-existence of archaeological remains (*Certificado de Inexistencia de Restos Arqueológicos*) granted upon request by the Ministry of Culture;
- Archeological Monitoring Plan (*Plan de Monitoreo Arqueológico*), approved by the Ministry of Culture;
- rights for water use, including licenses, permits or authorizations, granted on request by the ANA;
- registry as a direct consumer of liquid fuels, which is an authorization for the operation of hydrocarbon storage tanks, before OSINERGMIN;
- registry in the Registry for Regulated Assets (*Registro para el Control de Bienes Fiscalizados*) before the SUNAT for the acquisition, use and warehousing of regulated assets;
- authorization for the discharge and/or re-use of wastewaters, granted on request by the ANA;
- authorization for forest clearing activities, granted on request by the National Forest and Forest Wildlife Service (*Servicio Nacional Forestal y de Fauna Silvestre*) of Peru; and

- authorization for the use of explosives, granted on request by the National Superintendency of Control of Security Services, Arms, Ammunition and Explosives for Civil Use (*Superintendencia Nacional de Control de Servicios de Seguridad, Armas, Municiones y Explosivos de Uso Civil*).

OEFA is the competent authority in charge of supervising and imposing sanctions on companies in the electric industry with respect to their non-compliance with the applicable environmental legislation. In addition, there are other competent governmental agencies or authorities on specific environmental matters such as water, forestry resources and aquatic environment that regulate and supervise environmental compliance and liability.

Pursuant to Law 30230 published in 2014, OEFA was instructed to prioritize preventive and corrective actions for a period of three years. This period expired on July 12, 2017. During such period, if OEFA had declared the existence of an infringement in the context of an administrative sanctioning proceeding, this authority should order the execution of corrective measures that seek to reverse the alleged infringement. If the investigated company failed to comply with these administrative measures, OEFA would impose pecuniary sanctions (which should not exceed 50% of the penalty that would otherwise be applicable to such infringement).

The described benefits of Law 30230 did not apply to: (i) severe infringements that cause a real and/or severe damage to an individual's health or life; (ii) activities carried out in prohibited areas or without the appropriate environmental management instrument or the authorization to start operations; and (iii) titleholders considered reoffenders.

Currently, if OEFA declares the existence of an infringement in the context of an administrative sanctioning proceeding, it may, at the same time or alternatively, impose pecuniary sanctions (without considering the 50% reduction) and order the execution of corrective measures.

Notwithstanding the above, by means of Resolution 006-2019-OEFA-CD, dated February 17, 2019, OEFA issued the new Regulations for Direct Supervision, which establish that the role of direct supervision aims to prevent environmental damage and promote voluntary correction of alleged breaches of environmental obligations. Thus, such regulations promote the implementation of corrective measures and the correction of infringements in order to avoid initiating unnecessary administrative sanctioning proceedings. On an annual basis, OEFA approves monitoring plans called Annual Plan for Environmental Evaluation and Inspection (PLANEFA for its acronym in Spanish). The purpose of the PLANEFA is to program monitoring activities to ensure compliance with environmental obligations in all economic sectors, including the energy sector. Through Resolution No. 00004-2023-OEFA, the 2024 PLANEFA has been approved, which includes a set of supervisory actions for the energy sector that should prioritize detecting the impact on environmental components due to the construction of energy projects, risks of impact on protected natural areas, supervising units that have not been inspected for more than two years, among others. In any case, in accordance with the Peruvian Civil Code, a civil claim may be filed against the titleholder of a project in the electricity sector on the grounds of environmental damage. Therefore, any third party, under the principles of tort liability, could file a civil claim against the titleholder of a project for causing environmental damage due to the use or exploitation of an asset or activity that implies a risk or danger.

In addition, the Peruvian Criminal Code contains a section that typifies different kinds of environmental crimes and their corresponding sanctions (*i.e.*, environmental contamination). They generally require a severe breach of applicable laws and regulations and the production of damages that harm the environment.

The sanctions for committing environmental crimes vary from three to seven years of imprisonment, depending on the specific crime, and may include the imposition of community service hours and fines. Criminal liability applies to the individuals within the company's business structure (including managers) who had decision-making power over environmental matters at the time in which the infringement was committed. That is, the decision-making officers of the companies that carry out activities in the electricity sector are exposed to criminal investigation, prosecution and, eventually, liability if there is a gross infraction that is typified as a crime.

The most relevant environmental permits obtained for the construction and operation of the Huinco Hydroelectric Power Plant, Matucana Hydroelectric Power Plant, Callahuanca Hydroelectric Power Plant, Moyopampa Hydroelectric Power Plant, Huampaní Hydroelectric Power Plant, HER 1 Power Plant, Ventanilla Thermoelectric Power Plant, Santa Rosa Thermoelectric Power Plant, Chimay Hydroelectric Power Plant, Yanango Hydroelectric Power Plant, Rubí Solar Power Plant, Wayra 1 Eolic Power Plant, Wayra Extension Eolic Power Plant and Clesmesí Solar Power Plant are the respective EIAs, PAMAs, DIAs and their amendments.

Other permits obtained for the operation of Orygen's and Chinango's power plants include:

- generation concession of Huinco Hydroelectric Power Plant, Matucana Hydroelectric Power Plant, Callahuanca Hydroelectric Power Plant, Moyopampa Hydroelectric Power Plant, Huampaní Hydroelectric Power Plant, Chimay Hydroelectric Power Plant, Yanango Hydroelectric Power Plant, Rubí Solar Power Plant, Wayra 1 Eolic Power Plant, Wayra Extension Eolic Power Plant and Cledesí Solar Power Plant granted by the MINEM; generation authorizations Ventanilla Thermoelectric Power Plant and Santa Rosa Thermoelectric Power Plant granted by the MINEM;
- water use license for the Huinco Hydroelectric Power Plant, Matucana Hydroelectric Power Plant, Callahuanca Hydroelectric Power Plant, Moyopampa Hydroelectric Power Plant, Huampaní Hydroelectric Power Plant, Chimay Hydroelectric Power Plant, and Yanango Hydroelectric Power Plant granted by the ANA;
- operative studies for the power plants granted by the COES; and
- hydrocarbon registry for the Santa Rosa and Ventanilla natural gas fueled power plants granted by OSINERGMIN.

MANAGEMENT

Board of Directors and Senior Management

We are managed by a board of directors, comprised of partners of Actis and independent directors, and by a general manager appointed by our board of directors. Additionally, we have a team of senior management responsible for overseeing our day-to-day activities.

The following table sets forth information regarding the members of Niagara Energy’s board of directors as of the date of this offering memorandum:

Name	Age	Position	Current Position Held Since	Term Expires
Nicolas Escallon Cano*	42	Chairman	November 3, 2023	November 2026
Alberto Estefan Saavedra	39	Director	November 3, 2023	November 2026
Bernardo Graf Miranda	36	Director	November 3, 2023	November 2026

*Nicolas Escallon Cano is the only member of Niagara Energy’s senior management and holds the title of Chief Executive Officer.

The following table sets forth information regarding the members of Orygen’s board of directors as of the date of this offering memorandum:

Name	Age	Position	Current Position Held Since
Nicolas Escallon Cano	42	Chairman	May 9, 2024
Alberto Estefan Saavedra	39	Vice Chairman	May 9, 2024
Elena Conterno Martinelli	54	Director	March 25, 2022
Francisco García Calderón	63	Director	March 25, 2022
Bernardo Graf Miranda	36	Director	May 9, 2024
Petros Lamprinos	46	Director	May 9, 2024
Karl Georg Maslo Luna	65	Director	March 25, 2022

The following table sets forth information regarding the members of Orygen’s senior management as of the date of this offering memorandum:

Name	Age	Position
Marco Fragale	48	Chief Executive Officer
Daniel Isaza	46	Chief Financial Officer
Antonio Guerrero	60	Head of Administration
Ricardo Alvarez	53	Head of Finance & Insurance
Roberto Llanos	43	Head of Tax Affairs
Gino Sangalli	44	Head of LCA

Orygen’s senior management and staff also manage the operations of Niagara Energy pursuant to the services agreement entered into between Orygen and Niagara Energy in August 2024. See “*Related Party Transactions.*”

Biographies of the Members of our Board of Directors and Senior Management

Nicolas Escallon Cano. Mr. Escallon serves as Executive Chairman of Orygen, and is also a Partner at Actis and the leader of Actis’s team in São Paulo, Brazil, where he moved in 2021 after spending almost a decade in the Mexico City office. Mr. Escallon specializes in sustainable infrastructure investments, with a particular emphasis on energy transition projects throughout Latin America. Previously, Mr. Escallon was an investment banker in Citigroup’s Latin America investment banking team from 2007 to 2010, where he focused on M&A transactions in the energy and infrastructure sector. Mr. Escallon began his career in 2006 at BOT Consulting, a boutique strategic consulting firm in Colombia. Mr. Escallon holds a Bachelor’s degree in Economics from the Universidad de Los Andes and a Master’s degree in Business Administration from the University of Pennsylvania.

Alberto Estefan Saavedra. Mr. Estefan serves as Vice Chairman of Orygen, and is also a Partner of the Energy Infrastructure team of Actis in Latin America, based in the Austin, Texas office and a member of the board of directors of the energy platform Valia Energía and NextStream, a data center platform in Latin America. Mr. Estefan joined Actis in 2014 and has played a key role in expanding Actis’s presence in the Americas through harvests of funds (Globeleq Mesoamerica Energy, Energuate, Zuma Energia, Atlas Renewable Energy, Saavi Energia and Valia Energia). Previously, Mr. Estefan was Associate Director of Temasek’s Latin America Investment Group and was an investment banker at Morgan Stanley from 2010 to 2012. Mr. Estefan holds a

Bachelor's degree in Economics from CIDE in Mexico City and a Master's degree in Business Administration from the University of Pennsylvania.

Elena Conterno Martinelli. Ms. Conterno serves as a Director of Orygen, and is also a director of Refinería La Pampilla, Pesquera Diamante, *Consorcio de Investigación Económica y Social* – CIES, Scotiabank Perú, Crediscotia Financiera and Profuturo AFP, and is a specialist in public management. Previously, Ms. Conterno was the Minister of Production, the President of IPAE, of the National Fisheries Society, of CADE Executives 2015, Head of the USAID / Trade Facilitation Project and coordinator in the USAID / Pro Decentralization Project, has held various executive and advisory positions in public sector institutions, and has been a consultant for various international cooperation agencies. Ms. Conterno studied Economics at the Universidad del Pacífico and holds a Master's degree in Public Administration from Harvard University.

Francisco García Calderón. Mr. García serves as a Director of Orygen, and is also a member of the Board of Directors of Euromotors S.A., Creditex S.A.A., Corporación Cervesur S.A.A., Motores Diesel Andinos S.A., Eurorenting S.A.C., International Camiones del Perú S.A.C., Altos Andes S.A.C., Euroinmuebles S.A.C., Euro Camiones S.A., San Bartolomé S.A., Eurolift S.A., Inversiones Euromaq S.A.C., Inversiones Sabancaya S.A., Alimentos Procesados S.A., Texgroup S.A., Transaltisa S.A., Procesos Agroindustriales S.A., Servicio de Asesoría S.A., Agrícola Cerro Prieto S.A., QSI Industrial S.A. and Cia Latinoamericana de Radiodifusión S.A. Mr. García has been a Director of Enel Generación Peru S.A.A. since March 2015 and previously from 2009 to 2012. In addition, he was Alternate Director of Enel Generación Peru S.A.A. from 2003 to 2008. Previously, Mr. García has been a Director of various companies in different fields, such as: Perupetro, Corpac S.A., Araper, Cemento Andino, PetroPerú S.A., Confiep, Essalud, Etevensa, Edelnor S.A., Hidrandina S.A., Sociedad Eléctrica del Sur Oeste S.A. and Bolsa de Valores de Arequipa, among others. Mr. García holds a Bachelor's degree in Business Administration from Universidad del Pacífico in Lima, a Postgraduate degree in Management from the University of Piura and a Master of Science degree in Management from Arthur D. Little in the United States.

Bernardo Graf Miranda. Mr. Graf serves as a Director of Orygen and is also a Director of the Energy Infrastructures team of Actis for the Americas, based in the Austin, Texas office. Prior to joining Actis, Mr. Graf worked as Vice President of Nexxus Capital, a leading Mexican generalist private equity firm. Mr. Graf holds a Bachelor's degree in Industrial Engineering from the Universidad Iberoamericana in Mexico City and a Master's degree in Business Administration from the University of Chicago.

Petros Lamprinos. Mr. Lamprinos serves as a Director of Orygen and is also a member of its operations team, supporting both new investment opportunities and existing investee platforms across Actis's markets, with a focus on the Latin American portfolio. Mr. Lamprinos has 20 years of experience in the renewable energy sector, having led operations activities in more than 4GW of wind and solar assets, with 13 years of experience in Latin America. Previously, Mr. Lamprinos was Chief Operating Officer at Zuma Energia and worked for 11 years with wind turbine supplier Vestas in various positions, including Senior Director of Construction for Latin America. Mr. Lamprinos holds a degree in Electrical and Computer Engineering from the Democritus University of Thrace (Greece) and a Master's degree in Business Administration from the Athens University of Economics and Business and the National Technical University of Athens.

Karl Georg Maslo Luna. Mr. Maslo serves as a Director of Orygen and is also chairman of the board of directors of Activos Mineros S.A.C., member of the advisory committee of Gobertia Perú S.A.C. and senior commissioner for Peru of the Lateinamerika Verein e.V. of Germany (German Business Association for Latin America), as well as shareholder in several companies. Previously, he was deputy general manager, general manager and CEO of Exsa S.A. and has been director of Esmetal – Imecon S.A., Euroshop S.A., IBQ – Industrias Químicas S.A. (Brazil), Nitratos del Peru S.A., Soldexa S.A., Futura Consorcio Inmobiliario S.A., Aesa Mining S.A.C., Corporación Aesa S.A., as well as chairman of the board of directors of Exsa Chile S.A. and Doben S.A. Mr. Maslo is a chemical engineer from the University of Karlsruhe (now KIT), Germany and has followed both studies for company directors at the Institute of Directors, United Kingdom and at the University of Piura, Peru, and advanced management at Harvard Business School.

Marco Fragale. Mr. Fragale has been the Chief Executive Officer of Orygen since June 2024. He has over 23 years of experience in the energy sector, including 10 years in the hydrocarbon industry. From April 2007, he held various positions at different companies within the Enel Group in Peru, Colombia, Italy and Russia. Mr. Fragale earned his Bachelor's degree in mechanical engineering from Milan Polytechnic and his Master's degree in Business Administration, focused on Corporate Finance, from the SDA Bocconi School of Management. He also holds a Master's degree in Mechanical Engineering from Helsinki University of Technology.

Daniel Isaza. Mr. Isaza has been Chief Financial Officer of Orygen since September 2024. Mr. Isaza has over 20 years of experience in corporate finance, investment banking, corporate development and infrastructure project structuring, with extensive experience in leadership roles. Additionally, he has served as a board member for publicly listed companies in the energy and infrastructure sectors in Latin America. Mr. Isaza holds a Bachelor's degree in Economics from Western Sydney University in Australia, and in Business Administration from CESA in Colombia. In 2022, he completed the advanced management program of Harvard Business School.

Antonio Guerrero. Mr. Guerrero has been the Head of Administration of Orygen since May 2024. He has over 30 years of experience in the industry. He previously worked at Enel Perú, where he was the Head of Administration. Mr. Guerrero has a degree in business administration and a degree in accounting from Universidad del Pacífico and completed Postgraduate studies in taxes at Universidad de Lima.

Ricardo Alvarez. Mr. Alvarez has been the Head of Finance & Insurance of Orygen since May 2024. He has over 20 years of experience in the energy sector. Previously, he was the Head of Finance & Insurance for the Enel Group in Perú. He held different positions within the Enel Group as head of Corporate Finance, Treasury, Insurance, Controller and Investor Relations. Mr. Alvarez has a degree in Economics and a Master's degree in Business Administration focused on corporate finance from Universidad del Pacífico.

Roberto Llanos. Mr. Llanos has been the Head of Tax Affairs of Orygen since May 2024. He has over 17 years of experience in taxes and has held positions in different companies in the sector, such as Enel Distribución Perú, where he was the Chief of Taxes. Mr. Llanos has a Law degree from Pontificia Universidad del Perú.

Gino Sangalli. Mr. Sangalli has served as our General Counsel and Chief Compliance Officer since August 2024. He brings nearly 20 years of experience in the energy sector, overseeing legal affairs across several countries in the Americas, the Caribbean and Israel. Prior to his current role, Mr. Sangalli was General Counsel and Corporate Secretary of Inkia Energy from 2018 to 2024, after serving as Deputy General Counsel from 2012 to 2018. He also held the position of Head of Legal for Global Crossing Peru from 2010 to 2011, and earlier in his career, he served as Senior Legal Counsel at Edegel S.A.A. (now Orygen) from 2005 to 2010. Additionally, Mr. Sangalli worked as an Associate Attorney at Rodrigo, Elías & Medrano law firm from 2002 to 2005. He holds a Law Degree from the Universidad de Lima, a Master of Laws (LL.M.) from New York University and a postgraduate finance degree from NYU's Stern School of Business. Mr. Sangalli is admitted to practice law in Lima, Peru.

Board Practices

The members of Orygen's board of directors are elected by the general meeting of shareholders for three-year terms with the possibility of reelection. Orygen's board of directors comprises seven members and Niagara Energy's board of directors comprises three members.

Orygen's board of directors conducts monthly ordinary meetings and extraordinary meetings whenever considered convenient or necessary, as called by the chairperson of Orygen's board of directors. Resolutions of the board of directors are passed by a majority of its members, and in case of a deadlock, the chairperson's vote determines the result.

Compensation of Directors

According to Orygen's bylaws, the General Shareholder's Meeting held on March 28, 2023 approved that the remuneration for each director for the fiscal year 2023 would be US\$2,000 per instance of attendance at a meeting of the board of directors or a committee to which they belong. This remuneration was ratified for the fiscal year 2024 at the General Shareholder's Meeting held on March 27, 2024.

For the six months ended June 30, 2024 and the year ended December 31, 2023, Orygen's directors received aggregate compensation of S/0.3 million and S/0.4 million, respectively.

Code of Ethics

Orygen has a code of ethics applicable to the members of Orygen's senior management and all of Orygen's employees. In addition, Orygen has approved a Zero Tolerance Plan against corruption and a Criminal Risk Prevention Model. Orygen maintains an Ethics Reporting Channel that allows employees to report possibly unethical behavior confidentially and anonymously.

PRINCIPAL SHAREHOLDERS

Niagara Energy is an indirectly owned subsidiary of certain investment funds managed by Actis (comprising Actis Energy 5 LP, Actis Energy 5 A LP and Actis Energy 5 B LP investment funds that hold in the aggregate approximately 88% of Niagara Energy and are, in each case, English limited partnerships managed by English general partner Actis). The remaining 12% of Niagara Energy is owned by Actis Energy 5 SCSp, Actis Energy 5 Dis Co-Inv LP, Actis Energy 5 Dis Co-Inv (2) LP, Actis Energy 5 (Lev)Co-Inv Scheme LP and Actis Energy 5 Co-Inv Scheme LP (all such entities, “Actis Energy 5”). For more information, see “*Summary—Corporate Structure*” and “*—Our Controlling Shareholder.*”

Niagara Energy’s only issued capital comprises 2,006,467,398 common shares, which are fully paid and are held by (i) Niagara Generation S.A.C., a subsidiary of Niagara Holdings S.à r.l., and (ii) Niagara Holdings S.à r.l.

The table below sets forth the principal shareholders of Niagara Energy and the number and percentage of common shares held by each as of June 30, 2024:

Shareholder	Number of Common Shares	% of Common Shares
Niagara Generation S.A.C.	2,006,266,750	99.99%
Niagara Holdings S.à r.l.	200,648	0.01%
Total shareholders	2,006,467,398	100.0%

The table below sets forth the principal shareholders of Orygen and the number and percentage of common shares held by each as of June 30, 2024:

Shareholder	Number of Common Shares	% of Common Shares
Niagara Energy	2,894,920,816	92.35%
Free float	239,965,861	7.65%
Total shareholders	3,134,886,677	100.0%

The table below sets forth the principal shareholders of CE Veracruz and the number and percentage of common shares held by each as of June 30, 2024:

Shareholder	Number of Common Shares	% of Common Shares
Niagara Energy ⁽¹⁾	37,721,314	100.0%
Total shareholders	37,721,314	100.0%

(1) As of the date of this offering memorandum, one share of CE Veracruz is held by Niagara Generation S.A.C.

Our Controlling Shareholder

Actis was created in 2004 as a management buy-out from CDC Group and is owned by its partners. Actis is headquartered in London and is authorized and regulated in the United Kingdom by the Financial Conduct Authority and is registered in the Financial Services Register.

Actis is a leading sustainable infrastructure investor that has invested in more than 50 countries, including in Africa, Asia and the Americas. On energy infrastructure, Actis invests globally buying and building power generation and distribution businesses driven by strong market demand and growth. Its investment strategy supports the energy transition and accelerates the journey to net zero. In power generation, Actis acquires and structures projects to build world class generation businesses that produce predictable cash flows. Actis leverages both on its extensive team of investment, operational and sustainability professionals that bring deep industrial expertise, and on its local knowledge, network and relationships.

With 17 offices across the world and over 120 investment professionals, Actis’s footprint covers 85% of the global population. Over the past 20 years, Actis has been involved in the construction and operation of 33 GW in over 20 countries across Asia, Africa and Latin America. Its differentiating approach to asset management has enabled Actis to drive value across its portfolio of over 70 individual generation assets.

Actis brings a wealth of experience in the growth markets’ energy sector with particular relevance for our continued successful operation, as well as proven regional capabilities, past performance and commitment to the Peruvian energy sector, which we believe are particularly relevant for our continued successful operations.

As of June 30, 2024, Actis has raised five energy funds managed and invested by a dedicated team of investment professionals located in London, Mumbai, São Paulo, Austin (Texas), Singapore and Tokyo, and who count on the support and advice of specialist legal, technical, debt financing and investor relations teams with the firm. In Latin America, Actis and its investee companies have owned over 20 GW of energy generation assets in operation and under construction, including assets in Mexico, Peru, Chile, Brazil, Argentina, Uruguay, Bolivia, El Salvador, Panama, Costa Rica, Nicaragua and Honduras.

The obligations to make payments of principal, premium, if any, and interest on the notes will be obligations solely of the Issuer. None of Actis or any fund managed by Actis or any affiliates of any of the foregoing or their respective incorporators, stockholders, members, managers, representatives, partners, directors, officers or employees or any other person or entity, will guarantee the payment of the notes or will have any liability for any of the Issuer's obligations under the notes or the indenture or for any claim based on, in respect of or by reason of such obligations or the issuance of the notes.

RELATED PARTY TRANSACTIONS

In the ordinary course of our business, we may engage in certain transactions with related parties.

In connection with the Acquisition, Niagara Energy directly repaid the entire balance outstanding under certain of Orygen's indebtedness. As a result, as of June 30, 2024, Orygen owed S/1,552.2 million to Niagara Energy pursuant to a shareholder loan. In addition, the related party transactions outstanding as of December 31, 2023 with different companies of the Enel Group were liquidated and, as a result, as of June 30, 2024, there were no related party transactions outstanding with any company of the Enel Group.

For more information on our related party transactions, see note 10 to Orygen's unaudited condensed consolidated interim financial statements and note 9 to Orygen's audited consolidated financial statements, in each case included elsewhere in this offering memorandum.

Companies with securities registered in the Peruvian Capital Markets Public Registry of the SMV (*Registro Público del Mercado de Valores*), such as Orygen, are required to comply with the following rules with respect to related party transactions:

- directors and executive officers may not, without the prior authorization of the board of directors, (i) receive loans (in money or goods) from the company or (ii) use, for their own benefit or for the benefit of related parties, the company's assets, services or credits;
- directors and executive officers may not disclose or use, inappropriately, for their own benefit, privileged information, and participate in any corporate decision that presents a conflict of interest with the company;
- entering into agreements that involve at least 5% of the assets of the company with persons or entities related to directors, managers or shareholders that own, directly or indirectly, 10% of the share capital, requires the prior authorization of the board of directors (with no participation of the director involved in the transaction, if any); and
- entering into agreements with a party controlled by the company's controlling shareholder requires the prior authorization of the board of directors and an evaluation of the terms of the transaction by an external independent company (audit companies (other than the auditors of the company) or other entities to be determined by the SMV).

The external independent company that reviews the transaction should not be related to the parties involved therein, nor to directors, managers or shareholders that own at least 10% of the share capital of the company.

In August 2024, Orygen and Niagara Energy entered into a services agreement pursuant to which Orygen's senior management and staff manage the operations of Niagara Energy. The agreement has an initial term of one year and will be automatically renewed for successive one-year terms unless indicated otherwise by one of the parties. The agreement sets forth monthly compensation in the amount of S/15,155.

DESCRIPTION OF PRINCIPAL FINANCE AGREEMENTS

Acquisition Financing and Payoff

In connection and substantially concurrently with the Acquisition, in March 2024, Niagara Energy entered into the Acquisition Term Loan in an amount of US\$1,336.0 million and the Acquisition Revolving Facility of up to US\$50.0 million. As of the date of this offering memorandum, US\$1,279.3 million was outstanding under the Acquisition Term Loan, and the Acquisition Revolving Facility has not been drawn. We expect to repay the Acquisition Term Loan in full with the proceeds of the notes and amounts borrowed under the Term Loans (as defined below), as applicable, and terminate such facilities upon the closing of this notes offering. See “*Use of Proceeds*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Material Indebtedness*.”

Credit Agreement

On September 26, 2024, Niagara Energy entered into a three-year senior unsecured term loan in an aggregate principal amount of up to US\$100.0 million and senior unsecured revolving credit facility (the “Revolving Facility”) in an aggregate principal amount of up to US\$150.0 million, pursuant to a credit agreement (the “Credit Agreement”), by and among Niagara Energy, as borrower, the Administrative Agent and the lenders party thereto (the “Lenders”). Concurrently with the consummation of this notes offering, the Lenders will make term loans to Niagara Energy in an aggregate principal amount of up to US\$100.0 million (the “Term Loans”) and from time to time revolving loans to Niagara Energy in an aggregate principal amount of up to US\$150.0 million (the “Revolving Loans” and, together with the Term Loans, the “Loans”). The Revolving Facility has an upsize feature that allows Niagara Energy, subject to satisfaction of certain conditions, to increase the commitments in respect of the Revolving Facility on one or more occasions in an aggregate principal amount not to exceed US\$150.0 million.

Interest Rate

Term Loans under the Credit Agreement shall bear interest at a rate *per annum* equal to Daily Compounded SOFR (as defined in the Credit Agreement) *plus* an applicable margin equal to 2.00% *per annum* or ABR (as defined in the Credit Agreement) *plus* an applicable margin equal to 1.00%. Revolving Loans under the Credit Agreement shall bear interest at a rate *per annum* equal to Daily Compounded SOFR *plus* an applicable margin equal to 2.125% *per annum* or ABR *plus* an applicable margin equal to 1.125%.

Repayment of Loans

To the extent not previously paid, Niagara Energy is required to repay in full the aggregate unpaid principal amount of all of the Term Loans on the Term Loan Maturity Date and the Revolving Loans on the Revolving Loan Maturity Date, in each case, in accordance with the terms of the Credit Agreement. The Term Loans are also payable in equal semi-annual payments on October 31 and April 30 of each year, commencing on the first anniversary of the execution of the Credit Agreement.

Interest on the Loans is payable in arrears on April 30 and October 31 of each year, beginning on April 30, 2025 (each, an “Interest Payment Date”). Interest on the Loans will also be paid, (i) on the Term Loan Maturity Date and the Revolving Loan Maturity Date, as applicable, (ii) on the date of any prepayment, in whole or in part, of principal outstanding on any Loan on the principal amount so prepaid and (iii) on the date on which the Loans are accelerated in accordance with the terms of the Credit Agreement.

Voluntary Prepayment of Loans

Niagara Energy may make voluntary prepayments, in whole or in part, without premium or penalty, of the outstanding principal amount of any Loans with five business days’ prior notice to the Administrative Agent, and if such payment occurs on a date other than an Interest Payment Date, Niagara Energy is required to pay the applicable funding breakage costs (if any). A voluntary prepayment of the Term Loan will not require Niagara Energy to prepay any Revolving Loans. Similarly, a voluntary prepayment of the Revolving Loans will not require Niagara Energy to prepay the Term Loan.

Mandatory Prepayment of Loans

Niagara Energy is required to make a mandatory prepayment, with all accrued and unpaid interest on the amount to be prepaid and all other obligations then due and payable, including breakage costs, with at least five business days' prior notice to the Administrative Agent in writing, specifying the date of such prepayment and a reasonably detailed calculation of such prepayment in the event of (i) a Change of Control, (ii) to rebalance loans across all revolving lenders in the event the upside feature is exercised in respect of Revolving Commitments, (iii) certain dispositions of assets and (iv) from the proceeds of any loss or casualty equal to or exceeding US\$15.0 million that have not been applied to the restoration of the affected Project within 270 days or the continuation of the business during such restoration. All mandatory prepayments (other than the prepayment set forth in (ii) above, which shall be applied for the repayment of Revolving Loans only) shall be applied first, to prepay any outstanding Term Loans *pro rata* across all the remaining principal payments of the Loans of such class, and *second*, to the extent of any remaining proceeds, to prepay outstanding Revolving Loans.

Negative Covenants

The Credit Agreement contains customary negative covenants that, subject to certain exceptions and baskets, limit the ability of Niagara Energy and its restricted subsidiaries to, among other things, (i) engage in certain business activities, (ii) solely with respect to restricted subsidiaries, incur debt, (iii) create liens, (iv) fail to comply with the financial covenants described below, (v) make certain restricted payments, (vi) dispose of certain assets of Niagara Energy or its restricted subsidiaries, (vii) enter into certain transactions with affiliates, (viii) enter into, or permit any of its restricted subsidiaries to enter into, certain burdensome agreements, (ix) use proceeds of any Loans in material violation of certain laws and (x) change its accounting policies or reporting practices.

Financial Covenants

The Credit Agreement establishes financial covenants that will require Niagara Energy to comply on a quarterly basis with the ratio of consolidated net debt to consolidated EBITDA ("Consolidated Leverage Ratio") of (i) 4.50:1.00 commencing on the Closing Date and ending on and including December 31, 2025, (ii) 5.50:1.00 during the period commencing on January 1, 2026 and ending on and including December 31, 2026, (iii) 5.00:1.00 during the period commencing on January 1, 2027 and ending on and including December 31, 2027, (iv) 4.75:1.00 commencing on January 1, 2028 and ending on and including December 31, 2028 and (v) 4.50:1.00 commencing on January 1, 2029 and at any time thereafter. If the Consolidated Leverage Ratio exceeds the applicable ratios, Niagara Energy's affiliates may, directly or indirectly, and no more than on two consecutive quarterly periods and on no more than five times over the life of the loan, provide equity, in the form of capital contributions or subordinated affiliate loans, to Niagara Energy, which will be considered as consolidated EBITDA for the purposes of calculating the Consolidated Leverage Ratio in respect of such period.

Events of Default

The Credit Agreement contains events of default that are customary for a facility of this nature, including, subject to certain cure and grace periods and thresholds, failure to pay any principal of or any interest on the Loans, breach of representations and warranties, breach of covenants, cross payment default or cross acceleration of other indebtedness, impairment of the Financing Documents, voluntary and involuntary insolvency or inability to pay debts when due, the occurrence of any taking, seizure, confiscation, requisition, condemnation, compulsory acquisition, or control or expropriation by any governmental authority in respect of any material part of the Projects (as defined in the Credit Agreement), abandonment or destruction of the Projects, certain transfer and inconvertibility events, and the loss of certain permits. If any such event of default occurs under the Credit Agreement, the maturity of all of the Loans outstanding thereunder may be accelerated at the option of a majority of the Lenders or, in the case of any bankruptcy or insolvency-related event of default, will be automatically accelerated.

The Credit Agreement is governed by the laws of the State of New York.

Certain Definitions

The terms listed below have the following meanings when used in this section “*Description of Principal Finance Agreements*”:

“Change of Control” means an Actis Fund (as defined in the Credit Agreement) directly or a qualified transferee (as detailed in the Credit Agreement) ceasing to, directly or indirectly, own, individually or collectively, at least 50.1% of the capital stock of, or ceases to control, Niagara Energy.

“Closing Date” means October 3, 2024.

“Financing Documents” means, collectively, (i) the Credit Agreement, (ii) the notes and their respective note completion agreements, (iii) the fee letters, and (iv) any other document agreed as such by the Administrative Agent (in each case, acting at the written direction of the Required Lenders (as defined in the Credit Agreement)) and Niagara Energy and any other documents, agreements or instruments entered into in connection with any of the foregoing or with the transactions contemplated by any of such documents, agreements or instruments.

“Interest Period” means the six-month period commencing on an Interest Payment Date and ending on, but not including, the next Interest Payment Date, except for the first such period following such Borrowing of such Loan, for which it shall mean the period beginning on the date of such Borrowing and ending on, but not including, the next Interest Payment Date on or after April 30, 2025.

“Term Loan Maturity Date” means October 31, 2027.

“Revolving Loan Maturity Date” means the date that is five years after the date of execution of the Credit Agreement.

DESCRIPTION OF THE NOTES

The notes will be issued under an indenture to be entered into between Niagara Energy S.A.C., as issuer, and The Bank of New York Mellon, as trustee, registrar, transfer agent and paying agent. The following description of certain provisions of the notes and the indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the terms and conditions of the notes and the indenture. Copies of the indenture are available at our principal executive offices, as well as at the offices of the trustee in The City of New York.

In this section of the offering memorandum, the term “Issuer” refers only to Niagara Energy S.A.C., excluding any of its Subsidiaries (as defined below). As used herein, the term “Holder” or “Noteholder” means the person in whose name a note is registered in the register for the notes. You will find definitions of certain other capitalized terms used in this section under “—*Certain Definitions*.”

General

The notes will:

- be senior unsecured obligations of the Issuer;
- initially be limited to an aggregate principal amount of US\$1,200.0 million;
- mature on October 3, 2034;
- not be redeemable by the Issuer or by the Holders of the notes prior to maturity except as described under “—*Optional Redemption*”;
- be issued in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof;
- not be guaranteed by any direct or indirect Subsidiary and as a result will be structurally subordinated to all existing and future indebtedness and other obligations of the Issuer’s Subsidiaries, including Orygen; and
- be represented by registered notes in global form and may be exchanged for certificated notes only in certain limited circumstances.

Interest on the notes will:

- accrue on their outstanding principal amount at a rate of 5.746% *per annum*;
- be payable semi-annually in arrears on April 3 and October 3 of each year, commencing on April 3, 2025; and
- be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Issuer may, without notice to or the consent of the Holders, issue additional notes of the same series under the indenture on substantially the same terms and conditions (except for the issue date, issue price, date from which interest accrues and first interest payment date) as the notes being offered hereby in an unlimited aggregate principal amount. The notes and the additional notes, if any, will be treated as a single series for all purposes under the indenture (other than, if such additional notes are not fungible with the notes being offered hereby for U.S. federal income tax purposes, for tax purposes), including waivers and amendments; *provided* that, if the additional notes are not fungible with the notes for U.S. federal income tax purposes, the additional notes will be issued with a separate CUSIP or other identifying number.

Ranking of the Notes

The notes will be senior unsecured obligations of the Issuer and will, at all times, be *pari passu* in right of payment with all other existing and future unsecured and unsubordinated debt of the Issuer, except for those obligations preferred by operation of Peruvian law, including labor claims, pension and social security contributions, and tax claims. The notes will be effectively subordinated to the existing and future secured debt of the Issuer to the extent of the assets securing such debt. In addition, the notes will be structurally subordinated to future unsecured and unsubordinated debt and other liabilities (including trade payables) of the Subsidiaries of the Issuer.

As of June 30, 2024, Niagara Energy's current and non-current other financial liabilities, on a consolidated basis, were S/4,976.3 million (US\$1,296.9 million), of which S/4,907.6 million (US\$1,279.0 million) was secured. As of June 30, 2024, as adjusted for the receipt and application of the net proceeds from this offering and the New Term Loan, Niagara Energy's current and non-current other financial liabilities, on a consolidated basis, would have been S/5,056.8 million (US\$1,317.9 million), none of which was secured.

Payments on the Notes

Payments on the notes may be made at the corporate trust office of the trustee. All payments on global notes will be made to the relevant depository or its nominee by wire transfer.

At least one Business Day prior to each due date of principal or interest on a note, the Issuer will deposit with the trustee or a paying agent, as applicable, a sum sufficient to pay such principal or interest. If any payment in respect of the notes is due on a date that is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding day that is a Business Day, with the same force and effect as if made on the date for such payment, and no interest will accrue for the period from and after such date. "Business Day" means a day other than a Saturday, Sunday or any day on which banking institutions are authorized or required by law to close in New York, New York or Lima, Peru.

Payments of interest will be made to the person in whose name a note is registered at the close of business on April 1 or October 1, as the case may be, immediately preceding an interest payment date (whether or not a Business Day). Notwithstanding the foregoing, any interest which is payable, but which is not punctually paid or duly provided for, on any interest payment date will cease to be payable to the Holder registered on such date, and will be payable to the person in whose name such note is registered at the close of business on a special record date to be fixed by the trustee not more than 15 nor less than 10 days prior to the date fixed by the Issuer for payment thereof.

Registrar, Paying Agent and Transfer Agent for the Notes

The trustee will initially act as registrar and New York paying agent and transfer agent. Upon any issuance of individual certificated notes in exchange for global notes the Issuer will appoint and maintain a paying agent in Singapore, for so long as the notes are listed on the SGX-ST and the rules of such exchange so require, where the notes may be presented or surrendered for payment or redemption. In such event, an announcement shall be made through the SGX-ST and will include all material information with respect to the delivery of the definitive notes, including details of the paying agent in Singapore. The Issuer may change the registrar, paying agents or transfer agents without prior notice to the Holders of the notes, and the Issuer or any of its Affiliates may act as registrar, paying agent or transfer agent.

Additional Amounts

All payments by the Issuer of principal, premium, if any, and interest in respect of the notes will be made without any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, including interest, penalties and additions to tax with respect thereto (collectively, "Taxes") imposed, levied, collected, withheld or assessed by or within Peru or any other jurisdiction in which the Issuer or any successor of the Issuer under the indenture is organized, incorporated, engaged in business for tax purposes or otherwise considered to be a resident for tax purposes or any paying agent is located or, in each case, any political subdivision thereof or any authority therein or thereof having power to tax (each, a "Relevant Jurisdiction"), unless such withholding or deduction for such Taxes is required by law or by the interpretation or administration thereof. In the event of any such withholding or deduction of Taxes by a Relevant Jurisdiction, the Issuer will pay to Holders such additional amounts ("Additional Amounts") as will result in the payment to each Holder of the net amount that would otherwise have been received by such Holder in the absence of such withholding or deduction (including any such withholding or deduction on Additional Amounts), except that no such Additional Amounts will be payable in respect of:

- (a) any Taxes that would not have been so withheld or deducted but for the existence of any present or former connection (including, without limitation, a permanent establishment) between the Holder, applicable recipient of payment or beneficial owner of the notes or any payment in respect of such notes (or, if the Holder, applicable recipient of payment or beneficial owner is an estate, nominee, trust, partnership, corporation or other business entity, or a fiduciary, settlor, beneficiary, member

or shareholder of, or possessor of power over, the Holder, applicable recipient of payment or beneficial owner) and the Relevant Jurisdiction, other than the mere receipt of such payment or the mere holding or ownership of such notes or beneficial interest therein or the exercise or enforcement of rights thereunder;

- (b) any Taxes that would not have been so withheld or deducted if the notes had been presented for payment within 30 days after the Relevant Date (as defined below) to the extent presentation is required (except to the extent that the Holder would have been entitled to Additional Amounts had such notes been presented for payment on the last day of such 30-day period);
- (c) any Taxes that would not have been so withheld or deducted but for the failure by the Holder or the beneficial owner of the notes or any payment in respect of such notes to (i) make a declaration of nonresidence, or any other claim or filing for exemption from, or reduction in, the deduction or withholding to which it is entitled or (ii) comply with any certification, identification, information, documentation or other reporting requirement concerning its nationality, residence, identity or connection with the Relevant Jurisdiction; *provided* that such declaration or compliance is required as a precondition to exemption from, or reduction in, all or part of such Taxes and the Issuer has given the Holders at least 30 days prior notice that they will be required to comply with such requirements;
- (d) any estate, inheritance, gift, value added, sales, use, transfer, personal property or similar Taxes;
- (e) any Taxes that are payable otherwise than by deduction or withholding from payments on the notes;
- (f) any payment to a Holder of the notes that is a fiduciary or partnership (including an entity or arrangement treated as a partnership for tax purposes) or any Person other than the sole beneficial owner of such payment or notes, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or notes would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder of such notes;
- (g) any Taxes imposed under sections 1471-1474 of the Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations thereunder or interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement entered into (or treated as being in effect) in connection with the implementation of such sections of the Code, and any fiscal or regulatory legislation, rules or official practices adopted present to any such intergovernmental agreement; or
- (h) any combination of clauses (a) through (g) above.

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in The City of New York by the trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect has been given to the Holders in accordance with the indenture.

All references to principal, premium, if any, and interest in respect of the notes will be deemed also to refer to any Additional Amounts which may be payable as set forth in the indenture or in the notes.

Notwithstanding the foregoing, the limitations on the Issuer's obligation to pay Additional Amounts set forth in clause (c) will not apply if compliance with any declaration, certification, identification, information, documentation or other reporting requirement described in such clause (c) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of notes than comparable information or other reporting requirements imposed under U.S. tax law, regulations and administrative practice (such as IRS Forms W-8BEN-E and W-9).

At least 10 Business Days prior to the first interest payment date (and at least 10 Business Days prior to each succeeding interest payment date if there has been any change with respect to the matters set forth in the below-mentioned officer's certificate), the Issuer will furnish to the trustee and each paying agent an officer's certificate instructing the trustee and the paying agents whether payments of principal, premium, if any, and interest in respect of the notes due on such interest payment date will be without deduction or withholding for or on account

of any Taxes. If any such deduction or withholding will be required, the Issuer will furnish the trustee and the paying agents with an officer's certificate which specifies the amount, if any, required to be deducted or withheld on such payment to Holders and certifies that the Issuer will make such deduction or withholding and remit the full amount deducted or withheld to the applicable taxing authority.

Upon written request, the Issuer will furnish to the trustee documentation reasonably satisfactory to the trustee evidencing payment of any Taxes deducted or withheld from payments on the notes. Copies of such receipts will be made available to Holders upon written request.

The Issuer will promptly pay when due any present or future stamp, issue, registration, court or documentary taxes or any excise or property taxes, charges or similar levies (including any penalties, interest and other liabilities relating thereto) which arise in any jurisdiction in connection with the execution, delivery or registration of the notes or any other document or instrument referred to herein or therein, excluding any such taxes, charges or similar levies imposed by any jurisdiction other than a Relevant Jurisdiction, except those resulting from, or required to be paid in connection with, the enforcement of the notes after the occurrence and during the continuance of a default or Event of Default with respect to the notes ("Other Taxes").

Change of Control

Upon the occurrence of a Change of Control that results in a Ratings Decline, each Holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of US\$1,000; *provided* that the remaining principal amount of such Holder's note will not be less than US\$200,000) of the Holder's notes at a purchase price equal to 101% of the principal amount thereof, *plus* accrued and unpaid interest thereon to, but excluding, the date of purchase.

Within 30 days following the date upon which a Change of Control that results in a Ratings Decline occurred, the Issuer must send a notice to each Holder, with a copy to the trustee, offering to purchase the notes as described above. The Change of Control offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is sent, except as may be required by law.

If only a portion of a note is purchased pursuant to a Change of Control offer, a new note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original note (or appropriate adjustments to the amount and beneficial interests in a global note will be made, as appropriate); *provided* that the remaining principal amount of such Holder's note will not be less than US\$200,000 and will be in integral multiples of US\$1,000 in excess thereof.

The Issuer is only required to make a Change of Control offer in the event that a Change of Control results in a Ratings Decline. Consequently, if a Change of Control were to occur which does not result in a Ratings Decline, the Issuer would not be required to offer to repurchase the notes. In addition, the Issuer will not be required to make a Change of Control offer if (1) a third party makes the Change of Control offer in a manner, at the times and otherwise in compliance with the requirements set forth in the indenture applicable to a Change of Control offer made by the Issuer and purchases all notes validly tendered and not withdrawn under such Change of Control offer, or (2) notice of redemption for all outstanding notes has been given pursuant to the indenture as described above under the caption "*—Optional Redemption,*" unless and until there is a default in payment of the applicable redemption price.

Notwithstanding anything to the contrary contained herein, a Change of Control offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control and/or a Ratings Decline, if a definitive agreement is in place for the Change of Control at the time the Change of Control offer is made.

Other existing and future indebtedness of the Issuer may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that such indebtedness be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the notes upon a Change of Control could cause a default under such indebtedness even if the Change of Control itself does not.

If a Change of Control occurs, the Issuer may not have available funds sufficient to make the Change of Control payment for all the notes that might be delivered by Holders seeking to accept a Change of Control offer. In the event the Issuer is required to purchase outstanding notes pursuant to a Change of Control offer, the Issuer

expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations. However, the Issuer may not be able to obtain necessary financing.

Holders will not be entitled to require the Issuer to purchase their notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction which is not a Change of Control that results in a Ratings Decline. One of the events that constitutes a Change of Control under the indenture is the disposition of “all or substantially all” of the Issuer’s assets under certain circumstances. This term varies based upon the facts and circumstances of the subject transaction and has not been interpreted under New York State law (which is the governing law of the indenture) to represent a specific quantitative test. As a consequence, in certain circumstances there may be uncertainty in ascertaining whether a particular transaction involved a disposition of “all or substantially all” of the property or assets of a Person. In the event that Holders elect to require the Issuer to purchase the notes and the Issuer contests such election, we cannot assure you as to how a court interpreting New York law would interpret the phrase under certain circumstances.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of notes in connection with a Change of Control offer. To the extent that the provisions of any securities laws or regulations conflict with the “Change of Control” provisions of the indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the indenture by doing so. If it would be unlawful in any jurisdiction to make a Change of Control offer, the Issuer will not be obligated to make such offer in such jurisdiction and will not be deemed to have breached its obligations under the indenture because of its failure to make such offer.

The obligation of the Issuer to make a Change of Control offer may be waived or modified at any time prior to the occurrence of such Change of Control with the written consent of Holders of a majority in principal amount of the notes.

Optional Redemption

Make-Whole Redemption

Prior to July 3, 2034 (three months prior to the maturity date of the notes) (the “Par Call Date”), the Issuer may redeem the notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the notes matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate *plus* 30 basis points (“Make-Whole Amount”) less (b) interest accrued to the date of redemption, and

(2) 100% of the principal amount of the notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon to, but excluding, the redemption date, and Additional Amounts, if any.

“Treasury Rate” means, with respect to any redemption date, the yield determined by the Issuer in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Issuer after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third business day preceding the redemption date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading). In determining the Treasury Rate, the Issuer shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual

number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third business day preceding the redemption date H.15 or any successor designation or publication is no longer published, the Issuer shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second business day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Issuer shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Issuer shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Issuer's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error. The Issuer will notify the trustee of the redemption price promptly after the calculation thereof and the trustee shall have no duty to determine, or verify the calculation of, the redemption price.

At Par Redemption

On or after the Par Call Date, the Issuer may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed *plus* accrued and unpaid interest thereon to, but excluding, the redemption date, and Additional Amounts, if any.

Tax Redemption

The notes may be redeemed, in whole but not in part, at the Issuer's option, at a redemption price equal to 100% of the outstanding principal amount of the notes, *plus* accrued and unpaid interest to, but excluding, the redemption date and any Additional Amounts, if, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction, or any change in the official application, administration or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction) in a Relevant Jurisdiction, which amendment to or change in such laws, rules or regulations is legislated or promulgated or, in the case of a change in official interpretation or application, is announced or otherwise made available or amended on or after the Issue Date (or on or after the date a Relevant Jurisdiction becomes a Relevant Jurisdiction), the Issuer has or will become obligated to pay (a) Additional Amounts in respect of payments received on the notes at a rate of withholding or deduction in excess of 4.99% or (b) any Peruvian value added taxes imposed in respect of payments of interest on the notes to the extent that such Peruvian value added taxes cannot be offset against any other tax liabilities that may arise out of the Issuer's ordinary course of business (such Additional Amounts described in clause (a) and such Peruvian value added taxes described in clause (b), "Excess Additional Amounts"); *provided* such change or amendment occurs on or after the later of the Issue Date and the date such jurisdiction becomes a Relevant Jurisdiction and such obligation cannot be avoided by the Issuer taking reasonable measures available to it (*provided, however*, that for this purpose reasonable measures does not include any change in the Issuer's jurisdiction of organization or location of its principal executive office and does not require the Issuer to incur material unreimbursed additional costs or legal or regulatory burdens); and provided, further, that no notice of redemption pursuant to the foregoing may be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Excess Additional Amounts, were a payment in respect of the notes then due. Prior to the giving of notice of redemption of notes pursuant to the indenture, the Issuer will deliver to the trustee an

officer's certificate and a written opinion of recognized counsel in the Relevant Jurisdiction that is independent of the Issuer to the effect that the Issuer is or at the time of the redemption will be entitled to effect such a redemption pursuant to the indenture, and setting forth in reasonable detail the circumstances giving rise to such right of redemption. The Issuer shall deliver an officer's certificate and opinion of counsel to the trustee, which the trustee shall be entitled to conclusively rely on as evidence of the satisfaction of the conditions precedent set forth above.

Optional Redemption following a Change of Control Offer or a Tender Offer

Notwithstanding the foregoing:

In the event that Holders of not less than 90% of the aggregate principal amount of the outstanding notes accept a Change of Control offer and the Issuer (or a third party making the Change of Control offer as provided under “—*Change of Control*”) purchases all of the notes held by such Holders, the Issuer will have the right, given not more than 30 days following the purchase pursuant to the Change of Control offer described above, to redeem all of the notes that remain outstanding following such purchase at a redemption price equal to the Change of Control payment *plus*, to the extent not included in the Change of Control payment, accrued and unpaid interest and Additional Amounts, if any, on the notes that remain outstanding, to, but excluding, the date of redemption.

In connection with any tender offer for notes made in accordance with the terms of the indenture, in the event that Holders of not less than 90% of the aggregate principal amount of the outstanding notes validly tender and do not validly withdraw notes in such tender offer and the Issuer, or any other Person making such offer in lieu of the Issuer, purchases all of the notes validly tendered and not validly withdrawn by such Holders, the Issuer will have the right to redeem all of the notes that remain outstanding following such tender offer at a redemption price equal to the purchase price paid to each other Holder in such tender offer *plus*, to the extent not included in the purchase price, accrued and unpaid interest and Additional Amounts, if any, on the notes that remain outstanding, to, but excluding, the date of redemption.

General

Notice of any redemption will be mailed (or otherwise transmitted in accordance with applicable DTC procedures) at least 10 days but not more than 60 days before the redemption date to each Holder of the notes to be redeemed. On and after any redemption date, interest will cease to accrue on the notes or any portion thereof called for redemption, unless the Issuer defaults in the payment of the redemption price.

Notice of any redemption of the notes may, at the Issuer's discretion, be subject to one or more conditions precedent. If such redemption is so subject to the satisfaction of one or more conditions precedent, such notice shall describe each such condition and, if applicable, shall state that such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date.

In case of any partial redemption, selection of the notes for redemption will be made by lot, although no note of the minimum denomination in original principal amount or less will be redeemed in part; *provided, further*, that in the case of global notes, such selection will be made in accordance with DTC procedures and policies. If any note is to be redeemed in part only, the notice of redemption relating to such note shall state the portion of such principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original note (or, in the case of global notes, the global note shall be reduced in accordance with DTC procedures and policy).

Upon presentation of any certificated note redeemed in part only, the Issuer will execute and the trustee will authenticate and deliver to or on the order of the Holder thereof, at the expense of the Issuer, a new note or notes, of authorized denominations, in principal amount equal to the unredeemed portion of the note so presented.

Open Market Purchases

The Issuer or any of its Affiliates may at any time purchase the notes in the open market or otherwise at any price.

Covenants

Limitation on Liens

The Issuer covenants and agrees that it will not, and will not permit any of its Subsidiaries (other than a Project Finance Subsidiary) to, directly or indirectly, incur, assume, or suffer to exist any Liens to secure any Indebtedness (except for Permitted Liens) against or upon any of its properties or assets (including Capital Stock), whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, unless contemporaneously therewith effective provision is made to secure the notes (together with, if the Issuer so determines, any other Indebtedness or obligation then existing or thereafter created ranking equally with the notes) and all other amounts due under the indenture in each case, equally and ratably with such Indebtedness (or, in the event that such Indebtedness is subordinated in right of payment to the notes, as the case may be, prior to such Indebtedness) with a Lien on the same properties and assets securing such Indebtedness for so long as such Indebtedness is secured by such Lien.

Limitation on Sale and Leaseback Transactions

For so long as any of the notes are outstanding, none of the Issuer nor any of its Subsidiaries (other than a Project Finance Subsidiary) may enter into any Sale and Leaseback Transaction with respect to any Specified Property, unless either (x) the Issuer or such Subsidiary would be entitled to issue, assume or guarantee Indebtedness secured by a Lien on such Specified Property without equally and ratably securing the Notes pursuant to the provisions of the indenture described above under “—*Limitation on Liens*” or (y) the Issuer or such Subsidiary shall apply or cause to be applied, in the case of a sale or transfer for cash, an amount equal to the net proceeds thereof and, in the case of a sale or transfer otherwise than for cash, an amount equal to the fair market value of the Specified Property so leased, (A) to the retirement, within 360 days after the effective date of such Sale and Leaseback Transaction, of Indebtedness of the Issuer ranking at least on parity with the notes or Indebtedness of any Subsidiary, in each case owing to a Person other than the Issuer or any Affiliate of the Issuer or (B) to the acquisition, purchase, construction, development, extension or improvement of any property or assets of the Issuer or any Subsidiary used or to be used by or for the benefit of the Issuer or any Subsidiary in the ordinary course of business.

Consolidation, Merger, Sale or Conveyance

The Issuer will not consolidate with or merge into any other Person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all, in one or more related transactions, of its properties and assets to any Person, unless (1)(a) the Issuer is the successor Person, or (b) the successor Person will be a Person existing under the laws of (i) Peru, (ii) the United States of America (or any state thereof or the District of Columbia), (iii) any member country of the European Union, or (iv) any other member country of the Organization for Economic Co-Operation and Development and will assume, by a supplemental indenture, the due and punctual payment of the principal, premium, if any, and interest (and Additional Amounts, if any) in respect of all the outstanding notes and the performance of every covenant in the indenture on the part of the Issuer to be performed or observed; (2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, will have happened and be continuing; and (3) the Issuer will have delivered to the trustee an officer’s certificate and opinion of counsel stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or disposition and such supplemental indenture, if any, comply with the indenture and that all conditions precedent provided for in the indenture relating to such transaction have been complied with. In case of any such consolidation, merger, sale, assignment, conveyance, transfer, lease or disposition (other than a lease), such successor entity will succeed to and be substituted for the Issuer as obligor on the notes, with the same effect as if it had been named in the indenture as such obligor.

The Issuer shall deliver an officer’s certificate and opinion of counsel to the trustee, which the trustee shall be entitled to conclusively rely on as evidence of the satisfaction of the conditions precedent set forth in this covenant.

Notwithstanding the foregoing, the Issuer may consolidate with Orygen Perú S.A.A., Compañía Energética Veracruz S.A.C., SL Energy S.A.C. or Energética Monzón S.A.C., or merge into or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all, in one or more related transactions, of its properties and assets to Orygen Perú S.A.A., *provided* that such transaction meets the requirements listed above, and Orygen Perú S.A.A.

shall succeed to and be substituted for the Issuer as obligor on the notes, with the same effect as if it had been named in the indenture as such obligor, pursuant to the provisions of this covenant.

Reporting Requirements

If at any time the Issuer is not subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act or is not exempt from such requirements pursuant to Rule 12g3-2(b) under the Exchange Act (as amended from time to time and including any successor provision), the Issuer will furnish to Holders and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

In addition, the Issuer will furnish (or in lieu of furnishing, make accessible electronically by written notice to the trustee) to the trustee and Holders:

- (1) as soon as they are available, but in any event within 120 calendar days after the end of each fiscal year of the Issuer, copies of its audited financial statements (on a consolidated basis) in respect of such fiscal year (including a profit and loss account, balance sheet and cash flow statement), in English, prepared in accordance with IFRS and audited by a member firm of an internationally recognized firm of independent accountants, together with a summary form management's discussion and analysis of the results of operations and financial condition for such fiscal year; and
- (2) as soon as they are available, but in any event within 60 calendar days after the end of each of the first, second and third fiscal quarters of the Issuer, copies of its unaudited financial statements (on a consolidated basis) in respect of the relevant period (including a profit and loss account, balance sheet and cash flow statement), in English, prepared on a basis consistent with the audited consolidated financial statements of the Issuer and in accordance with IFRS, together with a certificate signed by the chief financial officer or a person acting on his or her behalf to the effect that such financial statements are true in all material respects and present fairly the financial position of the Issuer as at the end of, and the results of its operations for, the relevant quarterly period.

Any default or Event of Default arising from a failure to comply with the provisions of this covenant will be deemed cured (and the Issuer will be deemed to be in compliance with this covenant) upon furnishing such statements or information as contemplated by this covenant if in accordance with the applicable grace periods provided in clause (iv) under "*Events of Default*."

Delivery of such reports, information and documents to the trustee shall be for informational purposes only and the trustee's receipt of such shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of the covenants contained in the indenture (as to which the trustee will be entitled to conclusively rely upon an officer's certificate).

Events of Default

The indenture will provide that the following events constitute "Events of Default":

- (i) default in the payment when due of the principal or premium, if any, in respect of any note, at maturity, upon redemption or otherwise;
- (ii) default in the payment of interest or Additional Amounts in respect of the notes if such default continues for 30 days after any such interest or Additional Amount becomes due;
- (iii) failure by the Issuer to comply with its obligations under "*Change of Control*" or "*Consolidation, Merger, Sale or Conveyance*";
- (iv) failure to observe or perform any covenant or agreement contained in the notes or the indenture (other than a default referred to in clause (i), (ii) or (iii) above), and such failure continues for 60 days after notice to the Issuer by the trustee or to the Issuer and the trustee by the Holders of at least 25% in aggregate principal amount of the outstanding notes, specifying such failure and requiring it to be remedied and stating that such notice constitutes a notice of default under the indenture;

- (v) the Issuer or any of its Subsidiaries fails to pay when due (whether at maturity, upon redemption or acceleration or otherwise) the principal of any Indebtedness in excess, individually or in the aggregate, of US\$40.0 million (or the equivalent thereof in other currencies), if such failure continues for more than the period of grace, if any, applicable thereto and the period for payment has not been expressly extended; *provided* that this clause (v) shall not apply to the Indebtedness of any Project Finance Subsidiary except to the extent that such Indebtedness also constitutes Indebtedness of the Issuer or any of its Subsidiaries (other than a Project Finance Subsidiary);
- (vi) one or more final and non-appealable judgments or decrees for the payment of money in excess of US\$40.0 million (or the equivalent thereof in other currencies) in the aggregate are rendered against the Issuer or any of its Subsidiaries and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged, bonded in full, fully escrowed for or covered by insurance and unconditionally assumed by the relevant insurer in writing within 60 days, and, in the case of each such judgment or decree, either (a) an enforcement proceeding has been commenced by any creditor upon such judgment or decree and is not dismissed within 30 days following commencement of such enforcement proceeding or (b) there is a period of 90 days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed; *provided* that this clause (vi) shall not apply to judgments or decrees against any Project Finance Subsidiary except to the extent that the Issuer or any of its Subsidiaries (other than a Project Finance Subsidiary) is liable thereunder;
- (vii) any Peruvian government or governmental authority condemns, nationalizes, seizes, or otherwise expropriates all or substantially all of the Issuer's consolidated assets or property or the Issuer's Capital Stock or the Capital Stock of any of its Subsidiaries holding all or substantially all of the Issuer's consolidated assets or property, or assumes custody or control of such consolidated assets or property or of the Issuer's or any such Subsidiaries' business or operations or Capital Stock, as applicable, or takes any action that would prevent the Issuer or any such Subsidiaries or their respective officers from carrying on a substantial portion of the Issuer's or such Subsidiaries' business or operations for a period longer than 90 days and the result of any such action materially prejudices the Issuer's ability to perform its obligations under the notes and the indenture;
- (viii) a decree or order by a court or competent governmental authority having jurisdiction has been entered adjudging the Issuer or any of its respective Significant Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of or by the Issuer or any of its Significant Subsidiaries and such decree or order continues undischarged or unstayed for a period of 90 days; or a decree or order of a court or competent governmental authority having jurisdiction for the appointment of a receiver or liquidator or for the liquidation or dissolution of the Issuer or any of its Significant Subsidiaries, has been entered, and such decree or order continues undischarged and unstayed for a period of 90 days; *provided* that any Significant Subsidiary may be liquidated or dissolved if, pursuant to such liquidation or dissolution, all or substantially all of its assets are transferred to the Issuer or another Subsidiary of the Issuer, as applicable; or
- (ix) the Issuer or any of its Significant Subsidiaries institutes any proceeding to be adjudicated as voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or answer or consent seeking reorganization, or consents to the filing of any such petition, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property.

If an Event of Default specified in clause (viii) or (ix) above occurs, the maturity of all outstanding notes will automatically be accelerated and the principal amount of the notes, together with accrued interest thereon, will be immediately due and payable. If any other Event of Default occurs and is continuing, the trustee or the Holders of not less than 25% of the aggregate principal amount of the notes then outstanding may, by written notice to the Issuer (and to the trustee if given by Holders), declare the principal amount of the notes, together with accrued interest thereon, immediately due and payable. The right of the trustee and the Holders to give such acceleration notice will terminate if the Event of Default giving rise to such right has been cured before such right is exercised. Any such declaration may be annulled and rescinded by written notice from the Holders of a majority of the aggregate principal amount of the notes then outstanding to the Issuer and the trustee if all amounts then due with

respect to the applicable notes are paid (other than any amount due solely because of such declaration) and all other defaults with respect to the notes are cured and all amounts owed to the trustee are paid.

The trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the Holders, unless such Holders have offered to the trustee indemnity and/or security reasonably satisfactory to it. The Holders of a majority in aggregate principal amount of the outstanding notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee, to the extent such action does not conflict with the provisions of the indenture or applicable law.

No Holder of any note will have any right to institute any proceeding with respect to the indenture or the notes or for any remedy thereunder, unless such Holder has previously given to the trustee written notice of a continuing Event of Default and unless also the Holders of at least 25% in aggregate principal amount of the outstanding notes have made a written request to the trustee to institute proceedings in respect of such Event of Default in its own name as trustee, such Holder or Holders have offered to the trustee indemnity reasonably satisfactory to it, the trustee for 60 days after receipt of such notice has failed to institute any such proceeding and no direction inconsistent with such request has been given to the trustee during such 60-day period by the Holders of a majority in principal amount of the outstanding notes. However, such limitations do not apply to a suit individually instituted by a Holder of notes for enforcement of payment of principal, premium, if any, and interest in respect of such notes on or after the respective due dates expressed in such note.

So long as certain conditions are met, the Holders of a majority in aggregate principal amount of the notes then outstanding by written notice to the trustee and the Issuer may waive an existing Event of Default and its consequences except (i) an Event of Default in the payment of the principal of or interest on the notes or (ii) an Event of Default in respect of a provision that cannot be amended without the consent of each Holder affected. When an Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Event of Default or impair any consequent right.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option and at any time, elect to have certain of its obligations with respect to outstanding notes discharged (“Legal Defeasance”). If the Issuer exercises its Legal Defeasance option, payment of the notes may not be accelerated because of the occurrence of an Event of Default. Such Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire indebtedness represented by the outstanding notes after the deposit specified in clause (1) of the second following paragraph, except for:

- (i) the rights of Holders to receive payments of the principal, premium, if any, and interest in respect of the notes when such payments are due;
- (ii) the Issuer’s obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payments;
- (iii) the rights, powers, trusts, duties and immunities of the trustee and the Issuer’s obligations in connection therewith; and
- (iv) the Legal Defeasance provisions of the indenture.

In addition, the Issuer may, at its option and at any time, elect to have its obligations released with respect to the covenants described under “—*Change of Control*,” “—*Covenants—Limitation on Liens*,” “—*Covenants—Limitation on Sale and Leaseback Transactions*” and “—*Covenants—Reporting Requirements*” and the covenant default and cross-default events described in clauses (iv) and (v) under “—*Events of Default*” shall no longer constitute Events of Default (“Covenant Defeasance”) and thereafter any omission to comply with such obligations will not constitute a default or Event of Default with respect to the notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, expropriation, bankruptcy, receivership, reorganization and insolvency events) described under “—*Events of Default*” will no longer constitute an Event of Default with respect to the notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the trustee, in trust, for the benefit of the Holders cash in U.S. dollars, certain direct non-callable obligations of, or guaranteed by, the United States, or a combination thereof, in such amounts as will be sufficient without reinvestment, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants expressed in a written opinion delivered to the trustee, to pay the principal, premium, if any, and interest (including Additional Amounts) in respect of the notes on the stated date for payment thereof;
- (2) in the case of Legal Defeasance, the Issuer will have delivered to the trustee an opinion of counsel from counsel in the United States reasonably acceptable to the trustee and independent of the Issuer (subject to customary exceptions and exclusions) to the effect that:
 - (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or
 - (b) since the date of issuance of the notes, there has been a change in the applicable U.S. federal income tax law,in either case to the effect that, and based thereon such opinion of counsel will state that, the Holders and beneficial owners of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, the Issuer will have delivered to the trustee an opinion of counsel from counsel in the United States reasonably acceptable to the trustee and independent of the Issuer (subject to customary exceptions and exclusions) to the effect that the Holders and beneficial owners of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) in the case of Legal Defeasance or Covenant Defeasance, the Issuer will have delivered to the trustee an opinion of counsel from counsel in Peru reasonably acceptable to the trustee and independent of the Issuer (subject to customary exceptions and exclusions) to the effect that, based upon Peruvian law then in effect, Holders and beneficial owners of the notes will not recognize income, gain or loss for Peruvian tax purposes, including withholding tax except for withholding tax then payable on interest payments due, as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Peruvian taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred;
- (5) no default or Event of Default has occurred and be continuing on the date of the deposit pursuant to clause (1) of this paragraph (other than a default or Event of Default arising in connection with the grant of any Lien securing a borrowing of funds to be applicable to such deposit);
- (6) the Issuer has delivered to the trustee an officer's certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or any Subsidiary of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;
- (7) the Issuer has delivered to the trustee an officer's certificate and an opinion of counsel from counsel reasonably acceptable to the trustee and independent of the Issuer (subject to customary exceptions and exclusions), each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and
- (8) the Issuer has delivered to the trustee opinions of counsel from U.S. and Peruvian counsel reasonably acceptable to the trustee and independent of the Issuer (subject to customary exceptions and exclusions and to assumptions as to factual matters, including the absence of an

intervening bankruptcy, insolvency or reorganization during the applicable preference period following the date of such deposit and that no Holder or the trustee is deemed to be an “insider” of the Issuer under the U.S. Bankruptcy Code and any equivalent law of Peru) to the effect that the transfer of trust funds pursuant to such deposit will not be subject to avoidance as a preferential transfer pursuant to the applicable provisions of the U.S. Bankruptcy Code or any successor statute and any equivalent law of Peru.

Satisfaction and Discharge

The indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the notes and the indemnities of the trustee and the Issuer’s obligations in connection therewith, as expressly provided for in the indenture) as to all outstanding notes when:

- (1) either:
 - (a) all the notes theretofore authenticated and delivered (except lost, stolen or destroyed notes that have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the trustee for cancellation; or
 - (b) (i) all notes not theretofore delivered to the trustee for cancellation have become due and payable by reason of the giving of one or more notices of redemption or otherwise (in the case that such notes have become due and payable as a result of the giving of a notice of redemption, after any conditions precedent to redemption have been satisfied or waived in writing by the Issuer), will become due and payable within one year or may be called for redemption within one year under arrangements satisfactory to the trustee for the giving of notice of redemption by the trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the trustee certain direct, non-callable obligations of, or guaranteed by, the United States sufficient without reinvestment, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants expressed in a written opinion delivered to the trustee, to pay and discharge the entire indebtedness on the notes not theretofore delivered to the trustee for cancellation, for principal, premium, if any, and interest in respect of the notes to the stated date of deposit thereof or on the applicable redemption date, as the case may be, *provided* that (x) upon any redemption that requires the payment of a Make-Whole Amount, the amount deposited will be sufficient for purposes of the indenture to the extent that an amount is deposited with the trustee equal to the Make-Whole Amount calculated as of the date of the notice of redemption, with any deficit as of the date of redemption only required to be deposited with the trustee on or prior to the date of redemption and (y) such deficit amount will be set forth in an officer’s certificate delivered to the trustee simultaneously with the deposit of such deficit amount that confirms that such deficit amount will be applied toward such redemption; and (ii) the Issuer has delivered irrevocable instructions directing the trustee to apply such funds to the payment of the notes at maturity or the redemption date, as the case may be;
- (2) the Issuer has paid all other sums payable under the indenture and the notes by it; and
- (3) the Issuer has delivered to the trustee an officer’s certificate and an opinion of counsel stating that all conditions precedent under the indenture relating to the satisfaction and discharge of the indenture have been complied with.

Notices

All notices will be deemed to have been given (i) if to Holders of non-global certificated notes, upon the mailing by first class mail, postage prepaid, of such notices to Holders of the notes at their registered addresses as recorded in the register and (ii) if to Holders of Global Notes, upon delivery of such notices to the relevant depositary in accordance with its applicable procedures.

Amendments and Waivers

The indenture and the notes may be amended by the trustee and the Issuer without the consent of any Holder for the following purposes:

- (1) to cure any ambiguity, omission, defect or inconsistency (including, without limitation, any inconsistency between the text of the notes, or the indenture, and the description of the indenture and the notes contained in this offering memorandum);
- (2) to comply with the covenant described under “—*Covenants—Limitation on Consolidation, Merger or Transfer of Assets*”;
- (3) to add guarantors with respect to the notes;
- (4) to add collateral with respect to the notes;
- (5) to add to the covenants of the Issuer for the benefit of Holders of the notes;
- (6) to surrender any right conferred by the indenture upon the Issuer;
- (7) to evidence and provide for the acceptance of an appointment by a successor trustee;
- (8) to provide for the issuance of additional notes; or
- (9) to make any other change that does not materially and adversely affect the rights of any Holder of the notes.

Modification and amendments to the indenture or to the terms and conditions of the notes may also be made, and future compliance therewith or past default by the Issuer (other than a default in the payment of any amount, including in connection with a redemption, due on the notes or in respect of any covenant or provision that cannot be modified and amended without the consent of the Holders of all notes so affected) may be waived, either:

- with the written consent (including consents obtained in connection with a tender offer or exchange offer for the notes) of the Holders of at least a majority in aggregate principal amount of outstanding notes; or
- by the adoption of resolutions at a meeting of Holders of the notes by the Holders of at least a majority in aggregate principal amount of the outstanding notes;

provided that, no such modification or amendment to the indenture or to the terms and conditions of the notes may, without the consent or the affirmative vote of each Holder of each note so affected:

- (1) change the interest rate with respect to any note or reduce the principal amount of any notes, or change the time for such payments;
- (2) modify the obligation to pay Additional Amounts;
- (3) change the prices at which the notes may be redeemed or must be repurchased by the Issuer, or change the time at which any notes may be redeemed or must be repurchased;
- (4) change the currency in which, or change the required place at which, payment on principal, premium, if any, and interest with respect to the notes is payable;
- (5) impair the right to institute suit for the enforcement of any payment obligation on or with respect to any notes; or

- (6) reduce the above-stated percentages of principal amount of outstanding notes whose Holders are required to consent to modify or amend the indenture or the terms or conditions of the notes or to waive any future compliance or past default;

provided, further, that, in connection with any modification, amendment or supplement, the Issuer has delivered to the trustee an opinion of counsel and an officer's certificate, each stating that such modification, amendment or supplement is authorized or permitted by the indenture and complies with the applicable provisions of the indenture.

Certain Definitions

The following is a summary of certain defined terms used in the indenture. Reference is made to the indenture for the complete definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

"Acquisition Term Loan" means the financing pursuant to the credit agreement, dated as of March 1, 2024 (as modified and supplemented and in effect on the Issue Date), among (i) the Issuer, (ii) the lender parties thereto, (iii) the administrative agent on behalf of the lender parties, (iv) the onshore collateral agent, (v) the arranger and (vi) the joint bookrunners, in each case named therein.

"Affiliate" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Board of Directors" means, as to any Person, the board of directors or equivalent governing body of such Person serving a similar function, or any duly authorized committee thereof.

"Capital Stock" means: (1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of common stock and preferred stock of such Person; (2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and (3) any warrants, rights or options to purchase or acquire any of the instruments or interests referred to in clause (1) or (2) above, but excluding indebtedness convertible into equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS. The amount of indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined in accordance with IFRS, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Change of Control" means the occurrence of one or more of the following events:

- (1) prior to a public offering of capital stock of the Issuer, the Permitted Holders cease to be the "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, or any successor provision, except that the Permitted Holders shall be deemed to have beneficial ownership of all shares that they have the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of a majority of the total voting power of the Voting Stock of the Issuer;
- (2) on the date of or after a public offering of capital stock of the Issuer referred to in clause (1), the acquisition by any "person" or "group" (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any "group" acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d 5(b)(1) under the Exchange Act), other than one or more Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase, of direct or indirect ownership of 35% or more of the total voting power of the Voting Stock of the Issuer, and the Permitted Holders shall own, directly or indirectly, less than such "person" or "group" of the total voting power of the Voting Stock of the Issuer;

- (3) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, taken as a whole, to any “person” or “group” (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) other than one or more Permitted Holders; or
- (4) the approval by the holders of Capital Stock of the Issuer of any plan or proposal for the liquidation or dissolution of the Issuer, whether or not otherwise in compliance with the provisions of the indenture.

“Consolidated Net Tangible Assets” means the total of all assets, net of all applicable reserves and deductions, less (i) goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets and (ii) the aggregate of current liabilities (excluding the current portion of long-term Indebtedness and any intercompany Indebtedness between the Issuer and any Subsidiary or between Subsidiaries), in each case of the Issuer on a consolidated basis as determined in accordance with IFRS and as set forth in the Issuer’s consolidated balance sheet.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself is the subject of Sanctions that broadly prohibit dealings with that country or territory (as of the issue date of the notes, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the non-controlled areas of Kherson and Zaporizhzhia of Ukraine, the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria).

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

“Fitch” means Fitch Ratings Ltd. and its successors.

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, direct or indirect, contingent or otherwise, or entered into for the purpose of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a correlative meaning. The term “Guarantor” shall mean any Person Guaranteeing any obligation.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board, as in effect from time to time.

“Indebtedness” means, with respect to any Person, without duplication, any obligation of such Person (1) for borrowed money, (2) evidenced by bonds, debentures, notes or other similar instruments, (3) under any reimbursement obligation relating to a letter of credit or similar credit transactions (other than letters of credit or similar credit transactions arising in the ordinary course of business to the extent not drawn upon or, if drawn upon, to the extent repaid within 20 business days), (4) for the payment of money relating to Capitalized Lease Obligations, (5) under any agreement or instrument in respect of an interest rate or currency swap, exchange or hedging transaction or other financial derivatives transaction, (6) to pay the deferred and unpaid purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), which purchase price is due more than 180 days after the date of placing such property in service or taking delivery and title thereto or the completion of such services), (7) a Guarantee of such Person of Indebtedness of any other Person, or (8) all Indebtedness of any other Person that is secured by any Lien on any property or asset of such Person, the amount of such indebtedness being deemed to be the lesser of the fair market value of such property or asset, as determined in good faith by the Board of Directors of the Issuer, or the amount of the indebtedness so secured.

“Investment Grade Rating” means BBB- or higher by S&P, Baa3 or higher by Moody’s or BBB- or higher by Fitch, or the equivalent of such global ratings by S&P, Moody’s or Fitch.

“Issue Date” means the first date of issuance of notes under the indenture.

“Lien” means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest); *provided* that the lessee in respect of a Capitalized Lease Obligation or Sale and Leaseback Transaction will be deemed to have incurred a Lien on the property leased thereunder.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“OFAC” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“Permitted Holders” means (i) any Sponsor or (ii) any Qualified Transferee.

“Permitted Liens” means any of the following:

- (1) Liens existing on the Issue Date or granted pursuant to an agreement existing on the Issue Date; *provided that* any Liens securing the Acquisition Term Loan to the extent repaid with the proceeds of the notes issued on the Issue Date shall be terminated and released within 45 business days following the Issue Date; *provided that* such period shall be automatically extended for an additional 45 business days if the Peruvian pledgors have received and are addressing observations from the applicable Public Registry in Peru;
- (2) Liens imposed by law, including Liens of carriers, warehousemen, mechanics, suppliers, materialmen and repairmen incurred in the ordinary course of business;
- (3) Liens Incurred or deposits made in the ordinary course of business (i) in connection with workers’ compensation laws, unemployment insurance laws and other types of social security and pension contribution (including private pension funds) laws (including any Lien securing letters of credit issued in the ordinary course of business) or (ii) to secure the performance of tenders, statutory, regulatory, contractual or warranty obligations, performance, surety and appeal bonds, commercial letters of credit, bids, leases, government performance or other process for the award of a power purchase agreement and other similar obligations, exclusive of obligations for the payment of borrowed money;
- (4) Liens securing reimbursement obligations with respect to commercial letters of credit that encumber documents and other property relating to such letters of credit and products and proceeds thereof;
- (5) Liens securing obligations under any agreement or instrument in respect of an interest rate or currency swap, exchange or hedging transaction or other financial derivatives transaction; *provided that* such Indebtedness was entered into in the ordinary course of business and not for speculative purposes;
- (6) Liens on (i) any property or assets (including Capital Stock of any Person) securing Indebtedness incurred solely for purposes of financing or refinancing the acquisition, construction, development, extension or improvement of such property or assets (including related transaction fees and expenses) by the Issuer or any Subsidiary (other than a Project Finance Subsidiary), individually or together with other Persons, after the Issue Date; *provided that* no such Lien shall extend to or cover any property or assets other than, nor exceed the cost (*i.e.*, purchase price) of, the property or assets so acquired, constructed, developed, extended or improved, (ii) any revenues or profits derived from such property or assets, and (iii) any property reasonably incidental to the use or operation of such property or assets, including, whether now owned or hereafter acquired, real property on which such property or assets are located or any buildings, structures, machinery or other fixtures constituting such property or assets;
- (7) any Lien existing on any property or assets of any Person before that Person’s acquisition (in whole or in part), by merger into or consolidation with the Issuer or any Subsidiary or otherwise after the Issue Date; *provided that* the Lien is not created in contemplation of or in connection with such acquisition, merger or consolidation; and *provided, further,* that such Lien may not extend to any other property or assets owned by the Issuer or any Subsidiary;
- (8) Liens required by any contract or statute in order to permit the Issuer or a Subsidiary to perform any contract or subcontract made by it with, or at the request of, a governmental entity or any department, agency or instrumentality thereof, or to secure performance or any payments by the Issuer or any Subsidiary under any such contract or subcontract to a governmental entity or any department, agency or instrumentality thereof pursuant to the provisions of any contract or statute;

- (9) Liens for taxes, assessments or other governmental charges or levies not yet subject to penalties for non-payment or that are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (10) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired, and any Liens that are required to protect or enforce rights in any administrative, arbitration or other court proceeding in the ordinary course of business;
- (11) Liens constituting any interest of title of a lessor, a licensor or either's creditors in the relevant property subject to any lease (other than a Capitalized Lease Obligation);
- (12) Liens created for the sole purpose of securing Indebtedness that, when incurred, will be applied to repay all (but not only part) of the notes and all other amounts payable under the notes; *provided* that the notes and all other such amounts are fully satisfied promptly and in any event within 30 days after the incurrence of such Indebtedness;
- (13) minor defects, easements, irregularities, rights-of-way restrictions (*servidumbre de paso*) and other similar encumbrances, rights and/or similar rights, whether under applicable laws or by contract and encumbrances consisting of zoning or planning restrictions licenses restrictions on the use of property or imperfections in title that in any such case do not materially interfere with operations of the Issuer or any such Subsidiary;
- (14) (a) Liens that have been placed by any developer, landlord or other third party on property over which the Issuer or any Subsidiary has easement rights or on any real property leased by the Issuer or any Subsidiary or similar agreements relating thereto, and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (15) Liens in favor of customs and revenue authorities to secure payments of custom duties in connection with the importation of goods or materials incurred in the ordinary course of business;
- (16) Liens on goods (and the proceeds thereof) and documents of title and the property covered thereby securing Indebtedness in respect of commercial letters of credit issued to facilitate the purchase, shipment or storage of such goods;
- (17) Liens that secure only Indebtedness owed by a Subsidiary to the Issuer and/or one or more Subsidiaries or by the Issuer to one or more Subsidiaries;
- (18) Liens created over the shares or interests of Project Finance Subsidiaries;
- (19) any provision for the retention of title to any property by the vendor or transferor of such property, which property is acquired by the Issuer or a Subsidiary in a transaction entered into in the ordinary course of business and for which kind of transaction it is customary practice for such retention of title provision to be included;
- (20) any extension, renewal, refinancing or replacement (or successive extensions, renewals, refinancing or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (1) through (19) or of any Indebtedness secured thereby; *provided* that (a) the principal amount of Indebtedness so secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal, refinancing or replacement (*plus* reasonable expenses incurred in connection therewith); and (b) that such extension, renewal, refinancing or replacement Lien shall be limited to all or part of the property that secured the Lien extended, renewed, refinanced or replaced (*plus* improvements on or additions to such property); *provided further* that, in respect of any extension, renewal, refinancing or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clause (17), such Lien shall only be extended, renewed, refinanced or replaced, as the case may be, to secure Indebtedness owed by a Subsidiary to the Issuer and/or one or more Subsidiaries or by the Issuer to one or more Subsidiaries; and

- (21) in addition to any Lien permitted pursuant to clauses (1) through (20) above, Liens securing an amount of indebtedness outstanding at any time not to exceed 15% of Consolidated Net Tangible Assets.

For the purpose of the above, (x) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category); and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Issuer may, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with the provisions set forth under “*Covenants—Limitation on Liens.*”

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Project Finance Subsidiary” means any Subsidiary designated as such by the Board of Directors of the Issuer, which is a Person that holds no material property or assets other than (A) any Specified Property acquired, constructed, developed, extended or improved by such Subsidiary (singly or together with other Persons, excluding the Issuer or any non-Project Finance Subsidiary of the Issuer) after the Issue Date, or (B) any shares or other ownership interest in, or any indebtedness of, any Person, excluding the Issuer or any non-Project Finance Subsidiary of the Issuer, which holds, owns or is entitled to such Specified Property; *provided that* any such Subsidiary shall be a Project Finance Subsidiary only to the extent that and for so long as any “project finance” type financing for such Subsidiary remains outstanding. The Board of Directors of the Issuer may revoke the designation of a Project Finance Subsidiary at any time and shall give notice to the trustee in writing within 15 days following the adoption of a resolution by the Board of Directors of the Issuer approving such revocation.

“Qualified Transferee” means a Person (other than a natural person) who (i) owns or operates, or has owned or operated, in the two-year period prior to the date on which it acquires (directly or indirectly) the capital stock of the Issuer, directly or indirectly through one or more of its Affiliates, at least 1.6 GW of power assets (or is a direct or indirect Subsidiary of an entity that meets such requirement) and (ii) (x) has directly or indirectly through one or more of its Affiliates a tangible net worth of at least one billion U.S. Dollars or assets under management of at least one billion U.S. Dollars (or is a direct or indirect Subsidiary of an entity that meets either requirement) or (y) the ratings (from at least one of S&P, Moody’s or Fitch) of the unsecured senior indebtedness of such Person are at least “BBB – ” (or its equivalent); *provided that* in no case shall any Person that (1) is the subject of any Sanctions, (2) is located, organized or resident in any Designated Jurisdiction, (3) is a department, agency or instrumentality of, or otherwise controlled by or acting on behalf of, the government of any country that is the target of any of the economic sanctions programs administered by the OFAC (31 C.F.R. Parts 500 through 598) or (4) is included on OFAC’s Specially Designated Nationals List or the Consolidated Sanctions List maintained by OFAC, HMT’s Consolidated List of Financial Sanctions Targets or the Investment Ban List, or any similar list enforced by any other relevant Sanctions authority, constitute a Qualified Transferee.

“Rating Agency” means any of S&P, Fitch or Moody’s; or if, at the relevant time of determination, S&P, Fitch or Moody’s do not have a public rating in effect on the notes, an internationally recognized U.S. rating agency or agencies, as the case may be, selected by the Issuer, which will be substituted for S&P, Fitch or Moody’s, as the case may be.

“Ratings Decline” means that, at any time within 90 days (which period shall be extended so long as the rating of the notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) after the earlier of the date of public notice of a Change of Control and of the Issuer’s intention or that of any Person to effect a Change of Control, (i) in the event the notes are assigned an Investment Grade Rating by at least two of the Rating Agencies prior to such public notice, the rating of the notes by two or more Rating Agencies shall be below an Investment Grade Rating; or (ii) in the event the notes are not assigned an Investment Grade Rating by at least two of the Rating Agencies prior to such public notice, the rating of the notes by two or more Rating Agencies shall be decreased by one or more categories (*i.e.*, notches); *provided that*, in each case, any such Ratings Decline is stated by such Rating Agencies to have been in connection with a Change of Control, *provided further, however*, that any such Ratings Decline will not be considered to be attributable to a Change of Control if, before such Ratings Decline, the Issuer has obtained a Ratings Reaffirmation.

“Ratings Reaffirmation” means in connection with a Change of Control, a written reaffirmation from at least two of the Rating Agencies then rating the notes stating that the credit rating on the notes, which was in effect

immediately prior to the date of the first public notice of the occurrence of, or the intention by the Issuer or any other Person to effect, a transaction that, if consummated, would constitute a Change of Control, will not be decreased as a result of such Change of Control.

“S&P” means Standard & Poor’s Ratings Group, a division of McGraw Hill, Inc., and its successors.

“Sale and Leaseback Transaction” means any transaction or series of related transactions pursuant to which the Issuer or any Subsidiary sells or transfers any property now owned or hereafter acquired to any Person, for a sale or transfer price of US\$10.0 million or its equivalent or more, in order to take back a lease of such property pursuant to which the rental payments are calculated to amortize the purchase price of such property substantially over the useful life thereof and such property is in fact so leased.

“Sanctions” means the economic or financial sanctions, requirements or trade embargoes imposed, administered or enforced from time to time by (a) U.S governmental authorities (including OFAC, the U.S. Department of State and the U.S. Department of Commerce), the United Nations Security Council, the European Union and His Majesty’s Treasury, and (b) any corresponding laws of a jurisdiction in which the Issuer or any of its Subsidiaries operates, to the extent applicable to the Issuer or such Subsidiary, as the case may be.

“SEC” means the U.S. Securities and Exchange Commission.

“Significant Subsidiary” means a Subsidiary of the Issuer, other than a Project Finance Subsidiary, which would be a “significant Subsidiary” within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC in effect on the Issue Date, assuming the Issuer is the registrant referred to in such definition.

“Specified Property” means any generation, transformation, transmission, distribution, transportation or storage facility of the Issuer or any Subsidiary, whether owned on the Issue Date or thereafter acquired, including any real property, buildings, structures or machinery and other fixtures that constitute such facility or portion thereof and reasonably incidental to the use or operation thereof.

“Sponsors” means, collectively, Actis LLP, Actis GP LLP and any of their respective Affiliates.

“Subsidiary” means any Person of which the Issuer owns or controls, directly or indirectly, more than 50% of the Voting Stock of such Person.

“Voting Stock” with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof to vote in the election of members of the Board of Directors of such Person.

Listing

Application will be made for the listing and quotation of the notes on the SGX-ST. So long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will satisfy any reporting and/or continuing listing requirements of such exchange; *provided* that, if the Issuer deems such requirements to be unduly burdensome, it may delist from such exchange and seek to list the notes with an alternative exchange.

Governing Law, Consent to Jurisdiction and Service of Process

The indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

The Issuer will irrevocably consent to the non-exclusive jurisdiction of the New York State and U.S. federal courts located in the Borough of Manhattan, The City of New York, New York with respect to any action that may be brought in connection with the indenture or the notes and has irrevocably appointed Cogency Global Inc. as agent for service of process.

If for the purpose of obtaining judgment in any court it is necessary to convert a sum due under the indenture or any note from U.S. dollars into another currency, the Issuer has agreed, the trustee by executing the indenture will be deemed to have agreed, and each Holder by holding such notes will be deemed to have agreed, to the fullest extent that the Issuer and they may effectively do so, that the rate of exchange used will be that at which in accordance with normal banking procedures such payee could purchase U.S. dollars with such other currency in The City of New York on the day two Business Days preceding the day on which final judgment is given.

The Issuer's obligation in respect of any sum payable by it under the indenture or any note to any payee will, notwithstanding any judgment in a currency (the "judgment currency") other than U.S. dollars, be discharged only to the extent that on the Business Day following receipt by such payee of any sum adjudged to be so due in the judgment currency, such payee may in accordance with normal banking procedures purchase U.S. dollars with the judgment currency; if the amount of the U.S. dollars so purchased is less than the sum originally due to such payee in the judgment currency (determined in the manner set forth in the preceding paragraph), the Issuer agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such payee against such loss, and if the amount of the U.S. dollars so purchased exceeds the sum originally due to such payee, such payee agrees to remit to the Issuer such excess; *provided* that such payee will have no obligation to remit any such excess as long as the Issuer has failed to pay such payee any obligations due and payable under the indenture or any note, in which case such excess may be applied to the Issuer's obligations under the indenture or any note in accordance with the terms thereof.

Waiver of Immunity

To the extent that the Issuer or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to the Issuer, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or from counterclaim from the jurisdiction of any Peruvian, New York State or U.S. federal court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any such court in which proceedings may at any time be commenced, with respect to the obligations and liabilities of the Issuer, or any other matter under or arising out of or in connection with, the notes or the indenture, the Issuer irrevocably and unconditionally waives or will waive such right, and agrees not to plead or claim any such immunity and consents to such relief and enforcement, in each case to the extent permissible by applicable law.

Trustee

The Bank of New York Mellon is the trustee under the indenture. The Issuer may have normal banking relationships with The Bank of New York Mellon and its affiliates in the ordinary course of business. The address of the trustee is 240 Greenwich Street, New York, New York 10286, Attn: Corporate Trust Administration.

The indenture contains provisions for the indemnification of the trustee and for its relief from responsibility. The obligations of the trustee to any Holder of notes are subject to such immunities and rights as are set forth in the indenture.

The trustee and any of its affiliates may hold notes in their own respective names.

Form, Denomination and Title

The notes will be issued in registered form, without interest coupons, in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of notes, but the Issuer or trustee or other agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The notes will be represented by a Restricted Global Note (as defined below) and a Regulation S Global Note (as defined below) (each sometimes referred to herein as a "global note" and together sometimes referred to herein as the "global notes").

Notes sold in reliance on Rule 144A under the Securities Act initially will be represented by one or more global notes in definitive, fully registered form without interest coupons (the "Restricted Global Note") and will be deposited with the trustee as custodian for DTC and registered in the name of DTC or its nominee, for credit to an account of a direct or indirect participant in DTC, including Euroclear Bank S.A./N.V. ("Euroclear"), and Clearstream Banking, *société anonyme* ("Clearstream").

Notes sold outside the United States in reliance on Regulation S of the Securities Act initially will be represented by one or more global notes in definitive, fully registered form without interest coupons (the "Regulation S Global Note") and will be deposited with the trustee as custodian for DTC, and registered in the name of DTC or its nominee, for credit to an account of a direct or indirect participant in DTC, including Euroclear and

Clearstream. Each of the Restricted Global Note and the Regulation S Global Note will be subject to certain restrictions on transfer and will bear a legend to that effect as described under “*Transfer Restrictions*.”

Transfers of a Regulation S Global Note or beneficial interest therein to a person who takes delivery in the form of a Restricted Global Note or beneficial interest therein may be made only upon receipt by the trustee of a written certification from the transferor (in the form provided in the indenture) to the effect that such transfer is being made to a person that the transferor reasonably believes is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Transfers of a Restricted Global Note or beneficial interest therein to a person who takes delivery in the form of a Regulation S Global Note or beneficial interest therein may be made only upon receipt by the trustee of a written certification from the transferor (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Rules 903 and 904 of Regulation S.

Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in another global note will, upon transfer, cease to be an interest in such global note and become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other global note for as long as it remains such an interest.

The Issuer will initially appoint the trustee at its office in The City of New York specified herein as registrar and New York paying agent and transfer agent for the notes. In such capacities, the trustee will be responsible for, among other things, (i) maintaining a record of the aggregate holdings of notes represented by the global notes and accepting notes for exchange and registration of transfer, (ii) ensuring that payments of principal, premium, if any, and interest in respect of the notes received by the trustee from the Issuer are duly paid to DTC or its nominee, and (iii) transmitting to the Issuer any notices from Noteholders addressed to the Issuer.

Global Notes

Upon the issuance of a Restricted Global Note and a Regulation S Global Note, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such global note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a global note will be limited to persons who have accounts with DTC (“DTC Participants”) or persons who hold interests through DTC Participants (including Euroclear and Clearstream). Ownership of beneficial interests in the global notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

Investors may hold their interests in a global note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold interests in the global note on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositaries, which in turn will hold such interests in the Regulation S Global Note in customers’ securities accounts in the depositaries’ names on the books of DTC.

Payments of the principal, premium, if any, and interest in respect of notes represented by a global note registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the global note representing such notes. None of the Issuer, the trustee, any paying agent, the registrar or any transfer agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests. The Issuer expects that DTC or its nominee, upon receipt of any payment of principal, premium, if any, and interest in respect of a global note representing any notes held by it or its nominee, will credit DTC Participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC or its nominee. The Issuer also expects that payments by DTC Participants to owners of beneficial interests in such global note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

The laws of some jurisdictions require that certain persons take physical delivery of securities in certificated form. Consequently, the ability to transfer beneficial interests in a global note to such persons may be limited because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks. Accordingly, the ability of a person having a beneficial interest in a global note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of each interest, may be affected by the lack of a physical certificate for such interest.

Subject to compliance with the transfer restrictions applicable to the notes described above and under “*Transfer Restrictions*,” cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules and procedures on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; *provided* that such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in global notes in DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a global note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date, and the credit of any transactions in interests in a global note settled during such processing will be reported to the relevant Euroclear or Clearstream participant on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in a global note by or through a Euroclear or Clearstream participant to a DTC Participant will be received with value on the settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC. Transfers between global notes will settle free of payment.

DTC has advised the Issuer that it will take any action permitted to be taken by a Holder of notes (including, without limitation, the presentation of notes for transfer, exchange or conversion as described below) only at the direction of one or more DTC Participants to whose account with DTC interests in the global notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such DTC Participant or DTC Participants has or have given such direction. However, in the limited circumstances described herein, DTC will exchange the global notes for notes in certificated form, which it will distribute to DTC Participants. See “—*Certificated Notes*.”

DTC has advised the Issuer as follows: DTC will act as the depository for the notes. The notes will be issued as global notes registered in the name of Cede & Co. (which is DTC’s nominee) in the aggregate principal amount of the issue, and will be deposited with DTC or its custodian.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes to participants’ accounts, thereby eliminating the need for physical movement of notes certificates. Direct participants of DTC include securities brokers and dealers, including the initial purchasers of the notes, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by The New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to DTC’s system is also available to indirect participants, which includes securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

To facilitate subsequent transfers, all global notes representing the notes that are deposited with, or on behalf of, DTC are registered in the name of DTC’s nominee, Cede & Co. The deposit of global notes with, or on behalf of, DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the global notes representing the notes; DTC’s records reflect only the identity of the DTC Participants to whose accounts the notes are credited, which may or may not be the

beneficial owners. The DTC Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to indirect participants, and by DTC Participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the global notes representing the notes. Under its usual procedure, DTC mails an omnibus proxy to the Issuer as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those DTC Participants to whose accounts the notes are credited on the applicable record date (identified in a listing attached to the omnibus proxy).

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to the Issuer or the trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificated notes are required to be printed and delivered. See “—*Certificated Notes*.”

Although DTC, Euroclear and Clearstream have agreed to the procedures described above in order to facilitate transfers of interests in the global notes among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. None of the trustee, the Issuer, any paying agent, the registrar or any transfer agent will have any liability or responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated Notes

If DTC is at any time unwilling or unable to continue as a depository for the reasons set forth under “—*Global Notes*” and a successor depository is not appointed by the Issuer within 90 days, or an Event of Default has occurred and is continuing with respect to the notes and a request for such exchange is made by the Holders, the Issuer will issue individual definitive notes in certificated form, having the same terms and conditions as the global notes, in registered form in exchange for Regulation S Global Notes and Restricted Global Notes, as the case may be. Upon any exchange for certificated notes, the certificated notes will be registered in the names of the beneficial owners of the global notes representing the notes, which names will be provided by the relevant DTC Participants and issued in approved authorized denominations (as identified by DTC) to the trustee.

The Holder of a certificated note may transfer such note by surrendering it at the office or agency maintained by the Issuer for such purpose in the Borough of Manhattan, The City of New York, which initially will be the office of the trustee. Upon the transfer, exchange or replacement of certificated notes bearing the legend, or upon specific request for removal of the legend on a certificated note, the Issuer will deliver only certificated notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Neither the trustee nor the registrar or any transfer agent will be required to register the transfer of or exchange certificated notes for a period from the record date to the due date for any payment of principal of, or interest on, the notes or register the transfer of or exchange any notes for 15 days prior to selection for redemption through the date of redemption. Prior to presentment of notes for registration of transfer (including a global note), the Issuer, the trustee and any agent of the Issuer or the trustee may treat the person in whose name such notes are registered as the owner or Holder of notes for the purpose of receiving payment of principal or interest on such note and for all other purposes whatsoever, whether or not such notes are overdue, and none of the Issuer, the trustee or any agent of the Issuer or the trustee will be affected by notice to the contrary.

Replacement of Notes

In the event that any note becomes mutilated, defaced, destroyed, lost or stolen, the Issuer will execute and, upon the Issuer's request, the trustee will authenticate and deliver a new note, of like tenor (including the same date of issuance) and equal principal amount, registered in the same manner, and bearing interest from the date to which interest has been paid on such note, in exchange and substitution for such note (upon surrender and cancellation thereof) or in lieu of and substitution for such note. In the event that such note is destroyed, lost or stolen, the

applicant for a substitute note will furnish to the Issuer and the trustee such security or indemnity as may be required by them to hold each of them harmless, and, in every case of destruction, loss or theft of such note, the applicant will also furnish to the Issuer and the trustee satisfactory evidence of the destruction, loss or theft of such note and of the ownership thereof. Upon the issuance of any substituted note, the Issuer may require the payment by the registered holder thereof of a sum sufficient to cover any reasonable and documented unreimbursed tax or other governmental charge (other than Other Taxes) that may be imposed in relation thereto and any other fees and expenses (including the fees and expenses of the trustee) connected therewith.

TAXATION

General

This section summarizes certain Peruvian income tax and U.S. federal income tax considerations relating to the purchase, ownership and disposition of the notes. This summary does not provide a comprehensive description of all tax considerations that may be relevant to a decision to purchase the notes. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Peru and the United States.

This summary is based on the tax laws of Peru and the United States as in effect on the date of this offering memorandum, as well as regulations, rulings and decisions of Peru and the United States available on or before that date and now in effect. Those laws, regulations, rulings and decisions are subject to change and changes could apply retroactively, which could affect the continued accuracy of this summary.

Prospective purchasers of the notes should consult their own tax advisors as to the Peruvian, U.S. or other tax consequences of the purchase, ownership and disposition of the notes. They should especially consider how the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws, could apply to them in their particular circumstances.

Peruvian Income Tax Considerations

The following is a general summary of certain Peruvian tax considerations that may be relevant with respect to the purchase, ownership or disposition of the notes by non-Peruvian holders. This summary is not intended to be a comprehensive description of all of the Peruvian tax considerations that may be relevant to a decision by non-Peruvian holders to make an investment in the notes. In addition, this summary does not describe any tax consequences (i) arising under the laws of any taxing jurisdiction other than Peru or (ii) applicable to anyone other than a non-Peruvian holder.

As used herein, the term “note” means a beneficial interest in the global note as defined elsewhere in this offering memorandum. This discussion assumes an investor is a non-Peruvian holder of a note or, in the event that the notes are exchanged for definitive notes, a non-Peruvian holder of a definitive note or a beneficial interest therein, as the case may be.

For purposes of this section, “non-Peruvian holder” means either (i) a legal entity that has been incorporated outside Peru, provided that it does not conduct any trade or business, nor hold the notes, through a Peruvian branch, office or permanent establishment or (ii) an individual who is not a Peruvian tax resident. For Peruvian tax purposes, as a general rule, an individual is deemed to be a Peruvian tax resident if such individual is either (a) a Peruvian citizen who has a regular residence in Peru or (b) a non-Peruvian citizen who has resided or remained in Peru for more than 183 calendar days during any 12-month period. The change on the condition of residence will be effective as of January 1 of the following calendar year in which such conditions are met. The discussion in this summary is not intended or written to be used, and cannot be used or relied upon by any person, for the purpose of avoiding Peruvian taxation, and was written to support the promotion or marketing of this offering. Prospective investors should consult an independent tax advisor with respect to the Peruvian tax consequences of participating.

Income Tax

Payment of Interest

Interest paid on the notes to non-Peruvian holders will be treated as Peruvian-source income and will be subject to Peruvian withholding income tax at a rate of 4.99%. However, if the non-Peruvian holder is considered to be related to us under Peruvian tax law or is an individual residing in a non-cooperative, low-tax or zero-tax jurisdiction, or is an individual subject to a preferential tax regime, or is an individual receiving the interest payment derived from or through a tax haven, the withholding income tax rate may be 30%.

We are required to act as withholding agent for any income tax due with respect to interest paid on the notes to non-Peruvian holders.

We have agreed, subject to specified exceptions and limitations, to pay such additional amounts as may be necessary so that non-Peruvian holders receive an amount equal to the sum they would have received had no such withholdings been made. See “*Description of the Notes—Additional Amounts*.”

Sale of the Notes

Proceeds received by a non-Peruvian holder on a sale, exchange or other disposition of the notes will not be subject to any Peruvian withholding or capital gains tax.

In the event that the notes are exchanged for definitive notes, any capital gains accrued and received by a non-Peruvian holder arising from the sale, exchange or other disposition of the definitive notes will be subject to Peruvian income tax at a 30% rate. However, a 5% preferential rate would be applicable on the capital gains if the following requirements are satisfied: (i) the definitive notes are registered with the Peruvian Capital Markets Public Registry of the SMV and (ii) the definitive notes are negotiated through trading sessions of a Peruvian stock exchange such as the BVL.

A capital gain on a sale, exchange or other disposition of definitive notes will be equal to the difference between (i) the amount realized on the sale, exchange or other disposition of the definitive notes and (ii) the purchase price paid for such definitive notes, which must be certified by the Peruvian tax administration, before any payment is made, under a form submitted by the non-Peruvian holder of the definitive notes along with back-up documentation evidencing, among other things, that the purchase price has been paid with funds from a Peruvian bank account, unless the sale, exchange or other disposition is made through a Peruvian stock exchange such as the BVL.

Redemption or Repurchase of the Notes

Any consideration (other than accrued and unpaid interest) paid by the Issuer to non-Peruvian holders in excess of the principal amount of the notes pursuant to a redemption or repurchase, if any, would be considered interest for Peruvian income tax purposes, as established by the Peruvian national tax authority in an interpretation issued on June 21, 2023. Therefore, the tax treatment described above under “—*Payment of Interest*” would be applicable to any such excess amount paid by us to non-Peruvian Holders.

If, pursuant to a different interpretation of the applicable regulations, it was understood that such consideration would instead constitute a capital gain for Peruvian income tax purposes, such income may not be subject to tax at all or may be subject to the tax treatment described above under “—*Sale of the Notes*.”

We have agreed, subject to specified exceptions and limitations, to pay such additional amounts as may be necessary so that non-Peruvian holders receive an amount equal to the sum they would have received had no such withholdings been made. See “*Description of the Notes—Additional Amounts*.”

Value Added Tax

Interest paid on the notes is not subject to the Peruvian Value Added Tax (*Impuesto General a las Ventas* or “VAT”). The sale, exchange or other disposition of the notes or definitive notes is not subject to Peruvian VAT.

Financial Transactions Tax

In Peru, there is a Financial Transactions Tax (“FTT”) that taxes at a rate of 0.005% any debit or credit made in an account opened with a Peruvian bank or any other financial institution, either in Peruvian or foreign currency. Likewise, if the issue price paid for the notes is deposited in a Peruvian Financial System (“PFS”) bank account, such credit will also be levied at the corresponding FTT rate. The taxpayer of the FTT is the holder of the PFS bank account.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain material U.S. federal income tax consequences of the purchase, ownership and disposition of the notes as of the date of this offering memorandum. Except where noted, this summary deals only with notes that are held as capital assets (within the meaning of Section 1221 of the Code) by a U.S. holder (as defined below) who acquires the notes upon original issuance at their “issue price” as defined below.

A “U.S. holder” means a person that is for U.S. federal income tax purposes a beneficial owner of the notes and any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (i) is subject to the primary supervision of a court within the United States and one or more United States persons (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person (within the meaning of Section 7701(a)(30) of the Code).

This summary is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), and Treasury regulations, its legislative history, rulings and judicial decisions as of the date of this offering memorandum. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This summary does not address all aspects of U.S. federal income taxes or other federal taxes (such as estate and gift taxes) and does not deal with non-U.S., state, or local or other tax considerations (including the Medicare tax on net investment income) that may be relevant to you in light of your personal circumstances. In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws.

For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, banks and financial institutions, U.S. expatriates, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities for U.S. federal income tax purposes, tax-exempt entities or insurance companies;
- tax consequences to persons holding the notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to holders of the notes whose “functional currency” is not the U.S. dollar;
- tax consequences attributable to persons being required to accelerate the recognition of any item of gross income with respect to the notes as a result of such income being recognized on an applicable financial statement; or
- any alternative minimum tax consequences.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds the notes, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership holding the notes, you should consult your tax advisors.

If you are considering the purchase of the notes, you should consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of the notes, as well as the consequences to you arising under other U.S. federal tax laws and the laws of any other taxing jurisdiction.

Contingent Payment Debt Instruments

In certain circumstances, the Issuer may be required to make payments on a note that would change the yield of the note (see, e.g., “*Description of the Notes—Change of Control*”). Such an obligation may implicate the provisions of Treasury regulations relating to contingent payment debt instruments (“CPDIs”). According to the applicable Treasury regulations, certain contingencies will not cause a debt instrument to be treated as a CPDI if

such contingencies, as of the date of issuance of the debt instrument, are “remote or incidental” or certain other circumstances apply. Although not free from doubt, the Issuer intends to take the position that the notes are not CPDIs. The Issuer’s determination that the notes are not CPDIs is binding on a U.S. holder unless such U.S. holder discloses a contrary position to the U.S. Internal Revenue Service (the “IRS”) in the manner that is required by the applicable Treasury regulations. The Issuer’s determination, however, is not binding on the IRS and if the IRS were to challenge this determination, a holder may be required to accrue income on the notes that such holder owns in excess of stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of such notes before the resolution of the contingency. If the notes are not CPDIs but such contingent payments were required to be made, it would affect the amount and timing of the income that a U.S. holder recognizes (and, possibly, whether the notes are treated as CPDIs following such a contingent payment). U.S. holders are urged to consult their own tax advisors regarding the potential application to the notes of the CPDI rules and other rules above and the consequences thereof. The remainder of this discussion assumes that the notes will not be treated as CPDIs.

Payments of Interest

Stated interest on a note (including Peruvian or other non-U.S. tax withheld) will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for U.S. federal income tax purposes.

A U.S. holder will be required to include in income any additional amounts (as described under “*Description of the Notes—Additional Amounts*”) paid in respect of any Peruvian or other non-U.S. tax withheld. Interest on a note generally will be considered foreign source income and, for purposes of the U.S. foreign tax credit, generally will be considered passive category income. Subject to generally applicable restrictions and conditions, a U.S. holder will generally be entitled to a foreign tax credit in respect of any Peruvian income tax withheld by the Issuer on interest payments on the notes. However, a U.S. holder generally will not be entitled to a credit for any FTT paid with respect to the notes (as discussed above in “*Peruvian Tax Considerations—Financial Transactions Tax*”). The rules governing the foreign tax credit are complex, and Treasury regulations impose requirements that must be met for a foreign tax to be creditable, including requirements that the withholding tax constitutes a “covered withholding tax” imposed on nonresidents in lieu of a generally applicable tax that satisfies the regulatory definition of an “income tax,” which may be unclear or difficult to determine. However, notices from the IRS provide temporary relief from certain of these requirements if the notice is applied consistently to all foreign taxes paid during the relevant taxable year until the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Alternatively, a U.S. holder may be able to take a deduction for Peruvian income tax if it does not elect to claim a foreign tax credit for any otherwise creditable foreign income taxes paid or accrued during the taxable year. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

Sale, Exchange and Retirement of the Notes

Upon the sale, exchange, retirement or other taxable disposition of a note, you will recognize gain or loss equal to the difference, if any, between the amount you realize thereon (*less* an amount equal to any accrued interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the note. Your adjusted tax basis in a note will, in general, be your cost for that note, reduced (but not below zero) by payments, if any, previously received by such U.S. holder (other than payments of qualified stated interest). Any gain or loss you recognize will generally be capital gain or loss and will generally be long-term gain or loss if at the time of the sale, exchange, retirement or other taxable disposition the note has been held for more than one year. Such gain or loss, if any, will generally be U.S.-source income for purposes of computing your foreign tax credit limitation. Long-term capital gains of non-corporate U.S. holders (including individuals) are subject to reduced rates of taxation. The deductibility of capital losses is subject to limitations under the Code.

Backup Withholding and Information Reporting

Generally, backup withholding (currently at a rate of 24%) and information reporting requirements will apply to all payments on the notes and the proceeds from a sale or other disposition of a note paid to you, unless (i) you are an exempt recipient and demonstrate this fact when required or (ii) you provide your taxpayer identification number and certify that you are not subject to backup withholding.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, *provided* the required information is timely furnished to the IRS.

Certain U.S. holders are required to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets, with their U.S. federal tax return for each year in which they hold an interest in the notes. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the notes.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the purchase, ownership or disposition of the notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular situations.

PLAN OF DISTRIBUTION

BBVA Securities Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Natixis Securities Americas LLC and Santander US Capital Markets LLC are acting as joint book-running managers. Subject to the terms and conditions set forth in the purchase agreement dated the date of this offering memorandum, each initial purchaser has, severally and not jointly, agreed to purchase, and we have agreed to sell, the principal amount of the notes set forth opposite each initial purchaser's name in the following table:

Initial Purchaser	Principal Amount of Notes
BBVA Securities Inc.	US\$171,429,000
BNP Paribas Securities Corp.	US\$171,429,000
Citigroup Global Markets Inc.	US\$171,429,000
Goldman Sachs & Co. LLC.....	US\$171,429,000
J.P. Morgan Securities LLC	US\$171,428,000
Natixis Securities Americas LLC	US\$171,428,000
Santander US Capital Markets LLC	US\$171,428,000
Total	US\$1,200,000,000

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed, severally and not jointly, to purchase all of the notes sold under the purchase agreement if any of these notes are purchased. The initial purchasers may offer and sell the notes through any of their affiliates.

The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officers' certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and reject orders in whole or in part.

We have been advised that the initial purchasers propose to resell the notes at the offering price set forth on the cover page of this offering memorandum within the United States to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act and to non-U.S. persons outside the United States in reliance on the exemption from registration provided by Regulation S of the Securities Act. The price at which the notes are offered may be changed at any time without notice. This offering of the notes by the initial purchasers is subject to receipt and acceptance of orders and subject to the initial purchasers' right to reject any order in whole or in part.

The notes have not been and will not be registered under the Securities Act or any applicable U.S. federal or state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "*Transfer Restrictions*."

In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

We have agreed that, during the period beginning on the date of the purchase agreement and continuing to the date that is 60 days after the pricing of the offering, we will not, without the prior written consent of BBVA Securities Inc., Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC, offer, sell, contract to sell or otherwise dispose of any debt securities issued or guaranteed by the Issuer and having a tenor of more than one year.

The notes will constitute a new class of securities with no established trading market. We cannot assure you that the prices at which the notes will sell in the market after the offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after the offering. The initial purchasers have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the notes.

In connection with the offering, the initial purchasers may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases. Short sales involve secondary market sales by the initial purchasers of a greater number of notes than they are required to purchase in the offering. Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the initial purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

We expect to deliver the notes against payment for the notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the fifth business day following the date of the pricing of the notes (such settlement being referred to as “T+5”). Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder may be required, by virtue of the fact that the notes initially will settle in T+5, to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their advisors.

We will apply to admit the notes to listing and trading on the SGX-ST. The SGX-ST takes no responsibility for the contents of this offering memorandum, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering memorandum.

The initial purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the initial purchasers and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and reimbursement of expenses.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The initial purchasers and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. In particular, affiliates of certain of the initial purchasers may hold an interest in our securities.

Additionally, we intend to use the net proceeds from this offering to repay the Acquisition Term Loan, breakage costs, interest rate hedge unwind, and/or fees and expenses (if any) in respect of the Acquisition Term Loan. Accordingly, in connection with the repayment of the Acquisition Term Loan, certain affiliates of the initial purchasers who are lenders under the Acquisition Term Loan may receive a portion of the net proceeds from this offering. Because such initial purchasers or their affiliates may receive a portion of the net proceeds from this offering (in excess of any discount to the initial purchasers) such initial purchasers may be deemed to have a “conflict of interest” with us.

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities. In addition, we have also agreed to pay the initial purchasers certain transaction fees in connection with this offering.

Sales Outside of the United States

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

Notice to Prospective Investors in the European Economic Area (“EEA”)

This offering memorandum has been prepared on the basis that any offer of notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended or superseded).

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “IDD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each person in a Member State of the EEA who receives any communication in respect of, or who acquires any notes under, the offers to the public contemplated in this offering memorandum, or to whom the notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with the initial purchasers and us that it and any person on whose behalf it acquires notes is not a “retail investor” (as defined above).

Notice to Prospective Investors in the United Kingdom

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Order; (iii) are outside the United Kingdom; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

This offering memorandum and the offer of the notes have been prepared on the basis that any offer of notes in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation and the Financial Services and Markets Act 2000 (as amended, the “FSMA”) from the requirement to publish a prospectus for offers of notes. The expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”).

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the

“UK PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Each person in the United Kingdom who receives any communication in respect of, or who acquires any notes under, the offers to the public contemplated in this offering memorandum, or to whom the notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with the initial purchasers and us that it and any person on whose behalf it acquires notes is not a “retail investor” (as defined above).

Any distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) (for the purposes of this paragraph, a “distributor”) subsequently offering, selling or recommending the notes is responsible for undertaking its own target market assessment in respect of the notes and determining the appropriate distribution channels. Neither we nor the initial purchasers make any representations or warranties as to a distributor’s compliance with the UK MiFIR Product Governance Rules.

Notice to Prospective Investors in Peru

The notes and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. The notes and the information contained in this offering memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the SMV, nor the BVL, nor have they been registered with the Peruvian Capital Markets Public Registry of the SMV. Accordingly, Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the notes and, therefore, the disclosure obligations set forth therein will not be applicable to us or the sellers of the notes before or after their acquisition by prospective investors. Consequently, the notes cannot be offered or sold within Peruvian territory, unless (i) the notes are previously registered with the SMV or (ii) such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes, among other things, that any particular offering may qualify as private if it is directed exclusively to institutional investors.

Notice to Prospective Investors in the People’s Republic of China

The notes may not be offered or sold directly or indirectly within the People’s Republic of China (“PRC”). This offering memorandum or any information contained herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This offering memorandum, any information contained herein or the notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the notes in the PRC. The notes may only be invested in by PRC investors that are authorized to engage in the investment in the notes of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licenses or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking Regulatory Commission, the China Insurance Regulatory Commission and/or other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

Notice to Prospective Investors in Taiwan

The notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be sold, issued or offered within Taiwan through a public offering or in circumstances that constitute an offer or a solicitation of an offer within the meaning of Taiwan’s Securities and Exchange Act or relevant laws and regulations of Taiwan that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan and/or any other regulatory authorities of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the notes in Taiwan.

Notice to Prospective Investors in Hong Kong

The initial purchasers (i) have not offered or sold and will not offer or sell in Hong Kong, by means of any document, any notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the “SFO”) and any rules made thereunder; or (b) in other circumstances that do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the “CO”) or that do not constitute an offer to the public within the meaning of the CO; and (ii) have not issued or had in their possession for the purposes of issue, and will not issue or have in their possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the notes that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the notes nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any “resident” of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes, may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notice to Prospective Investors in Switzerland

The notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the notes constitutes or will constitute a prospectus pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Chile

The offering of the notes is subject to Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012 (“CMF Rule 336”), as amended by Rule (*Norma de Carácter General*) No. 452, dated February 22, 2021 (“CMF Rule 452”), both issued by the Financial Market Commission of Chile (“CMF”). The notes may not be offered or sold in Chile, directly or indirectly, by means of a “public offering” (as defined under Law No. 18,045, the “Chilean Securities Market Law,” and regulations from the CMF) unless they are offered in reliance on an available exemption under CMF Rule 452. Pursuant to Chilean law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of

public offering is broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law.

The notes cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding securities registry or they are offered in reliance of an available exemption from such registration requirement. The notes being offered are not and will not be registered under the Chilean Securities Market Law in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) both kept by the CMF and, therefore, the notes are not and will not be subject to the supervision of the CMF. As unregistered securities, we are not required to disclose public information about the notes in Chile.

Pursuant to CMF Rule 336, the notes may be privately offered in Chile, among others, to certain “qualified investors” identified as such therein (which in turn are further described in CMF Rule 216 of 2008).

The following information is provided to prospective investors in Chile pursuant to CMF Rule 336:

1. DATE OF COMMENCEMENT OF THE OFFER: SEPTEMBER 23, 2024. THE OFFER OF THE NOTES IS SUBJECT TO CMF RULE 336 AS AMENDED.
2. THE SUBJECT MATTER OF THIS OFFER ARE SECURITIES NOT REGISTERED WITH THE SECURITIES REGISTRY (*REGISTRO DE VALORES*) OR THE FOREIGN SECURITIES REGISTRY (*REGISTRO DE VALORES EXTRANJEROS*) BOTH KEPT BY THE CMF. AS A CONSEQUENCE, THE NOTES ARE NOT SUBJECT TO THE OVERSIGHT OF THE CMF.
3. SINCE THE NOTES ARE NOT REGISTERED IN CHILE, THE ISSUER IS NOT OBLIGED TO PROVIDE PUBLIC INFORMATION ABOUT THE NOTES IN CHILE.
4. THE NOTES SHALL NOT BE SUBJECT TO PUBLIC OFFERING IN CHILE UNLESS REGISTERED WITH THE RELEVANT SECURITIES REGISTRY KEPT BY THE CMF.

Notice to Prospective Investors in Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws in Canada.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

TRANSFER RESTRICTIONS

The notes have not been registered and will not be registered under the Securities Act, any U.S. state securities laws or the laws of any other jurisdiction, and may not be offered or sold except pursuant to an effective registration statement or pursuant transactions exempt from, or not subject to, registration under the Securities Act and the securities laws of any other jurisdiction. Accordingly, the notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A under the Securities Act; and
- to non-U.S. persons outside of the United States in offshore transactions in reliance upon Rule 903 or Rule 904 of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of notes (other than the initial purchasers in connection with the initial issuance and sale of the notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

- (1) it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside of the United States;
- (2) it acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any U.S. state or any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (3) it understands and agrees that the notes offered in the United States to qualified institutional buyers will each be represented by one or more global notes and that the notes offered outside the United States pursuant to Regulation S will also be represented by one or more global notes;
- (4) it will not resell or otherwise transfer any of such notes except (a) to the Issuer, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 under the Securities Act, (d) pursuant to another exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act;
- (5) it agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes;
- (6) it acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement or in respect of notes sold or transferred either pursuant to Rule 144A or Regulation S) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture governing the notes;
- (7) it acknowledges that the trustee, registrar or transfer agent for the notes will not be required to accept for registration the transfer of any notes acquired by it, except upon presentation of evidence satisfactory to the Issuer that the restrictions set forth herein have been complied with;
- (8) if it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account; and
- (9) it acknowledges that the Issuer, the initial purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify the Issuer and the initial purchasers.

Legends

The following is the form of restrictive legend that will appear on the face of the Rule 144A global note and that will be used to notify transferees of the foregoing restrictions on transfer:

“This note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any U.S. state securities laws. The holder hereof, by purchasing this note, agrees for the benefit of the issuer that this note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (i) to the issuer, (ii) so long as this note is eligible for resale pursuant to Rule 144A under the Securities Act (“Rule 144A”), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (iii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this note, represents and agrees that it shall notify any purchaser of this note from it of the resale restrictions referred to above.

This legend may be removed solely at the discretion and at the direction of the issuer.”

The following is the form of restrictive legend that will appear on the face of the Regulation S global note and that will be used to notify transferees of the foregoing restrictions on transfer:

“This note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any U.S. state securities laws. Prior to expiration of the 40-day distribution compliance period (as defined in Regulation S under the Securities Act (“Regulation S”)), this note may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account of benefit of, a U.S. person, except to a qualified institutional buyer as defined and in compliance with Rule 144A under the Securities Act. The terms “United States” and “U.S. person” have the respective meanings given to them by Regulation S.”

The resale restriction periods may be extended, in the Issuer’s discretion, in the event of one or more issuances of additional notes, as described under “*Description of the Notes*.” The above legends (including the restrictions on resale specified thereon) may be removed solely at the discretion and at the direction of the Issuer.

LEGAL MATTERS

The validity of the notes will be passed upon for the Issuer by Milbank LLP, in its capacity as special U.S. counsel to the Issuer, and for the initial purchasers by Paul Hastings LLP, in its capacity as special U.S. counsel to the initial purchasers. Certain matters of Peruvian law relating to the notes will be passed upon for the Issuer by J&A Garrigues Perú S. Civil de R.L., as special Peruvian counsel to the Issuer, and for the initial purchasers by Estudio Echeopar S.R.L., as special Peruvian counsel to the initial purchasers.

INDEPENDENT AUDITORS

The consolidated financial statements of Orygen as of and for the years ended December 31, 2023, 2022 and 2021 included in this offering memorandum have been audited by Emmerich, Córdova y Asociados S. Civil de R. L., independent auditors, as stated in their report appearing herein, which states the comparative periods of December 31, 2022 and 2021 were prepared giving effect to the corporate reorganization.

GENERAL INFORMATION

The issuance of the notes has been authorized by the resolutions of the shareholders of Niagara Energy dated September 20, 2024.

Except as disclosed in this offering memorandum, we are not involved in any litigation or arbitration proceedings relating to claims or amounts that are material in the context of this offering, nor, so far as we are aware, is any such litigation or arbitration pending or threatened.

Since December 31, 2023, the date of the latest audited financial statements included herein, there has been no material adverse change, or any development involving a prospective material adverse change, in or affecting our condition, financial position, management, properties, earnings, business affairs, business prospects or results of operations that is not otherwise disclosed herein.

For so long as any of the notes remain outstanding, copies of the following documents will be obtainable and available during normal business hours at our principal office, located at Jr. Paseo del Bosque 500, San Borja, Lima, Peru:

- the indenture relating to the notes and our by-laws (*estatutos*);
- the financial statements included in this offering memorandum; and
- any subsequent audited annual and unaudited quarterly financial statements issued.

The Issuer will apply for the listing and quotation of the notes on the SGX-ST. The notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000 so long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require.

The CUSIP numbers and ISINs for the notes are as follows:

	CUSIP Number	ISIN
144A Global Note	65345Y AA0	US65345YAA01
Regulation S Global Note	P7200A AA1	USP7200AAA18

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Niagara Energy S.A.C. and Subsidiaries

Unaudited Consolidated Interim Financial Statements

As at and for the six-month period ended June 30, 2024

(Including Independent Auditors' Report)

Niagara Energy S.A.C. and Subsidiaries

Unaudited Consolidated Statement of Financial Position

As of June 30, 2024 and December 31, 2023

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	8	629,739	-
Trade accounts receivable	9	439,565	-
Other accounts receivable	11	20,626	-
Accounts receivable from related parties	10	-	-
Inventories	12	93,087	-
Prepaid insurances	13	28,178	-
Total current assets		1,211,195	-
Non-current assets			
Goodwill	17	79,955	-
Investment projects	14	23,463	-
Property, plant and equipment	15	8,007,682	-
Intangible assets	16	188,992	-
Other non-financial assets	18	249,450	-
Total non-current assets		8,549,542	-
Total assets		9,760,737	-

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	December 31, 2023
Liabilities			
Current liabilities			
Other financial liabilities	19	61,728	-
Trade accounts payable	20	304,265	-
Other accounts payable	21	241,358	7
Accounts payable to related parties	10	25	-
Contract liabilities	22	5,004	-
Other provisions	23	8,830	-
Income tax liabilities		923	-
Total current liabilities		622,133	7
Non-current liabilities			
Other financial liabilities	19	4,914,586	-
Deferred income	22	61,781	-
Other accounts payable	21	8,398	-
Other provisions	23	110,571	-
Deferred tax liabilities	24	1,640,139	-
Total non-current liabilities		6,735,475	-
Total liabilities		7,357,608	7
Equity	25		
Issued share capital		2,006,467	-
Net profit or loss from cash flow hedge		(100,638)	-
Retained earnings		(552)	(7)
Equity attributable to owners of the Company		1,905,277	(7)
Non-controlling interest		497,852	-
Total equity		2,403,129	(7)
Total liabilities and equity		9,760,737	-

The accompanying notes on pages 6 to 60 are an integral part of these unaudited consolidated interim financial statements.

Niagara Energy S.A.C. and Subsidiaries
Unaudited Consolidated Statement of Profit or Loss
For the six months ended June 30, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Revenue from energy and power generation	26	433,502	-
Cost of energy generation	27	(206,023)	-
Gross profit		227,479	-
Administrative expenses	28	(75,740)	-
Other expenses	30	(13,808)	-
Other income	30	3,958	-
Operating profit		141,889	-
Finance income	31	74,475	-
Finance costs	31	(106,893)	-
Net finance cost		(32,418)	-
Profit before tax		109,471	-
Income tax	32	(96,301)	-
Profit for the period		13,170	-
Net profit attributable to:			
Owners of the controlling entity		(1,159)	-
Non-controlling interests	34	14,329	-
		13,170	-
Basic and diluted earnings per share (in soles)		(0.000)	-
Weighted average number of shares outstanding	25(a)	2,006,467,398	300

The accompanying notes on pages 6 to 60 are an integral part of these unaudited consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries

Unaudited Consolidated Statement of Other Comprehensive Income

For the six months ended June 30, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Profit for the period		13,170	-
Other comprehensive income			
Net change in cash flow hedges		(149,009)	-
Income tax		47,190	-
Total comprehensive income for the period, net of taxes		(101,819)	-
Comprehensive income attributable to:			
Owners of the Company		(100,638)	-
Non-controlling interests	34	(1,181)	-
		(101,819)	-

The accompanying notes on pages 6 to 60 are an integral part of these unaudited consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries

Unaudited Consolidated Statement of Changes in Equity
For the periods ended June 30, 2024 and 2023

		Number of	Issued	Cash flow	Retained		Non-controlling	
<i>In thousands of soles</i>	<i>Note</i>	shares	capital	hedges	Earnings	Total	interests	Total equity
							(note 34)	
Balance as of June 23, 2023		300	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	-	-	-	-
Transactions with owners of the Company								
Effect of translation difference		-	-	-	-	-	-	-
Total transactions with owners of the Company		-	-	-	-	-	-	-
Balance as of June 30, 2023		300	-	-	-	-	-	-
Balance as of January 1, 2024		300	-	-	(7)	(7)	-	(7)
Profit for the period		-	-	-	(1,159)	(1,159)	14,329	13,170
Other comprehensive income		-	-	(100,638)	-	(100,638)	(1,181)	(101,819)
Total comprehensive income for the period		-	-	(100,638)	(1,159)	(101,797)	13,148	(88,649)
Transactions with owners of the Company								
Acquisition of subsidiaries	1 (b)	-	-	-	-	-	501,112	501,112
Dividend distribution	25 (b)	-	-	-	-	-	(16,461)	(16,461)
Issue of ordinary shares	25 (a)	2,230,214,232	2,230,214	-	-	2,230,214	-	2,230,214
Capital reduction	25 (a)	(223,747,134)	(223,747)	-	-	(223,747)	-	(223,747)
Others		-	-	-	614	614	53	667
Total transactions with owners of the Company		2,006,467,098	2,006,467	-	614	2,007,081	484,704	2,491,785
Balance as of June 30, 2024		2,006,467,398	2,006,467	(100,638)	(552)	1,905,277	497,852	2,403,129

The accompanying notes on pages 6 to 60 are an integral part of these unaudited consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries
Unaudited Consolidated Statement of Cash Flows
For the periods ended June 30, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	June 30, 2023
Cash flows from operating activities			
Collection from customers		734,652	-
Payment to suppliers for services and goods		(451,956)	-
Payments to and by the employees		(14,585)	-
Other cash payments related to the operating activities		(42,127)	-
Collection of interest received (not included in investment activities)		2,921	-
Income tax payment		(42,753)	-
Net Cash from operating activities		186,152	-
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	1.B. iii and iv	(1,288,945)	-
Acquisition of property, plant and equipment and intangible assets	15 and 16	(59,027)	-
Interest received		552	-
Net cash flows used in investing activities		(1,347,420)	-
Cash flows from financing activities			
Proceeds from loans from banks	19	1,599,665	-
Proceeds from loans from related entities	10	25	-
Payment of loans to banks	19	(1,717,841)	-
Payment of dividends (non-controlling interests)	34	(16,461)	-
Capital increase	25(a)	2,230,214	-
Capital reduction	25(a)	(223,747)	-
Commissions paid for obtaining syndicated loans	19	(77,876)	-
Payment of interest		(5,030)	-
Net cash from financing activities		1,788,949	-
Net increase in cash and cash equivalents		627,681	-
Effect of movements in exchange rates on cash held		2,058	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period	8	629,739	-
Transactions not representing cash flows and cash equivalents			
Proceeds from bank loans disbursed to the Lima Stock Exchange (BVL)	1.B.iv and 19(f)	3,419,773	-

The accompanying notes on pages 6 to 60 are an integral part of these unaudited consolidated financial statements.

1. Background and Reporting Entity

A. Background

Niagara Energy S.A.C. (referred to as the 'Company') is a subsidiary of Niagara Generation S.A.C. As of June 30, 2024, Niagara Generation S.A.C. owns 99.99 percent of the Company's share capital (see note 25).

The Company was incorporated on June 23, 2023, in the city of Lima, Peru, beginning its activities on December 12, 2023 and is controlled by the global investment group Actis.

On November 21, 2023, Enel Perú S.A.C and Enel Américas S.A. agreed to sell all of its shares of Enel Generación Perú S.A.A. and Compañía Energética Veracruz S.A.C, in favor of the Company. In this regard, the Company will own 86.96% of the shares of Enel Generación Perú S.A.A. and 100% of the shares of Compañía Energética Veracruz S.A.C according to the purchase and Sale Agreement. The completion and execution of the transaction were subject to the satisfaction of conditions mutually agreed between the Company and Enel Perú S.A.C.

In March 2024, INDECOPI (Peruvian Institute for the Defense of Competition and Protection of Intellectual Property) approved the transfer of Enel Generación Perú S.A.A. shares to the Company.

In March 2024, as part of the transaction involving the sale of up to 100% of Enel Generación Perú S.A.A. shares, the Company issued a public offering.

In April 2024, Enel Américas S.A. sold to Enel Perú S.A.C. all of its shares equivalent to 20.46 percent of the capital share of Enel Generación Perú S.A.A.

On May 7, 2024, as a result of the public offering in Lima Stock Exchange (BVL for its acronym in spanish), the Company was awarded 92.35% of Enel Generación Perú S.A.A.'s share capital. The sale was conducted on May 9, 2024.

At General Shareholders' Meeting, held on June 24, 2024, an agreement was reached to change the corporate name of Enel Generación Perú S.A.A. to Orygen Perú S.A.A.

As of June 30, 2024, the Company's subsidiaries (together referred to as the 'Subsidiaries'), their economic activities and percent ownership interest are the following (As of December 31, 2023, the Company did not have subsidiaries):

Company's Subsidiaries	Business activity	% Participation As of June 30, 2024
Direct subsidiaries		
Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.)	Generation and commercialization of electrical energy and power to local private and public companies	92.35%
Compañía Energética Veracruz S.A.C.	Development of the Veracruz hydroelectric plant located in the Cutervo, Cajamarca.	99.99%
Indirect subsidiaries		
Chinango S.A.C.	Generation and commercialization of electrical energy and power to local private and public companies	80.00%
SL Energy S.A.C	Electrical power project permit management and advisory services	99.99%
Energética Monzón S.A.C	Development of electricity generation projects	99.99%

The legal domicile of the Company and its Subsidiaries as well as their administrative office are located at Jr. Paseo del Bosque 500, San Borja, Lima, Peru.

The balances as of June 30, 2023 of the consolidated statement of profit or loss are not presented in a comparative manner, because they are not material with respect to the balances at June 30, 2024.

B. Acquisition of subsidiaries

On May 9, 2024, the Company acquired 92.35% percent of the shares and voting interests in Enel Generación Perú S.A.A., as a result, the Company obtained control. Subsequently, the Company changed the corporate name to Orygen Perú S.A.A. (hereinafter "Orygen"). In addition, Orygen controls the following subsidiaries: Chinango S.A.C, SL Energy S.A.C and Energética Monzon S.AC.

Orygen is one of the Company's strategic investments and is principally engaged in the generation and commercialization of electrical energy and power to local private and public companies. Orygen is publicly listed on the Lima Stock Exchange (BVL).

Taking control of Orygen will enable the Company to add the largest renewable portfolio in Peru to its energy investments in the region. The acquisition is expected to provide the Company with an increased share of energy generation and commercialization market through access to Orygen's operating assets and customer base. The Company also expects to have a leading role in the decarbonization of the country.

From the acquisition date to 30 June 2024, Orygen contributed revenue of S/ 434,578 thousand and profit of S/ 142,312 thousand to the Company's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been S/ 1,379,606 thousand, and consolidated profit for the period would have been approximately S/ 288,469 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2024.

i. Consideration transferred

The total consideration transferred in cash by the Company at acquisition date was S/ 5,099,424 thousand.

ii. Acquisition-related costs

The Company incurred acquisition-related costs of S/ 38,207 thousand relating to external legal fees and due diligence costs and of S/ 15,879 thousand relating to the insurance of representations and guarantees (RWI insurance) contracted for the acquisition. These costs have been included in 'administrative expense' in the consolidated statement of profit or loss.

iii. Identifiable assets acquired, and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

<i>In thousands of soles</i>	Note	
Property, plant and equipment	15	7,939,114
Intangible assets	16	209,507
Other non-financial assets		260,729
Investment projects		23,463
Prepaid insurance		13,944
Inventories		88,829
Trade and other receivable		501,061
Cash and cash equivalent		390,706
Other financial liabilities		(1,574,400)
Deferred income		(3,797)
Deferred tax liabilities	24	(1,588,365)
Other provisions		(118,841)
Contract liabilities		(62,329)
Trade and other payables		(513,786)
Income tax liabilities		(15,016)
Total identifiable net assets acquired		5,520,581

Trade and other receivables comprised no gross contractual amounts that are expected to be uncollectable at the date of acquisition.

iv. Fair values measured on a provisional basis

The total purchase price of Orygen is S/ 5,099,424,000, which was paid comprising i) a direct payment in cash by the Company for S/ 1,679,651,000 and ii) a payment performed by the syndicated banks of the syndicated loan directly to the Lima stock Exchange for S/ 3,419,773,000 (see note 19 (f)). This last amount comprehends a portion of the syndicated loan included in the caption other financial liabilities of the consolidated statement of financial position, disclosed in note 19 (b). In accordance with Company's accounting policy for business combinations, the fair values of the net tangible and intangible assets acquired was measure on a provisional basis, and the excess of the consideration transferred over the Company's interest of such fair values was recorded as goodwill. The provisional fair values of the net tangible and intangible assets acquired were based on preliminary valuations, and Company's estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). Items that remain provisional relate to the fair values of the acquired intangible assets, certain acquired tangible assets and residual goodwill. We expect to continue obtaining information for the determination of the final fair values of the acquired net assets during the measurement period.

v. Goodwill

Goodwill arising from the acquisition has been recognized as follows:

<i>In thousands of soles</i>	Note	
Total consideration transferred	(i)	5,099,424
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities of Orygen (including indirect subsidiary Chinango S.A.C.)		501,112
Fair value of identifiable net assets	(iii)	(5,520,581)
Goodwill	17	79,955

The goodwill is attributable mainly to the skills and technical talent of Orygen's work force, and the synergies expected to be achieved from integrating Orygen into the Company's existing standards of energy generation and commercialization business. None of the goodwill recognized is expected to be deductible for tax purposes.

C. Business activity

The corporate purpose of the Company is to carry out investment and may directly or indirectly constitute, acquire or integrate different companies, institutions, foundations, corporations or associations of any nature in Peru and abroad. It may also execute capital investment in any class of personal property and the like, including among other stocks, bonds, equity interests and any other class of transferable securities and other activities.

As of June 30, 2024, the Company's subsidiaries are mainly engaged in the generation and commercialization of electrical energy and power to local private and public companies. Subsidiary Orygen Perú S.A.A. operates five (5) hydroelectric plants located in the basins of the Santa Eulalia and Rímac rivers, approximately 50 km away from Lima city. These power plants have an effective power generation of 600 MW. Furthermore, it owns two thermoelectric generation plants, one with an effective power of 410.9 MW, located in Lima city, and another with 476.2 MW, located in Ventanilla. It also owns two solar power plants located in the province of Mariscal Nieto, in the Moquegua region, with an effective power generation of 259.4 MW, and two wind power plants located in the province of Nazca, in the Ica region, with an effective power generation of 309.3 MW. Total effective power reaches 2,055.85 MW.

Subsidiary Chinango S.A.C. operates two (2) hydroelectric plants, Yanango and Chimay. Yanango is located 280 km northwest of Lima at lote 2 s/n San José de Utcuyacu in the district of San Ramón, province of Chanchamayo. On the other hand, Chimay is located 320 km northwest of Lima at s/n Libertad Tingo, in the district of Monobamba, province of Jauja. Both plants are located in the department of Junín and have an

effective power generation of 195.45 MW. Subsidiary Compañía Energética Veracruz S.A.C. owns an electric power generation project.

D. Approval of financial statements

The consolidated financial statements for the period ended June 30, 2024 have been authorized for issuance by the Company's management on September 21, 2024.

2. Operational Regulation and Legal Standards Affecting the Activities of the Electricity Sector and Main Contracts

i. Electricity Concessions Law and its Regulations

It is worth noting that by means of Executive Decree 006-2020-MINAM, published on July 4, 2020, the permanent Multisectoral Commission known as the 'High-Level Commission on Climate Change (CANCC for its Spanish acronym)' was created.

ii. Executive Orders issued within the framework of emergency situations

Executive Order 008-2017-EM, published on March 23, 2017, establishes a regime for the authorization of energy import in emergency situations. Within the framework of emergency situations as provided in Decision 757, in accordance with Paragraph 5.3 of the Internal Regulations for the application of Decision 757 of the Andean Community of Nations (CAN for its Spanish acronym), and in the absence of other available options, the COES is authorized to carry out emergency electricity exchanges to ensure the electricity supply to the Public Electricity Service.

Executive Order 017-2018-EM, published on July 23, 2018, establishes a Rationing Mechanism for situations that put the natural gas supply in Emergency, understanding as an Emergency the total or partial shortage of natural gas in the domestic market due to any situation affecting the supply and/or transport and/or distribution of natural gas, duly qualified by the Ministry of Energy and Mines.

iii. Executive Order 016-2000-EM

This decree, published on September 14, 2000, establishes regulation hours and monthly excess probabilities for hydroelectric plants and peak hours of the electrical system. It also establishes the requirement for natural gas generation units to declare a single price that considers the costs of supply, transportation, and distribution of natural gas, effective in July of each year for a period of twelve (12) months.

Executive Order 019-2017-EM, published on June 7, 2017, amended Section 5 of Executive Order 016-2000-EM. Generation companies using natural gas as fuel shall declare a single price of natural gas at the delivery point of each generation plant, a readjustment formula, and information regarding fuel quality. This information shall be submitted twice a year. The first submission is made on the last business day of the first half of November, effective for the flood season period (from December 1 to May 31 of the following year), and the second submission is made on the last business day of the first half of May, effective for the dry season period (from June 1 to November 30).

Executive Order 039-2017-EM, published on November 14, 2017, suspended the filing process of the single price of natural gas for thermoelectric plants until December 31, 2017, referred to in Section 5 (5.2) of Executive Order 016-2000-EM.

Executive Order 043-2017-EM, published on December 28, 2017, amended Section 5 of Executive Order 016-2000-EM, stipulating that generation companies using natural gas as fuel shall declare the single gas price once a year with effective date on July 1. The COES verifies that the declared value is, at least, the result from applying a formula that considers the Daily Contractual Quantity (DCQ), the specific consumption, take-or-pay agreements, and the natural gas supply price excluding transport and distribution.

iv. Supreme Resolution 006-2019-EM

Supreme Resolution 006-2019-EM, dated June 20, 2019, creates the Multisectoral Commission for the Reform of the Electricity Subsector. The purpose is to conduct an analysis of the electricity market and the regulatory framework of the Electricity and Hydrocarbon Subsectors, in relation to the provision of electricity for the SEIN, in order to formulate proposals aimed at adopting measures that ensure the sustainability and development of the Electricity Subsector. The effective term of the commission is twenty-four (24) months.

v. Osinergmin Resolution 144-2019-OS/CD amending the Technical Procedure of COES 26 'Firm Power Calculation'

Such parameter is used to determine the power revenues of generation companies in the COES, as well as the contracting level they are allowed to reach. Since September 2019, the Firm Power for plants with renewable energy resources (RER) using wind, solar or tidal technologies (prior to the amendment it was zero) shall be determined based on the energy production during the peak hours of the system.

vi. Standards approved with significant impact on the Peruvian Electricity Sector

By means of Osinergmin Board Resolution 010-2024-OS-CD, published on February 1, 2024, the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electric System, corresponding to the February – April 2024 quarter was approved.

By means of Osinergmin Board Resolution 011-2024-OS-CD, published on February 1, 2024, the updating factors to determine the unit charges for the February – April 2024 quarter was approved.

By means of Osinergmin Board Resolution 046-2024-OS-CD, published on March 27, 2024, the scale of fines of the regulation *Guide for the Elaboration and Presentation of Georeferenced Data of Electrical Generation and Transmission Systems Facilities* was approved.

By means of Osinergmin Board Resolution 047-2024-OS-CD, published on March 27, 2024, the scale of fines of the *Procedure for Monitoring the Implementation and Performance of Automatic Load and Generation Rejection Schemes* was approved.

By means of Osinergmin Board Resolution 051-2024-OS-CD, published on April 15, 2024, the bar prices for the period May 2024 – April 2025 was approved.

By means of Osinergmin Board Resolution 052-2024-OS-CD, published on April 15, 2024, the transmission tariffs contained in Table 6.1 of Resolution 070-2021-OS/CD and amendments for the period May 2024 – April 2025, as a result of the annual settlement of transmission revenues were modified.

By means of Osinergmin Board Resolution 054-2024-OS-CD, published on April 15, 2024, the allocation of Payment responsibility for the use of facilities contained in Table 10.4 of Resolution 070-2021-OS/CD was modified.

By means of Osinergmin Board Resolution 062-2024-OS-CD, published on April 27, 2024, the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electric System from May 1 to August 3, 2024 was approved.

By means of Osinergmin Board Resolution 063-2024-OS-CD, published on April 27, 2024, the Unit Charge for 'Electricity Generators/Private-Use Ducts Compensation' (GGEE-DUP Compensation, for its Spanish acronym) to be added to the Secondary and Complementary Transmission System Tariff, effective from May 1, 2024, to April 30, 2025 was approved.

By means of Resolution OSINERGMIN 023-2024-OS/GRT, published on April 30, 2024, the Surcharge Factor of the Electricity Social Compensation Fund applicable to the billing for the period from May 1, 2024 to August 3, 2024. Additionally, this resolution also includes other provisions was approved.

By means of OSINERGMIN Board Resolution 073-2024-OS/CD, published on May 16, 2024, the Procedure for the Oversight of Transmission Systems Performance was approved.

3. Concessions

The Company and Subsidiaries have been granted authorizations and concessions for an indefinite period, allowing them to conduct energy and power generation activities. The main ones are detailed below:

No.	Granted right	Resolution number, date, and registration
1	Final concession for hydroelectric generation at the Moyopampa Hydroelectric Power Plant	Supreme Resolution 097-96-EM, dated November 28, 1996 Form 0005, Record 2-C Concession Registry
2	Final concession for hydroelectric generation at the Huinco Hydroelectric Power Plant	Supreme Resolution 098-96-EM, dated November 28, 1996 Form 0003, Record 2-C Concession Registry
3	Final concession for hydroelectric generation at the Huampani Hydroelectric Power Plant	Supreme Resolution 103-96-EM, dated November 28, 1996. Form 0006, Record 2-C Concession Registry
4	Final concession for hydroelectric generation at the Matucana Hydroelectric Power Plant	Supreme Resolution 101-96-EM, dated November 28, 1996 Form 0007, Record 2-C Concession Registry
5	Final concession for hydroelectric generation at the Callahuanca Hydroelectric Power Plant	Supreme Resolution 100-96-EM, dated November 28, 1996 (power expansion approved by Supreme Resolution 011-2011-EM, dated March 5, 2011). Form 0004, Record 2-C Concession Registry
6	Final concession for hydroelectric generation at the Curibamba Hydroelectric Power Plant	Supreme Resolution 070-2014-EM. Pending registration in the Concessions Registry
7	Authorization for thermoelectric generation at the Santa Rosa Thermal Power Plant for 100 MW.	Ministerial Resolution 456-96-EM/VME, dated November 21, 1996
8	Authorization for thermoelectric generation at the Santa Rosa Thermal Power Plant for 140 MW	Ministerial Resolution 457-96-EM/VME, dated November 25, 1996
9	Authorization for thermoelectric generation at the Santa Rosa II Thermal Power Plant for 190 MW	Ministerial Resolution 448-2008-MEM/DM, dated October 4, 2008
10	Authorization for thermoelectric generation at the Ventanilla Thermal Power Plant	Supreme Resolution 003-96-EM, dated January 15, 1996 (power modifications approved by Ministerial Resolutions 209-2001-MEM/VME and 298-2007-MEM/DM)
11	Final concession for generation using renewable energy resources at the HER 1 Hydroelectric Power Plant for 0.7 MW.	Ministerial Resolution 548-2017-MEM/DM, dated December 29, 2017
12	Final concession for generation using renewable energy resources at the Clemesí Solar Power Plant for 114.93 MW	Ministerial Resolution 061-2021-MINEM/DM, dated March 16, 2021, amended by: i) Ministerial Resolution 136-2023-MINEM/DM, dated March 28, 2023 (modifying power to 114.93 MW) and ii) Ministerial Resolution 407-2023-MINEM/DM, dated October 13, 2023 (modifying the schedule).
13	Final concession for transmission of electrical energy for the SE Rubí Expansion project	Ministerial Resolution 141-2023-MINEM/DM, dated March 31, 2023
14	Final concession for generation using renewable energy resources at the Wayra Wind Power Plant Extension for 177 MW	Ministerial Resolution 370-2020-MINEM/DM, dated December 15, 2020, amended by: i) Ministerial Resolution 157-2023-MINEM/DM, dated April 10, 2023 (modifying schedule due to force majeure events) and ii) Ministerial Resolution 437-2023-MINEM/DM, dated November 6, 2023 (modifying power from 108 to 177 MW and the schedule).

Niagara Energy S.A.C. and Subsidiaries
Notes to the Unaudited Consolidated Interim Financial Statement
For the six months ended June 30, 2024 and 2023

No.	Granted right	Resolution number, date, and registration
15	Final concession for transmission of electrical energy for the SE Flamenco Expansion project	Ministerial Resolution 391-2022-MINEM/DM, dated November 3, 2022
16	Final concession for generation using renewable energy resources at the Rubí Solar Power Plant for 144.48 MW	Ministerial Resolution 328-2017-MINEM/DM, dated July 26, 2017
17	Final concession for generation using renewable energy resources at the Wayra I Wind Power Plant for 132.3 MW	Ministerial Resolution 090-2016-MINEM/DM, dated July 13, 2016, amended by: i) Ministerial Resolution 010-2017-MINEM/DM, dated January 16, 2017 (modifying the area) and ii) Ministerial Resolution 520-2017-MINEM/DM, dated December 6, 2017 (modifying installed power from 160 MW to 132.3 MW)
18	Concession for hydroelectric generation at the Chimay Hydroelectric Power Plant	Supreme Resolution 032-2009-EM, dated May 24, 2009 Entry 11073613 of the Property Registry of Lima. (Concession amended by Supreme Resolution 080-2012-EM, dated July 11, 2012)
19	Concession for hydroelectric generation at the Yanango Hydroelectric Power Plant	Supreme Resolution 037-2009-EM, dated May 29, 2009 Entry 11107458 of the Property Registry of Lima

i. Agreements

i. Energy sale agreements

Sixty-seven (67) electricity supply agreements have been signed with Regulated Customers (distribution companies), of which thirteen (13) were signed with Pluz Energía Perú S.A. (formerly Enel Distribución Perú S.A.A.) The term of these agreements ranges from five (5) to nineteen (19) years, with a maximum contracted power from 0.09 MW to 166.69 MW.

In May 2016, Enel Green Power Perú S.A.C. (now merged with subsidiary Orygen Perú S.A.A.) entered into two (2) electricity supply agreements (fourth tender) with the Peruvian Government, committing to inject 415 GW/year and 573 GW/year into the national interconnected system from its Rubí photovoltaic power plant and Wayra wind power plant, respectively. These agreements guaranteed an income of US\$ 47.98 per MW/h and US\$ 37.83 per MW/h for each plant, respectively. The agreements came into effect since the commercial operation of the plants (January 2018 for the Rubí photovoltaic power plant and May 2018 for the Wayra wind power plant). Both agreements will terminate on December 31, 2038.

In addition, one hundred and nine (109) agreements have been signed with Non-regulated Customers, with effective terms from 1 to 38 years and a maximum contracted power from 0.20 MW to 185 MW.

ii. Agreement on Natural Gas Supply from Camisea Deposits

Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) signed two (2) natural gas supply agreements with the Pluspetrol Consortium to serve the operations of the Ventanilla and Santa Rosa thermal power plants. These agreements were signed on May 30, 2019, effective from July 1, 2019 to December 31, 2029. The Daily Contractual Quantity (DCQ) is 74.16 MMPCD for Ventanilla and 63.57 MMPCD for Santa Rosa.

The purchase price is fixed at the receipt point (Las Malvinas - Camisea) and is expressed in US\$/MMBTU (US dollars per million BTU).

iii. Natural Gas Transport Agreements

On May 2, 2006, Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) entered into with Transportadora de Gas del Perú S.A. (hereinafter TGP) an Interruptible Natural Gas Transport Service Agreement, whereby TGP shall provide such service from the receipt point located in Las Malvinas (Camisea) to the delivery point at the City Gate in Lurín. This agreement is valid until January 1, 2034.

The maximum daily interruptible gas quantity (CIMD for its Spanish acronym) that TGP shall transport is as follows:

Period	CIMD (m ³ /td/day)
From July 31, 2007 to July 31, 2008	4,200,000
From August 1, 2008 to July 31, 2009	2,700,000
From August 1, 2009 to December 14, 2009	2,000,000
From December 15, 2009 to August 13, 2010	1,482,178
From August 14, 2010 to December 31, 2019	992,624
From January 1, 2020 to October 13, 2020	1,000,000
From October 14, 2020 to December 31, 2025	1,900,000
From January 1, 2026 to January 1, 2034	3,100,000

On September 25, 2023, subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and TGP entered into a new Interruptible Natural Gas Transportation Service Agreement, whereby TGP shall provide this service from September 25, 2023 to December 31, 2029.

The maximum daily interruptible gas quantity (CIMD) under the new Agreement that TGP shall transport is as follows:

Period	CIMD (m ³ /td/day)
From September 25, 2023 to December 31, 2024	1,100,000
From January 1, 2025 to December 31, 2025	200,000
From January 1, 2026 to December 31, 2029	1,100,000

On the other hand, on December 10, 2008, the Company and TGP entered into a Firm Transportation Service Agreement, whereby TGP shall provide such service from August 1, 2008, to December 31, 2025.

The Daily Reserved Capacity (DRC) amounts to the following values:

Period	DRC (m ³ /td/day)
From August 1, 2008 to July 31, 2009	1,500,000
August 1, 2009 to December 14, 2009	2,200,000
From December 15, 2009 to August 13, 2010	2,717,822
From August 14, 2010 to August 1, 2019	3,207,376
From August 2, 2019 to January 1, 2020	2,589,554
From January 2, 2020 to December 31, 2025	2,100,000

The consideration for the service referred to in the aforementioned interruptible and firm agreements is calculated based on the rates regulated by OSINERGMIN, applied to the volumes of gas actually transported in the case of the interruptible service agreement, and to the reserved volume in the case of the firm service agreement.

iv. Natural Gas Distribution Agreements

On May 20, 2005, subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and GNLC entered into another Interruptible Natural Gas Transport Service Agreement through the Main Distribution Network from the receipt point located in City Gate of Lurín to the delivery point at the Santa Rosa thermoelectric plant (Santa Rosa Interruptible Agreement). This agreement is valid until December 31, 2024.

The maximum Daily Interruptible Gas Quantity (CIMD) that GNLC shall transport is as follows:

Period	CIMD (m ³ /td/day)
From August 22, 2008 to December 15, 2009	2,000,000
From December 15, 2009 to February 28, 2010	1,382,178
From March 1, 2010 to December 31, 2019	900,000
From January 1, 2020 to December 31, 2024	2,000,000
From June 9, 2023 to December 31, 2024	2,800,000

On September 22, 2008, as part of the Eleventh Public Tender for the Contracting of Firm Service and the Call for Tenders for Interruptible Natural Gas Transport Service via the Main Distribution Network, GNLC and subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) signed the following Firm Service Agreement for its Ventanilla plant. The Daily Contractual Quantity (DCQ) of gas that GNLC shall transport is as follows:

Period	DCQ (m ³ /td/day)
From September 22, 2008 to July 31, 2009	1,500,000
From August 1, 2009 to December 31, 2025	2,100,000

On April 1, 2023, GNLC and subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) entered into a Firm Service Agreement for its Santa Rosa plant. The Daily Contractual Quantity (DCQ) of gas that GNLC shall transport is as follows:

Period	DCQ (m ³ stdSm ³ /day)
From April 1, 2023 to May 31, 2023	123,000
From June 1, 2023 to July 31, 2023	371,854
From August 1, 2023 to September 14, 2023	1,100,000
From September 15, 2023 to December 31, 2023	1,239,515
From January 1, 2024 to March 31, 2024	30,000

The consideration for the services referred to in the above agreements is calculated based on the tariffs regulated by OSINERGMIN, applied to the volumes of gas actually transported in the case of interruptible service agreements and to the reserved volumes in the case of firm service agreements.

v. Long-term Agreement on the Acquisition of Replacement Units and Provision of Maintenance Services for the Thermal Power Plants

On March 27, 2009, Siemens Power Generation, Inc. (now Siemens Energy Inc.) and Siemens Power Generation Service Company, Ltd. (whose rights and obligations have been transferred to Siemens S.A.C.) signed a Long-term Service Agreement (LTSA) with subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) for the acquisition of spare parts and replacement units, as well as the provision of scheduled maintenance services (minor and major) for Siemens turbine installed at the Santa Rosa thermoelectric generation plant. The LTSA related to the Siemens turbine at Santa Rosa plant became effective on the date of signature and will remain in force until one of the following conditions occurs: (a) the Siemens turbine at the Santa Rosa thermoelectric plant accumulates 100,000 Equivalent Service Hours (ESH); (b) eighteen (18) years after the signature; or (c) two (2) major inspections and two (2) hot gas path inspections are conducted, as set forth in the agreement, whichever occurs first. As of June 30, 2024, the agreement is effective.

The agreement establishes various payment terms such as: initial payment for spare parts and equipment specified in the respective agreements, monthly payments based on an accumulation diagram of equivalent service hours (ESH) for the turbine, monthly fixed payments for the turbines, payments according to the specified schedule for minor and major scheduled maintenance services, based on the accumulation of ESH, and monthly payments for maintenance services of the gas turbine control system for each agreement.

vi. Fuel Supply Agreements on Thermal Power Plants

On September 7, 2009, subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Petróleos del Perú - Petroperú S.A. (Petroperú) entered into an agreement on the supply of Biodiesel B2 GE or another similar fuel intended for thermal power plants with a renewable term of one (1) year. Through communications between the parties, the term was extended to three (3) years and formalized by an addendum on December 13, 2010, including automatic renewal for similar periods unless prior notice to the contrary is submitted.

According to the executed agreement, Petroperú commits to delivering a monthly volume of 20,000 barrels ('free volume') or any other volume exceeding this amount, on a 'firm' basis, that subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) has requested with 60 days' notice. If the Company fails to withdraw the requested 'firm' volume, it will be subject to a penalty payment in favor of Petroperú to compensate for its financial and storage costs.

On December 7, 2018, subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Repsol Comercial S.A.C. (Repsol) entered into an agreement for the supply of Biodiesel B5 S50 intended for thermal power plants for a term of three (3) years, which has been extended until December 31, 2024, through an addendum. According to the executed agreement, Repsol commits to delivering a monthly volume of 25,000 barrels ('free volume') if subsidiary Orygen Perú S.A.A. requests it. Furthermore, subsidiary Orygen Perú S.A.A. shall pay to Repsol the corresponding price for the fuel actually supplied in the manner and deadline set forth in the respective agreement.

vii. Power Purchase Option Agreements

By means of Resolution 216-2018-OS/CD, dated December 28, 2018, and under Executive Order 022-2018-EM, dated September 5, 2018, the transitional procedure for the evaluation of addenda to agreements resulting from tenders was approved. It allows distribution and generating companies to sign amendments to such contracts, provided that the conditions stipulated in the sole provisional supplementary provision of the aforementioned order are met, subject to prior approval by OSINERGMIN.

In the sole provisional supplementary provision of Executive Order 022-2018-EM, a provisional procedure is established for the approval and signing of addenda to agreements, effective from September 6 to December 31, 2018, authorizing distribution and generating companies to sign amendments to the agreement regarding the effective term, contracted power, and/or firm prices that were in effect as of September 5, 2018.

As a result of the mentioned renegotiation processes of long-term tender agreements, OSINERGMIN authorized the subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) to sign addenda for the supply of contracted power intended for the supply of its regulated market, for agreements from January 1, 2014 to January 1, 2018, which include the option to sell energy to various distribution companies at the end of the specified term, at the rate established in the original current agreement.

The purchase option agreements refer to the payment for the right granted by distribution companies to generation companies to amend the electricity supply agreement signed by the parties regarding the supply of the market from 2024 to 2030.

The purchase option agreements were executed as of December 31, 2021.

viii. Transitional Service Agreement ('TSA')

On May 9, 2024, the TSA agreement came into effect under which Enel Group will supply the Company with services, mainly related to information technology, for a one-year period.

4. Basis of the Preparation of Consolidated Financial Statements

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) including the requirement of IAS 34 '*Interim Financial Reporting*', in force as of June 30, 2024 and December 31, 2023, respectively. The Company presents its interim financial statements in accordance with IAS 34 *Interim Financial Reporting*.

The interim consolidated financial statements have been prepared on the historical cost basis from the accounting records kept by the Company and its Subsidiaries, except for derivative financial instruments, which are recorded at fair value. These consolidated financial statements are presented in Peruvian soles (functional and presentation currency). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements do not include the subsidiary Energética Monzón S.A.C. because its financial statements are not material for purposes of consolidation and a full provision for impairment has been recorded for the Company's investment in the Subsidiary's capital as of the date of the Consolidated Statements of Financial Position.

5. Significant Judgments, and Accounting Estimates and Assumptions

In preparing these interim consolidated financial statements, the Management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Significant estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are prospectively recognized in the period in which the estimates are revised and in any future periods affected.

i. Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Lease term: Whether the Company and Subsidiaries are reasonably certain to exercise extension options in lease agreements (note 6.H).
- Uncertain tax treatment: Estimate of current tax payable and current tax expense in relation to an uncertain tax position (note 6.L).
- Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired, and liabilities assumed, measured on a provisional basis.
- Impairment test of intangible assets and goodwill: key assumption underlying recoverable amounts, including the recoverability of development costs.

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as of June 30, 2024 and December 31, 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities is included in the following notes:

- *Recognition and measurement of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of economic resources* (notes 6.M and 6.N).
- Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax loss carry forwards from previous periods may be utilized (note 6.L).
- Estimate of inventory obsolescence (note 6.E).
- *Estimation of useful life and residual values of power plants, buildings and other buildings, vehicles, furniture, and equipment* (note 6.G).

iii. Measurement of fair value

A number of the accounting policies and disclosures of the Company and Subsidiaries require the measurement of fair values, for both financial and non-financial assets and liabilities.

In measuring an asset or liability fair value, the Company and Subsidiaries use observable market data, when 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 (unadjusted) market prices 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. 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 fall into different levels of the 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 entire measurement.

The Company and Subsidiaries recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6. Material Accounting Policies

The Company and Subsidiaries adopted the disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2), beginning on January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they affected the accounting policy information disclosed in the

consolidated financial statements. The amendments require entities to disclose their 'material' accounting policies, rather than their 'significant' accounting policies. The amendments also provide guidance on the application of materiality to the disclosure of accounting policies, assisting entities in providing useful and specific information about accounting policies that users need to understand other information in the consolidated financial statements. The Company and Subsidiaries have reviewed the accounting policies and updated the disclosures in this note (2022: Significant Accounting Policies) in accordance with the amendments. Find below the material accounting policies used by Management of the Company and Subsidiaries in the preparation of the consolidated financial statements:

i. Basis of consolidation

i. Business combinations and Goodwill

The Company and Subsidiaries accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company and Subsidiaries (note 6.A.iii). In determining whether a particular set of activities and assets is a business, the Company and Subsidiaries assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Company and Subsidiaries has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred.

Goodwill

Goodwill arises from the acquisition of subsidiaries and represents the excess between the cost of an acquisition and the fair value of the Company and Subsidiaries' interest in the net identifiable assets at the date of the acquisition.

Goodwill arising from a business combination is allocated to each CGU or group of CGUs that are expected to benefit from the synergies of the combination. Each CGU or group of GCUs to which goodwill is allocated represents the lowest level of cash-flow generating assets within the entity at which goodwill is monitored by Management.

The identification of the CGU requires a critical judgment of Management. The Company and Subsidiaries has defined its CGUs as each of the companies acquired because they are the smallest identifiable groups of assets that generate cash flows and that are largely independent of the cash inflows of other assets or groups of assets.

Goodwill is tested for impairment at least annually and recorded at cost less accumulated impairment losses. The carrying amount of goodwill is compared to the recoverable amount, which is the greater of value in use and fair value less costs to sell. Any impairment is recognized immediately as an expense and cannot be reversed.

ii. Business combinations under common control

Business combinations among entities under common control where the existence of economic substance cannot be demonstrated are recorded using the pooling-of-interest method.

According to the pooling-of-interest method, the items in the consolidated financial statements of the merging companies, both in the period in which the merger occurs and in the other periods presented comparatively, are included in the consolidated financial statements of the continuing company as if they had been merged from the beginning of the earliest period presented.

Due to the pooling-of-interest results in a single merged entity, it shall adopt uniform accounting policies. Therefore, the merged entity recognizes the assets, liabilities, and equity of the merging companies at their book values, adjusted for any necessary items to align the accounting policies and apply them to all periods presented. No goodwill is recognized in this process. Additionally, the effects of all transactions between the merging companies are eliminated when preparing the consolidated financial statements of the merged entity.

iii. Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

iv. Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The interest of third parties, that are not part of the Company, is shown as non-controlling interest in equity in the consolidated financial situation and the consolidated statements of other comprehensive income.

v. Loss of control

When the Company loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any related non-controlling interests, and other components of equity. Any resulting gain or loss is recognized in profit or loss. If the parent retains any interest in the former subsidiary, it is measured at fair value at the date it loses control.

A change in interest of a Subsidiary, without loss of control, is recognized as equity transaction.

vi. Intercompany balances and transactions

The balances and transactions among the Company and Subsidiaries and any unrealized income or expense arising from such transactions are eliminated.

vii. Control considerations

The Company controls an investee if, and only if, it has:

- power over the investee; that is, there are rights that give it the present ability to direct the relevant activities of the investee;
- exposure or rights to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns significantly.

It is generally presumed that a majority of the voting or similar rights of the investee, grant control over the investee. The Company considers all relevant facts and circumstances in order to assess whether it has power over said entity, including:

- the contractual arrangement between the Company and the other holders of the voting rights of the investee;
- the rights arising from other contractual arrangements;

- the investor's voting rights, potential voting rights or a combination of both.

The Company reassesses whether or not it has control over an investee and if facts and circumstances indicate that there are changes in one or more of the three (3) elements of control described above.

ii. Cash and cash equivalents

Cash and cash equivalents of the consolidated statement of financial situation includes cash on hand, checking accounts, and term deposits with an original maturity lower than three months.

iii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Financial assets**

i. Recognition and initial measurement

Trade accounts receivable and debt instruments initially issued are recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company and Subsidiaries becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

The financial assets of the Company and Subsidiaries include cash and cash equivalents, trade accounts receivable, other accounts receivable, and accounts receivable from related entities.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortized cost; at fair value through consolidated statement of other comprehensive income (FVOCI) – debt investment; at fair value through consolidated statement of other comprehensive income – equity investment; or at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company and Subsidiaries change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if both of the following conditions are met and is not measured at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms give rise – on specified dates – to cash flows that are solely payments of principal and interest on the outstanding principal.

Business model assessment

The Company and Subsidiaries make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the

duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.

- How the performance of the portfolio is assessed and reported to the key personnel of the Company's Management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- The frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that are not qualified for derecognition are not considered sales for this purpose, consistent with the Company and Subsidiaries' continuing recognition of the assets.

Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses are recognized in profit or loss. However, see (note 6.C) for derivatives designated as hedging instruments.

As of June 30, 2024 and December 31, 2023, the financial assets of the Company and Subsidiaries are those presented in the consolidated statement of financial position under 'cash and cash equivalents,' 'trade accounts receivable,' 'trade accounts receivable from related entities,' and 'other accounts receivable'. They fully belong to 'amortized cost,' except from the derivative financial instruments allocated as hedging instruments.

▪ ***Financial liabilities***

Recognition and initial measurement

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest gains and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

As of June 30, 2024 and 2023, the financial liabilities of the Company and Subsidiaries includes trade accounts payable, other accounts payable, accounts payable to related entities, and other financial liabilities which belong to 'amortized cost' (includes other accounts payable which belong to 'amortized cost.' as of December 31, 2023). The Company and Subsidiaries have not recognized any financial liability in the category FVTPL. See note 6.C. for the financial liabilities allocated as hedging instruments.

iii. Derecognition

Financial assets

The Company and Subsidiaries derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company and Subsidiaries neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

Financial liabilities

The Company and Subsidiaries derecognize a financial liability when its contractual obligations are discharged or canceled or expire. The Company and Subsidiaries also derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the extinguished financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) are recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company and Subsidiaries currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

The Company and Subsidiaries hold derivative financial instruments to hedge the exposure to the exchange rate risk and interest rate risk. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are generally recognized in the consolidated statement of other comprehensive income.

The Company and Subsidiaries designate certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At the inception of designated hedging relationships, the Company and Subsidiaries document the risk management objective and strategy for undertaking the hedge. The Company and Subsidiaries also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the consolidated statement of other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in the consolidated statement of other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged forecast transaction results in the recognition of a non-financial item, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the same period or periods during which the hedged expected future cash flows affect the profit or loss.

If the hedged item no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the cost of the non-financial item on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods in which the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

Embedded derivatives

Implicit derivatives embedded in host contracts are accounted for as separate derivatives and recorded at their fair value if the economic characteristics and associated risks are not closely related to the host contract and the host contract has not been designated as a trading financial asset or designated at fair value through profit or loss. Gains or losses for changes in fair value of embedded derivatives are recorded in the consolidated statement of profit or loss.

As of June 30, 2024 and December 31, 2023, the Company and Subsidiaries do not hold embedded derivatives that require separation.

Non-derivative hedging instruments

The Company and Subsidiaries designate certain non-derivative financial instruments as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates. If there is a high degree of correlation between revenues and fluctuations in the US dollar exchange rate, the Company and Subsidiaries will be subject to exchange rate risk for their future cash flows.

At the inception of designated hedging relationships, the Company and Subsidiaries document the risk management objective and strategy for undertaking the hedge. The Company and Subsidiaries also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. IFRS 9 allows for hedging these revenues by obtaining debt in foreign currency. The exchange differences on this debt, being cash flow hedging operations, are charged, net of their tax effect, to a reserve account in equity and recorded in the consolidated statement of other comprehensive income over the period in which the hedged cash flows are expected to occur. This period has been estimated in ten (10) years.

D. Impairment of assets

i. Non-derivative financial assets

Financial instruments and contract assets

The Company and Subsidiaries recognize loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Company and Subsidiaries measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as twelve-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade accounts receivable and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company and Subsidiaries consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the historical experience of the Company and Subsidiaries and informed credit assessment, that includes forward-looking information.

The Company and Subsidiaries assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company and Subsidiaries consider a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company and Subsidiaries in full, without recourse by the Company and Subsidiaries to actions such as realizing security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Twelve-month-ECLs are the portion of ECLs that result from default events that are possible within the twelve (12) months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve (12) months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company and Subsidiaries are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company and Subsidiaries expect to receive).

ECL are discounted using the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company and Subsidiaries assess whether financial assets recognized at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulties of the issuer or borrower;
- a breach of contract, such as a default or an event of default exceeding the stipulated deadlines;
- the restructuring of a loan or advance by the Company and Subsidiaries on terms it would not be considered otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial asset in question because of financial difficulties.

Value adjustments for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

In the case of a debt instrument measured at fair value through other comprehensive income, the value adjustment is charged to profit or loss and recognized in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off when the Company and Subsidiaries have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii. Non-financial assets

The Company and Subsidiaries assess, at each reporting date, whether there is an indication that an asset (other than investment properties and deferred income tax assets) may be impaired. If any indication exists or when annual impairment testing for an asset is required, the asset recoverable amount is estimated by the Company and Subsidiaries. The recoverable amount of an asset is the higher of fair value less costs of sale, whether an asset or a CGU, and its value in use, and is determined for each individual asset, unless the asset does not generate cash flows that are largely independent from other assets or group of assets.

When the carrying amount of an asset or a CGU exceeds its recoverable amount, the asset is considered to be impaired, and its value is reduced to its recoverable amount. In assessing the use value of an asset, the estimated cash flows are discounted to their present value using a pre-tax discount rate reflecting the current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of sale, if any, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the consolidated statement of profit or loss in those expense categories that correspond to the function of the impaired asset.

A previously recognized impairment loss is reversed only if there was a change in the assumptions used to determine the asset's recoverable amount since the last time that the impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had it not been an impairment loss recognized for the asset in previous periods. Such reversal is recognized in the consolidated statement of profit or loss.

E. Inventories

Inventories are composed of operating and maintenance materials, which are used for power plant maintenance and are valued at the lower of cost or at net realizable value, net of estimate of impairment.

Cost is determined using the weighted average method, except for inventories in transit, which are recorded at specific acquisition cost. The net realizable value is the estimated selling price in the ordinary course of business, less the costs necessary to make the sale of inventories and the commercialization and distribution expenses.

Spare parts, considered critical for the continuity of the plant operations, are classified as property, plant, and equipment and are depreciated using the straight-line method, according to the applicable rates.

Management assesses the impairment and obsolescence of these assets on a regular basis. They are recorded with debit to profit or loss, if so, based on the estimates of the technical areas of the Company and Subsidiaries.

F. Prepaid insurances

The criteria adopted for recording these items are as follows:

- Insurance is recorded at the value of the premium paid for coverage of various assets and are amortized on a straight-line basis over the term of the policies.
- Prepayments for other services are recorded as an asset and recognized as an expense when the service is rendered.

G. Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and/or accumulated impairment loss, if applicable. The initial cost of the asset comprises its purchase price or manufacturing costs, including non-reimbursable customs fees and purchase taxes as well as any other costs necessary to bring the asset to working condition for its intended use, the initial estimate of the decommissioning obligation, and the financing costs for long-term construction projects, to the extent that the recognition requirements are met.

When significant components of property, plant, and equipment must be replaced, the replaced component is derecognized and the new component is recognized by the Company and Subsidiaries, including the corresponding useful life and depreciation. Similarly, when a major inspection is performed, the cost is recognized as a replacement to the extent that requirements are met for their recognition. All routine costs of repair and maintenance are recognized as expense in the consolidated statement of profit or loss to the extent they are incurred.

The present value of the estimated cost for the decommissioning of the asset after its use is included in the cost of that asset, to the extent that the requirements for recognizing the respective provision are met.

An item of property, plant, and equipment or a significant component is derecognized when it is disposed or when no future economic benefits are expected from its use or subsequent disposal. Any gain or loss arising from the disposal of fixed assets (calculated as the difference between revenues from the sale and the assets carrying amount) is included in the consolidated statement of profit or loss and in the year when the asset is disposed.

The residual value, useful life, and depreciation methods are reviewed and adjusted, as needed, at the end of each year.

The works in progress include the disbursements for the construction of assets, financing costs, and other direct expenses attributable to such works, accrued during the construction stage. The works in progress are capitalized when they are completed, and depreciation is calculated from the moment they are ready to be used.

The criteria for capitalizing financing costs and other direct expenses are as follows:

- Loan costs that are directly attributable to the acquisition, construction, or production of qualifying assets, which are those that require a substantial period of time before they are ready for use, such as power generation facilities, are capitalized as part of the cost of the asset. The interest rate used corresponds to the specific financing of the Company and Subsidiaries in relation to the investment made.

- To capitalize direct personnel expenses, the Company and Subsidiaries identify each area dedicated to the planning, execution, and management of works, applying this to the costs of employees in these areas.

Depreciation is calculated applying the straight-line method, based on the following useful lives:

	Years
Buildings and other constructions	20 to 60
Power plants	10 to 80
Furniture and fixtures	10 to 15
Various equipment	4 to 10
Vehicles	4 to 5

H. Leases

As lessee

At commencement or on modification of a contract that contains a lease component, the Company and Subsidiaries allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for property leases, the Company and Subsidiaries have chosen not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

The Company and Subsidiaries recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs for decommissioning and removing the underlying asset, or restoring underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method over the lease term, unless the underlying asset ownership is transferred to the Company and Subsidiaries by the end of the lease term, or the cost of the right-of-use asset reflects that the Company and Subsidiaries will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is Initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Company and Subsidiaries use their incremental borrowing rate as the discount rate.

The Company and Subsidiaries determine their incremental borrowing rate by obtaining interest rates from various external financing sources and make certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that is reasonably certain to exercise, payments in an optional renewal period if is reasonably certain to exercise an extension option, and penalties for early termination of a lease, unless the Company and Subsidiaries are reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate; if there is a change in the Company and Subsidiaries' estimate of the amount expected to be payable under a residual value guarantee; if the Company and Subsidiaries change their assessment of whether it will exercise a purchase, extension or termination option; or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

I. Intangible assets

Intangible assets are recognized at acquisition cost, net of accumulated amortization. Amortization is recognized as expense and is determined using the straight-line method based on the estimated useful life of assets. Find below the useful life per type of intangible asset.

	Years
Concessions and rights	30
Software	5 to 10
Others	10 to 20

The useful life estimate is reviewed on a regular basis to ensure that the amortization period is consistent with the expected pattern of economic benefits from such assets.

J. Investment Projects

Investment projects are recognized within the consolidated statement of financial position, provided that their technical feasibility and economic profitability are reasonably assured and approved by the competent body of the Company. Investment projects are recorded as an expense in the consolidated statement of profit or loss in the period in which Management considers these are not viable. Management carries out this assessment annually.

K. Provision for decommissioning of plants

Decommissioning liabilities are recognized when the Company and Subsidiaries have an obligation to decommission and remove facilities to restore the site where they are located, and when a reasonable estimate of the liability can be made. The decommissioning and removal costs are provisioned at the present value of the expected costs to settle the obligation, using estimated cash flows, and are recognized as an integral part of the cost of the particular asset. The cash flows are discounted at a current market rate before taxes reflecting the specific risks of the liability.

The accrual of the discount is accounted for as an expense as incurred and recognized in the consolidated statement of profit or loss as a finance cost. The estimated future decommissioning and removal costs are reviewed annually and adjusted as appropriate. Changes in these estimated future costs or in the applied discount rate are added to or deducted from the cost of the related asset.

L. Bonds

The obligation for bond issuance is recognized at nominal value. Commissions and interest are recognized in profit or loss for the fiscal year, when accrued.

M. Current and deferred income tax

Income tax expense includes current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income.

The Company and Subsidiaries have determined that interest and penalties related to income tax do not meet the definition of income tax and, consequently, are accounted for under IAS 37 'Provisions, Contingent Liabilities, and Contingent Assets.'

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Legal standards and rates used to calculate amounts payable are those effective on the date of the consolidated statement of financial position.

Current tax assets and liabilities are offset only if certain criteria are met.

- (a) if the entity has a legally enforceable right to set off the recognized amounts; and
- (b) if the entity intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of the corresponding temporary difference. If the amount of the taxable temporary differences is insufficient to recognize a deferred tax asset, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the separate business plans of the Company and Subsidiaries. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed by the entity at the end of each reporting period. Also, it will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax will reflect the tax consequences resulting from the manner in which the Company and Subsidiaries expect, at the reporting date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met and there are sufficient future benefits for the deferred tax asset to be utilized.

Uncertainty over income tax treatments

Acceptability of a concrete tax treatment under tax law may be unknown until the corresponding Tax Authorities or justice tribunals make a decision in the future. Consequently, a dispute or inspection of a concrete tax treatment on the part of the Tax Authorities may impact the accounting of an entity of current or deferred tax asset or liability.

If an entity concludes that it is probable that the Tax Authorities will accept an uncertain tax treatment, the entity shall determine such treatment consistently with the tax treatment used or planned to be used in its income tax filings.

If an entity concludes that it is not probable that the Tax Authorities will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty.

If an uncertain tax treatment affects current tax and deferred tax, an entity shall make consistent judgments and estimates for current and deferred tax.

An entity shall reassess a judgment or estimate required if the facts and circumstances on which the judgment or estimate was based change, or as a result of new information that affects the judgment or estimate. An entity shall reflect the effect of a change in facts and circumstances or the effect of new information as a change in an accounting estimate.

N. Contingencies

Contingent liabilities are disclosed unless the likelihood of an outflow of resources embodying economic benefits is remote. Disclosures include a brief description of the nature of the contingency and, when this is practicable, the estimated financial effect, an indication of the uncertainties and the possibility of any reimbursement. When disclosure is impracticable, that fact is stated.

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The determination of contingencies inherently involves the exercise of judgments and calculation of estimates regarding the outcome of future events.

Contingent assets are not recognized in the consolidated financial statements, but they are disclosed in the notes to the consolidated financial statements when they degree of contingency is probable.

O. Provisions

Provisions are recognized when the Company and Subsidiaries have a present obligation (legal or constructive) as a result of a past event, and when is probable that an outflow of resources will be required to settle the obligation, and it is possible to reliably estimate the amount of the obligation. The provisions are revised on a regular basis and are adjusted to reflect a better estimate as of the date of the consolidated statement of financial position.

The expense related to a provision is presented in the consolidated statement of profit or loss. When the effect of time is significant, provisions are discounted at their present value using a rate that reflects the specific risks related to the liability. When discount is made, the increase in the provision, due to the lapse of time, is recognized as a finance cost.

A contingent liability is disclosed when the existence of an obligation will only be confirmed by future events or when the amount of the obligation cannot be measured with sufficient reliability. Contingent assets are not recognized but are disclosed when it is probable that an economic benefit will flow to the Company and Subsidiaries.

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The determination of contingencies inherently involves the exercise of judgments and calculation of estimates regarding the outcome of future events.

The contingent assets are not recognized in the consolidated financial statements of the Company and Subsidiaries but are disclosed in the notes when their likelihood of occurrence is probable.

P. Employee benefits

The Company and Subsidiaries have short-term employee benefit obligations including salaries, social contributions, legal bonuses, performance bonuses, and profit sharing.

These obligations are monthly recorded and are charged to the consolidated statement of profit or loss on an accrual basis.

In accordance with legal regulations, employees' profit sharing is calculated on the same basis as current income tax and is presented in the consolidated statement of profit or loss under 'Cost of energy generation' and 'Administrative expenses', as appropriate.

The Company and Subsidiaries grant seniority awards to their employees for every five-year period worked (quinquennium), which are calculated based on a percentage of the salary in effect at the end of the period. This obligation is estimated based on actuarial calculations. The Company and Subsidiaries recognize the expense on an accrual basis, and any actuarial gain or loss is recorded directly in the consolidated statement of profit or loss.

Q. Revenue recognition

Revenue is recognized at the fair value of the consideration received or receivable derived from it. These revenues are reduced by estimates such as customer returns, rebates, and other similar items.

Revenue from the sale of energy and power is recognized to represent the transfer of promised goods or services to customers, in an amount that reflects the consideration the entity expects to receive in exchange for the goods or services, considering the following five (5) steps:

- Step 1: Identify the agreement with the client.
- Step 2: Identify the separate obligations of the agreement.
- Step 3: Determine the price of transaction.
- Step 4: Distribute the price of transaction among the obligations of the agreement.
- Step 5: Recognize the income when (provided that) the entity meets the obligations of the agreement.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Sale of energy and power	<p>The Company and Subsidiaries consider, based on all relevant facts and circumstances, that the obligation to deliver energy and power is regarded as services that are transferred consecutively over the duration of the contract, which are provided and consumed simultaneously. This means that the customer consumes each unit of energy (kWh) and power immediately.</p> <p>According to the terms of the contract, the amount to be invoiced is based on the units of energy transferred to the customer. <u>Invoices are generally collected within thirty (30) days.</u></p>	Revenue is recognized over time as the energy and power are provided.

Interest income

Interest is recognized in proportion to the time elapsed, so as to reflect the effective return on the asset using the effective interest rate method.

Dividends and other income

Dividends are recognized as income when they are declared, and other income is recognized when accrued.

R. Cost and expense recognition

The energy generation costs are recognized when accrued. In addition, the cost of the purchase of energy is recognized when accrued, simultaneously to the recognition of income for the corresponding sale.

Financing costs, not related to the long-term construction projects, are recorded when accrued and include the interest charges and other costs incurred related to the loans obtained.

Other costs and expenses are recognized when accrued and are recorded in the periods to which they relate, regardless of the moment when they are paid.

S. Foreign currency transactions

Functional and presentation currency

Peruvian sol has been defined as the functional and presentation currency of the Company and Subsidiaries.

Foreign currency transactions (any currency other than the functional currency) are initially translated into the functional currency (soles) using the current exchange rates ruling at the dates of the transactions. This translation is performed based on the exchange rates established by the Banking, Insurance and Pension Plan Agency (SBS for its Spanish acronym).

Monetary assets and liabilities in foreign currency are subsequently adjusted to the functional currency at the effective exchange rate as of the date of the consolidated statement of financial situation. Gains or losses on exchange difference arising on the settlement of these transactions and on translating of monetary assets and liabilities in foreign currency at the year-end exchange rates are recognized in the consolidated statement of profit or loss.

Non-monetary assets and liabilities in foreign currency – measured based on historical cost – are translated into functional currency at exchange rates on the dates of transactions.

T. Issued share capital

Common shares are classified as equity and are recognized at face value. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction of the amount received, net of taxes.

U. Dividend distribution

Dividend distribution to shareholders is recognized as liabilities in the consolidated financial statements in the period they are approved by the Shareholders of the Company and Subsidiaries.

V. Profit per basic and diluted share

Profit per basic and diluted share is calculated based on the weighted average number of outstanding common shares as of the date of the consolidated statement of financial position. As of June 30, 2024 and December 31, 2023, the Company and Subsidiaries do not have dilutive effect financial instruments, so that the basic and diluted shares are the same.

W. Segments

A business segment is a group of assets and operations that provides goods or services and is subject to significant risks and returns different from those of other business segments. A geographical segment is characterized by providing goods or services within a particular economic environment that is subject to risks and returns different from those of segments operating in other economic environments. In the case of the Company and Subsidiaries, Management has determined that their only reportable segment is energy generation.

X. Subsequent events

Subsequent events after the closure of the fiscal year providing evidence of the conditions related to the financial situation of the Company and Subsidiaries as of the date of the Consolidated Statement of Financial Position (adjustment events) are included in the consolidated financial statements. The significant material events that are not adjustment events are exposed to the notes to the consolidated financial statements (note 35).

Y. New accounting standards

As of December 31, 2023, the Company and Subsidiaries adopted the disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2), beginning on January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they affected the accounting policy information disclosed in the consolidated financial statements. The amendments require

entities to disclose their 'material' accounting policies, rather than their 'significant' accounting policies. The amendments also provide guidance on the application of materiality to the disclosure of accounting policies, assisting entities in providing useful and specific information about accounting policies that users need to understand other information in the consolidated financial statements. The Company and Subsidiaries have reviewed the accounting policies and updated the disclosures in this note in accordance with the amendments.

Other amendments beginning on January 1, 2023, did not have any material impact on the consolidated financial statements of the Company as of December 31, 2023.

We have not identified new standards applicable since January 1, 2024.

Z. Accounting standards not yet effective

The following accounting standards are applicable for annual periods beginning after January 1, 2024, and have not been applied in the preparation of these consolidated financial statements. The Company and Subsidiaries will apply the corresponding accounting standards on the respective application dates, not before.

Amendments to IFRSs	Date of mandatory application
<i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</i>	For annual periods beginning on or after January 1, 2024. Earlier adoption is permitted.
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).</i>	Effective date was indefinitely deferred.
<i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i>	For annual periods beginning on or after January 1, 2024. Earlier adoption is permitted.
<i>Non-current Liabilities with Covenants – Amendments to IAS 1</i>	For annual periods beginning on or after January 1, 2024.
<i>Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7</i>	For annual periods beginning on or after January 1, 2024 (earlier adoption is permitted) and the amendments to IFRS 7 when applying the amendments to IAS 7.
<i>Lack of Exchangeability – Amendments to IAS 21</i>	For annual periods beginning on or after January 1, 2025. Earlier adoption is permitted.

Management expects that these accounting standards – not yet effective – do not have any material effect on the consolidated financial statements of the Company and Subsidiaries.

AA. Regulatory pronouncements on sustainability not yet in force

The following accounting standards are applicable for the preparation of sustainability reports. The Management of the Company and Subsidiaries will apply the corresponding accounting standards on the respective application dates, not before.

New Sustainability IFRSs	Date of mandatory application
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual periods beginning on or after January 1, 2024. Earlier application is permitted if IFRS S2 is also adopted.
IFRS S2 Climate-related Disclosures	Annual periods beginning on or after January 1, 2024. Earlier application is permitted if IFRS S1 is also adopted.

IFRS S1 and S2 are subject to local adoption processes in Peru before becoming effective.

Management will apply these standards once their adoption in the country has been formalized.

7. Financial Instruments – Fair Values and Risk Management

A. Accounting classification 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 as of June 30, 2024 (as of December 31, 2023, the carrying amounts of financial instruments comprises current other accounts payable of S/ (7) thousands. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value:

Niagara Energy S.A.C. and Subsidiaries

Notes to the Unaudited Consolidated Interim Financial Statement
For the six months ended June 30, 2024 and 2023

The following table presents:

		Fair value - Hedging instruments	Carrying amount		Fair value	
			Financial assets at amortized cost	Other financial liabilities	Total	Total
<i>In thousands of soles</i>	<i>Note</i>					
As of June 30, 2024						
Financial assets measured at fair value						
Derivative financial instruments	11	164	-	-	164	164
		164	-	-	164	164
Financial assets not measured at fair value						
Cash and cash equivalents	8	-	629,739	-	629,739	-
Trade accounts receivable	9	-	439,565	-	439,565	-
Other accounts receivable (*)	11	-	10,986	-	10,986	-
		-	1,080,290	-	1,080,290	-
Financial liabilities measured at fair value						
Derivative financial instruments	19	9,819	-	-	9,819	9,819
		9,819	-	-	9,819	9,819
Financial liabilities not measured at fair value						
Trade accounts payable	20	-	-	304,265	304,265	-
Accounts payable to related entities	10	-	-	25	25	-
Other accounts payable (**)	21	-	-	39,115	39,115	-
Other financial liabilities	19	-	-	4,966,495	4,966,495	5,483,533
		-	-	5,309,900	5,309,900	5,483,533

(*) It does not include taxes receivable, payments in advance.

(**) It does not include taxes payable, payments in advance, labor liabilities.

B. Fair value measurement

The carrying amount of trade receivable, other accounts receivable, accounts receivable and payable to related parties, trade accounts payable and other accounts payable reported in the consolidated statement of financial position approximately fair values due to the short maturities of these instruments.

The level 2 fair value of the derivative financial liabilities (interest rate swaps) is calculated as the present value of estimated future floating rate cash flows, which are based on quoted swap rates, futures prices and overnight Treasury-secured lending rates, discounted using a yield curve from similar sources and reflecting the relevant secured overnight lending rates used by market participants when pricing these derivatives; the measurement includes a credit risk adjustment based on credit spreads derived from current prices of credit default swaps or bonds.

The Company and Subsidiaries are exposed to the following risks related to the use of financial instruments:

The management of the Company and its Subsidiaries is responsible for risk management. To fulfill this duty, they have implemented policies that aim to identify and analyze the risks faced by the Company and its Subsidiaries, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Company and its Subsidiaries.

Currently, the Company and its Subsidiaries are exposed to the following financial risks:

i. Interest rate risk

Floating-rate borrowing may expose the Company and Subsidiaries to interest rate risk on its cash flows. The Company and Subsidiaries holds most of its financial obligations at floating interest rates. On the other hand, fixed-rate borrowings may expose the Company and its Subsidiaries to interest rate risk on the fair value of their financial liabilities. As of June 30, 2024, the Company's debts and loans at a fixed interest rate accounted for 1.15% of the total (no debts and loans as of December 31, 2023), the Company increased its exposure to interest rate fluctuations by the end of the first half of 2024, as of March 1, 2024 the Company obtained a senior secured Loan Term Facility under a Syndicated Credit Agreement dated (note 19).

The Company and Subsidiaries hedge interest rate exposure by using interest rate swap derivative financial instruments for future cash flows from most of the financial liabilities. These contracts are designated as cash flow hedges.

ii. Currency risk

It is related to the impact it may have on the value of the Company and Subsidiaries asset and liability positions in foreign currency. Considering that some of its revenues and liabilities are denominated in foreign currency, the Company and Subsidiaries management implements actions to mitigate the exchange risk. The Company and Subsidiaries monitors and manages currency risk to mitigate the volatility observed as of June 30, 2024 resulting from external factors and local political instability.

The Company and Subsidiaries hedge exchange rate exposure by using forward contracts and non-derivative financial instruments for future cash flows from operating income. These contracts are designated as cash flow hedges.

iii. Credit risk

Counterparty risk is managed focusing on both the financial agents – used by the Company and Subsidiaries – and commercial customers. The Company and Subsidiaries only uses investment-grade rated counterparties to place its cash surplus, while conducting credit assessments on the current and future customer portfolio that may require collaterals for the execution of contracts.

C. Capital management

The Company and Subsidiaries objective in managing capital is to safeguard its capacity to continue operating as a going concern and provide the expected return to its stockholders maintain an optimum structure to reduce capital cost.

The Company and Subsidiaries manage their capital structure and make the corresponding adjustments according to the economic condition changes. To keep or adjust their capital structure, the Company and Subsidiaries may modify the payments of dividends to shareholders, return capital to shareholders, or issue new shares.

There were no modifications to the objectives, policies, or processes related to capital management as of June 30, 2024 and 2023.

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Other financial liabilities	19	4,976,644	-
Total gross debt		4,976,644	-
Less: Cash and cash equivalents	8	(629,739)	-
Net debt		4,346,905	-
Total equity	25	2,462,973	(7)
Debt ratio (%)		1.80	-

(*) It does not include taxes, payments in advance – received or granted – nor labor liabilities.

8. Cash and Cash Equivalents

This caption comprises the following:

<i>In thousands of soles</i>	As of June 30, 2024	As of December 31, 2023
Checking accounts (a)	629,736	-
Fixed fund	3	-
	629,739	-

- (a) As of June 30, 2024, the funds held in checking accounts are in Peruvian soles and US dollars. The funds have free withdrawal option and are deposited in local and international banks with high credit ratings and earn interest at market rates.

Impairment of cash and cash equivalents has been measured on a twelve-month expected credit loss basis and reflects the short-term maturities of the exposures. The Company and Subsidiaries consider that their cash and cash equivalents have low credit risk based on the external credit ratings of the counterparts.

9. Trade Accounts Receivable

This caption comprises the following:

<i>In thousands of soles</i>	As of June 30, 2024	As of December 31, 2023
Energy invoiced to customers (a)	159,304	-
Energy and power delivered but not invoiced	282,452	-
	441,756	-
Less: Estimated of expected credit loss (b)	(2,191)	-
	439,565	-

Niagara Energy S.A.C. and Subsidiaries
Note to the Unaudited Consolidated Financial Statements
As of June 30, 2024 and December 31, 2023

- (a) Trade accounts receivable are mainly denominated in Peruvian soles, have current maturity and are non-interest bearing. The balance of accounts receivable as of June 30, 2024 corresponds to 190 customers.
- (b) Aging of trade accounts receivable is as follows:

<i>In thousands of soles</i>	Energy invoiced to customers	Energy and power delivered but not invoiced	Total
As of June 30, 2024			
Undue	138,642	282,338	420,980
Due			
Up to 90 days	8,830	-	8,830
Over 90 days	9,755	-	9,755
	157,227	282,338	439,565

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

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2024	As of December 31, 2023
Initial balance as of January 1		-	-
Acquisition through business combination		1,706	
Expected credit loss estimate	28	485	-
		2,191	-

In the opinion of the management of the Company and its Subsidiaries, the estimate of expected credit loss on accounts receivable as of June 30, 2024 properly covers the credit risk of these items as of those dates.

10. Related Party Balances and Transactions

A. Parent and ultimate controlling party

As of June 30, 2024 and December 31, 2023, the ultimate controlling party of the Company is Niagara Investments based in Luxemburgo.

B. Transactions with key management personnel

i. Loans to directors

As of June 30, 2024 and December 31, 2023, there are no loans to directors.

ii. Key management personnel compensation

The Company's key management personnel are the Directors and their operational Managers. Compensation paid to the key management personnel amounts to S/ 808,000 as of June 30, 2024 (no compensation paid as of December 31, 2023).

These benefits are included in 'cost of energy generation' of the consolidated statement of profit or loss.

As of June 30, 2024 and December 31, 2023, the Company and Subsidiaries have not granted loans to the key personnel.

C. Related party transactions

As of June 30, 2024, the Company and Subsidiaries obtained a loan from its ultimate controlling entity for an amount of S/ 3,364 and a loan from its related entity Niagara Generation S.A.C. of thousand S/ 22,174, both based on market conditions (no related entities transactions as of December 31, 2023).

D. As a result of these transactions with related parties, the balance of accounts payable is presented as follows:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Other accounts payable		
Related parties		
Niagara Generation S.A.C.	22	-
Niagara Investments	3	-
	25	-

11. Other Accounts Receivable

This caption comprises the following:

	As of June 30, 2024		As of December 31, 2023	
<i>In thousands of soles</i>	Current	Non-current	Current	Non-current
Prepayments from suppliers	8,289	-	-	-
Guarantees	2,932	-	-	-
Negotiable securities	1,864	-	-	-
Loans to personnel	1,373	-	-	-
Warehouse sales	997	-	-	-
Claims from third parties	864	-	-	-
Reimbursement for material damage	456	-	-	-
Derivative financial instruments	164	-	-	-
Others	3,717	-	-	-
	20,656	-	-	-
Less: Estimate of expected credit loss (a)	(30)	-	-	-
	20,626	-	-	-

- (a) In the opinion of the management of the Company and its Subsidiaries, the expected credit loss estimate of other accounts receivable as of June 30, 2024 appropriately covers the credit risk of those items as of those dates.

12. Inventories

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Maintenance materials (a)	81,873	-
Oil	17,731	-
Materials in transit	1,002	-
	100,606	-
Less: Estimate of inventory obsolescence	(7,519)	-
	93,087	-

- (a) The inventories primarily consist of materials used for the maintenance of the existing power generation plants.

- (b) The movement of estimate of inventory obsolescence was as follows:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Balance as of January 1	-	-
Acquisition through business combination	7,519	-
	7,519	-

The estimate of inventory obsolescence has been determined based on technical studies, and in the opinion of management, this estimate adequately covers the risk of inventory obsolescence as of June 30, 2024.

13. Prepaid Insurance

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Insurance of representations and guarantees	15,970	-
Prepaid expenses	4,366	-
Prepaid property tax and municipal fees	4,048	-
Other prepaid expenses	2,993	-
All-risk insurance policy	133	-
Other insurance	668	-
	28,178	-

- (a) As of June 30, 2024, the Company and Subsidiaries purchased “all risk” insurance policies for the period from November 2023 to October 2024. The first invoice was paid during the first quarter of 2024.

14. Investment Projects

As of June 30, 2024, this caption comprises the following renewable energy projects:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Pampa Mórrope	16,537	-
Marcona	6,926	-
	23,463	-

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15. Property, Plant, and Equipment

The movement of cost and accumulated depreciation is presented below:

<i>In thousands of soles</i>	Land	Buildings and other constructions	Power plants	Vehicles	Furniture and fixtures	Various equipment	Work-in-progress	Total
Cost								
Balance as of June 23, 2023	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-	-
Acquisition through business combination	65,032	530,709	6,022,436	4,380	10,806	9,862	1,295,889	7,939,114
Reclassifications of intangible assets	-	-	-	-	-	-	4,137	4,137
Additions (note 16)	-	100	-	-	-	-	97,409	97,509
Transfers (d)	78	161	820,672	-	-	-	(820,911)	-
Disposals	-	-	(21,168)	-	-	-	-	(21,168)
Balance as of June 30, 2024	65,110	530,970	6,821,940	4,380	10,806	9,862	576,524	8,019,592
Accumulated depreciation								
Balance as of June 23, 2023	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-	-
Depreciation for the period (a)	-	3,084	29,083	437	163	311	-	33,078
Disposals	-	-	(13,592)	-	-	-	-	(13,592)
Balance as of June 30, 2024	-	3,084	15,491	437	163	311	-	19,486
Impairment estimate								
Balance as of June 23, 2023	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	(7,576)	-	-	-	-	(7,576)
Balance as of June 30, 2024	-	-	(7,576)	-	-	-	-	(7,576)
Net carrying amount								
As of December 31, 2023	-	-	-	-	-	-	-	-
As of June 30, 2024	65,110	527,886	6,814,025	3,943	10,643	9,551	576,524	8,007,682

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(a) Distribution of depreciation was as follows:

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	June 30, 2023
Cost of energy generation	27	32,101	-
Administrative expenses	28	977	-
		33,078	-

- (b) Property, plant, and equipment includes direct expenses related to the construction of works in progress. The methodology applied to capitalize direct personnel expenses is based on the identification of every area of the Company fully committed to planning, execution, and management of works, and the determination of percentages of time for areas with partial dedication. It is applicable to the benefit costs in favor of the employees of these areas. The direct expenses capitalized as of June 30, 2024, amounted to approximately S/ 1,507,000 (note 29).
- (c) Property, plant, and equipment includes financing costs related to the construction of works in progress. As of June 30, 2024, the Company and Subsidiaries have capitalized interest for S/ 7,888 thousands with an average rate of 6.78% (note 31).
- (d) As of June 30, 2024, the Company carried out transfers of works in progress to generating plants for approximately S/ 820,672, the most representative corresponds to the "Wayra Extension Wind Farm" with a nominal power of 177.30 MW, beginning its commercial operations on June 29, 2024.

16. Intangible Assets

The movement of cost and accumulated amortization is presented below:

<i>In thousands of soles</i>	Operating licenses (note 1(b))	Customer relationships (note 1(b))	Rights and concessions (a)	Software	Other intangible assets	Intangible assets in progress	Total
Cost							
Balance as of June 23, 2023	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-
Acquisition through business combination	33,362	9,701	31,194	64,951	140	70,159	209,507
Additions	-	-	-	-	-	62	62
Reclassifications to property, plant and equipment (note 15)	-	-	-	-	-	(4,137)	(4,137)
Transfers	-	-	-	(77)	-	77	-
Sale and/or disposals	-	-	-	(86)	-	-	(86)
Balance as of June 30, 2024	33,362	9,701	31,194	64,788	140	66,161	205,346
Accumulated amortization							
Balance as of June 23, 2023	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-
Additions (b)	-	-	284	2,288	2	-	2,574
Balance as of June 30, 2024	-	-	284	2,288	2	-	2,574
Impairment estimate							
Balance as of June 23, 2023	-	-	-	-	-	-	-

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	Operating licenses (note 1(b))	Customer relationships (note 1(b))	Rights and concessions (a)	Software	Other intangible assets	Intangible assets in progress	Total
<i>In thousands of soles</i>							
Additions (c)	-	-	-	13,780	-	-	13,780
Balance as of June 30, 2024	-	-	-	13,780	-	-	13,780
Net carrying amount							
As of December 31, 2023	-	-	-	-	-	-	-
As of June 30, 2024	33,362	9,701	30,910	48,720	138	66,161	188,992

- (a) Concessions and rights include the rights to use the water from Lagunas de Huascacocha, which allows the subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) Company to have a greater flow of water for the development of its electricity energy generation activities. The useful life is thirty (30) years.

- (b) Distribution of amortization was as follows:

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	June 30, 2023
Cost of energy generation	27	1,534	-
Administrative expenses	28	1,040	-
		2,574	-

- (c) In conformity with TSA agreement, the subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) wrote down certain software due to technological obsolescence.

17. Goodwill

As of June 30, 2024, corresponds to the goodwill recognized in the acquisition of subsidiaries (Note 1(b)).

As of June 30, 2024, the Company estimates that the recoverable amount of the CGU which includes the goodwill (mainly based on a discounted cash flow model with a pre-tax discount rate in the relevant market and in the same currency as the cash flows, adjusted for a risk premium) has no significative changes since its initial recognition in May 2024, and recognized no goodwill impairment in the period.

18. Other Non-Financial Assets

As of June 30, 2024, this relates to the accounting treatment of the energy contract modification resulting from the implementation of Resolution 216-2018-OS/CD, dated December 28, 2018, and Supreme Decree 022-2018-EM, dated September 5, 2018.

As per the guidelines of IFRS 15.21(a) *Revenue from Contracts with Customers*, the Company and its Subsidiaries record the contract modification as if it were a termination of the existing contract and the creation of a new contract. For these modifications, the revenue recognized until the date of the original contract (the amount associated with the completed performance obligations) is not adjusted. The remaining portion of the original contract and the modification are accounted for prospectively. The balance of the new contract is allocated to the performance obligations to be met, including those introduced in the modification.

19. Other Financial Liabilities

This caption comprises the following:

	Current portion (*)		Non-current portion		Total outstanding debt as of	
	As of June 30, 2024	As of December 31, 2023	As of June 30, 2024	As of December 31, 2023	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>						
Creditor						
Corporate bonds						
Third program (a)	1,089	-	39,887	-	40,976	-
	1,089	-	39,887	-	40,976	-
Syndicated loans						
Term Loan Facility (b) and (c)	54,977	-	4,852,622	-	4,907,599	-
	54,977	-	4,852,622	-	4,907,599	-
Finance lease						
Right-of-use liabilities	3,558	-	14,362	-	17,920	-
	3,558	-	14,362	-	17,920	-
Derivatives						
Interest rate swap (d)	2,104	-	7,715	-	9,819	-
	2,104	-	7,715	-	9,819	-
	61,728	-	4,914,586	-	4,976,314	-

(*) Current portion of long-term obligations includes the accrued and unpaid interest on the debt as of the date of the consolidated statement of financial position.

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(a) The Corporate Bond debt is composed as follows:

In thousands of soles	Currency of	Issued	Issue	Annual	Interest paid	Maturity	Current portion (*)		Non-curre nt portion		Total outstand ng debt as of	
	origin	amount	date	interest (%)		date	2024	2023	2024	2023	2024	2023
Description of Corporate Bonds												
Third program of Corporate Bonds												
8th issuance, Series A	US\$	10,000,000	Jan. 2008	6.344	Semi-annual	Jan. 2028	1,089	-	39,887	-	40,976	-
							1,089	-	39,887	-	40,976	-

(*) Current portion of Corporate Bond debt includes the accrued and unpaid interest on the debt as of the date of the consolidated statement of financial position.

As of June 30, 2024, the main obligation of the Company, during the effective term of the bonds issued as part of the Third Corporate Bond Program, is to ensure that its debt ratio does not exceed 1.5 (at the end of June, the debt ratio was below the established limit). Such debt ratio is calculated as the consolidated debt-to-equity ratio (net of cash up to US\$ 50,000,000).

In Management's opinion, this obligation does not restrict or affect the Company's operations and has complied with the covenant related to the debt ratio at the end of the second quarter of 2024.

(b) The Term Loan debt is composed as follows:

In thousands of soles	Currency of origin	Principal amount	Initial date	Annual interest	Interest paid	Maturity date	Current portion (*)		Non-curre nt portion		Total outstand ng debt as of	
				(%)			2024	2023	2024	2023	2024	2023
Description of Syndicated Loan												
			Mar. 2024 –	SOFR + 2.50%								
Loan Term Facility	US\$	1,336,000,000	May 2024		Semi-annual	Mar. 2029	54,977	-	4,852,622	-	4,907,599	-
							54,977	-	4,852,622	-	4,907,599	-

(*) Current portion of term loan facility debt includes the accrued and unpaid interest on the debt as of the date of the consolidated statement of financial position.

In order to carry out the acquisition of the subsidiaries Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Compañía Energética Veracruz S.A.C., on March 1, 2024 the Company sign a Syndicated Credit Agreement with local and international financial entities, which consists of a Loan Term Facility of up to US\$ 1,336,000,000 and a Working Capital Facility of up to US\$ 50,000,000, both with a variable interest rate SOFR or "ABR" (which is calculated according to the conditions of the Syndicated Credit Agreement) plus a fixed spread tiered according to the loan's maturity from 12 to 60 months. As part of this loan term facility, the Company recognized as a liability the S/ 3,419,773,000 which was paid directly to the Lima Stock Exchange (BVL) by the syndicated banks for the purchase of the shares of the subsidiary Orygen (see note 1.B.iv) These credit lines are taken as a bridge loan, as of June 30, 2024, the Company is in process of conducting an international corporate bond offering whose funds will be used mainly for the settlement of the Syndicated Credit Agreement.

Under the Syndicated Credit Agreement, on March 1, 2024, the Company obtained financing for US\$ 907,000,000 and on May 9, 2024, it obtained US\$ 372,300,000 for a total of US\$ 1,279,300,000. This financing was obtained with a SOFR interest rate plus a tiered spread from 2.50% to 3.00% over a maturity of 60 months with semiannual interest payments and amortization starting September 2025.

The Credit Agreement contains the following covenants starting at the first anniversary of its closing date, as of each quarter:

- The debt-service coverage ratio (defined in the Credit Arrangement as (a) the sum of all funds received by the Company from the its Subsidiaries in the form of dividends, repayment of intercompany loans or other forms of return of capital during the period less administrative expenses, expenses due in connection with the Credit Agreement (other than commitment fees, interest expenses, hedging expenses and principal amortization), working capital needs, costs related to operations or construction and Taxes distributions for the period to (b) Debt service of Credit Agreement for the period) cannot exceed one point zero five to one point zero zero (1.05:1.00) for the period, otherwise (after failing in three (3) consecutive periods), the loan will be repayable on demand.
- The consolidated leverage ratio (defined in the Credit Arrangement as (a) Company's consolidated net debt for the period to (b) Company's consolidated EBITDA) must exceed four point five zero to one point zero zero (4.50:1.00) for the period, otherwise (after failing in three (3) consecutive periods), the loan will be repayable on demand.

In addition, starting at the closing date of the Credit Agreement, the Company cannot enter into any financial derivatives transactions other than those are entered in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates, foreign exchange rates or fuel for the Company's investment projects (note 14) and the mandatory interest rate hedge in an aggregate notional amount equal to at least seventy-five percent (75%) and no more than one hundred five percent (105%) of the outstanding principal amount of the Credit Agreement.

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- (c) As of June 30, 2024, the Company and Subsidiaries repaid the following loans:

Repaid loans	Currency	Amount O.C. (in thousands of US dollars)	Amount (in thousands of soles)	Effective rate %	Collection Date
Banco Europeo de Inversiones	USD	245,085	912,695	6.20%	09/05/2024
Banco Interamericano de Desarrollo	USD	33,860	126,097	6.45%	09/05/2024
Banco de Crédito del Perú	USD	125,000	467,625	6.25%	09/05/2024
Syndicated loan	USD	56,700	211,424	SOFR 6m + 2.5%	14/05/2024
			1,717,841		

As of June 30, 2024, the Company and Subsidiaries obtained the following loans:

Obtained loans	Currency	Start date	Rate %	Thousands of US dollars	Thousands of soles
Syndicated loan	USD	08/05/2024	SOFR 6m + 2.5%	429,000	1,599,655
					1,599,655

- (d) As of June 30, 2024, corresponds to Company's interest rate swap contracts with one (1) local bank with a notional amount of US\$ 200,367,000 at an agreed upon rate of 4.1934% and five (5) international banks with a nominal amount of US\$ 267,156,000, US\$ 227,082,600, US\$ 200,367,000, US\$ 173,651,400, US\$ 93,504,600 at an agreed upon rate of 4.1938%, 4.2062%, 4.2025%, 4.2096%, 4.2114% respectively. These contracts were designated as a cash flow hedge of a portion of the Syndicated Credit Agreement.
- (e) As of June 30, 2024, the amortization schedule of the non-current portion of long-term debt is as follows:

<i>In thousands of soles</i>	2024	2023
2024	-	-
2025	188,989	-
2026	189,966	-
2027	172,294	-
2028	161,495	-
2029 and over	4,201,842	-
Final balances	4,914,586	-

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(f) Reconciliation of changes in liabilities with cash flows from financing activities:

<i>In thousands of soles</i>	Financial liabilities	Lease liabilities	Loans from related entities	Additional / Reduced allocated capital	Accumulated results	Non – controlling	Total
Balance as of December 31, 2023	-	-	-	-	(7)	-	(7)
Acquisition through business combination	1,559,021	15,379	-	-	-	-	1,574,400
Changes in cash flows from financing activities							
Cash received for banks loans	1,599,665	-	-	-	-	-	1,599,665
Cash received for loans to related entities	-	-	25	-	-	-	25
Capital Increase	-	-	-	2,230,214	-	-	2,230,214
Payments							
Cash paid for bank loans	(1,717,841)	-	-	-	-	-	(1,717,841)
Payment of dividends (non-controlling interests)	-	-	-	-	-	(16,461)	(16,461)
Payment of interest	(5,030)	-	-	-	-	-	(5,030)
Capital reduction	-	-	-	(223,747)	-	-	(223,747)
Commissions paid for obtaining syndicated loans	(77,876)	-	-	-	-	-	(77,876)
Total changes from financing cash flows	(201,082)	-	25	2,006,467	-	(16,461)	1,788,949
Effect of changes in foreign exchanges rates	76,893	-	-	-	-	-	76,893
Interest expense	103,789	2,541	-	-	-	-	106,330
Total profit for the period	-	-	-	-	(1,159)	14,329	13,170
Portion of the Syndicated loan disbursed by the borrowers to the Lima Stock Exchange as part of the purchase of shares of Orygen (note 1.B.iv)	3,419,773	-	-	-	-	-	3,419,773
Total changes related to equity	-	-	-	-	614	499,984	500,598
Ending liability balance as of June 2024	4,958,394	17,920	25	2,006,467	(552)	497,852	7,480,106

20. Trade Accounts Payable

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Provisions for energy and power (b)	99,909	77,773
Suppliers of work-in-progress	93,016	150,469
Provisions for gas supply, transportation, and distribution (c)	41,063	38,679
Power plant maintenance contract insurance	43,151	69,509
Inventories	9,225	370
Other	3,663	3,688
	14,238	14,882
	304,265	355,712

- (a) Trade accounts receivable are mainly stated in Peruvian soles, have current maturity, are non-interest bearing, and do not have specific guarantees.
- (b) Provisions for energy and power as of June 30, 2024, correspond to purchases from suppliers in June 2024, whose invoices were received mainly in July 2024.
- (c) Provisions for gas supply, transportation and distribution as of June 30, 2024 correspond to purchases from suppliers in June 2024, whose invoices were received mainly in July 2024.

21. Other Accounts Payable

This caption comprises the following:

	As of June 30, 2024		As of December 31, 2023	
<i>In thousands of soles</i>	Current	Non-current	Current	Non-current
Accounts payable for anticipated collections - COES (b)	156,512	-	-	-
Sales Tax	20,155	-	-	-
Employees' profit sharing	12,855	-	-	-
Electricity social compensation fund	12,423	-	-	-
Energy social inclusion fund	11,781	-	-	-
Remunerations and other benefits payable	9,496	-	-	-
Contributions to regulatory bodies	3,537	-	-	-
Exceptional voluntary retirement program (c)	2,995	-	-	-
Taxes	230	-	-	-
Seniority awards (d)	-	6,561	-	-
Collections on behalf of third parties to be settled	-	-	-	-
Others	11,374	1,837	7	-
	241,358	8,398	7	-

- (a) Accounts receivables are mainly denominated in Peruvian soles and do not accrue interest.
- (b) It corresponds to the excess payment made by COES to subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) that shall be returned to it due to the application of higher marginal costs in December 2023. This payment will be settled during the 2024 tariff period.

- (c) The amount corresponds to the provision for the Exceptional Voluntary Retirement Program presented by the Company to all employees hired on an indefinite basis. This program offers an economic incentive plan based on the employee's age, salary, and length of service. Its goal is to encourage the Company's generational renewal.
- (d) The Company has an agreement to grant employees an extraordinary bonus for time of service when the employee accumulates a period equivalent to five (5) years of effective work.

22. Contract Liabilities

As of June 30, 2024, the balance corresponds to the non-accrued portion of the Company's invoices for the service to use part of the hydraulic facilities owned by the Company.

In June 30, 2024 the accrued income of S/ 548,000 was recognized in 'other income' (note 30).

23. Other Provisions

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Decommissioning of plants	110,571	-
Contingencies (a)	8,830	-
	119,401	-
By maturity term		
Current portion	8,830	-
Non-current portion	110,571	-
	119,401	-

- (a) The movement in the provision for tax, labor and legal contingencies as of June 30, 2024 is shown below:

<i>In thousands of soles</i>	Initial balances	Addition	Reversal	Payments	Final balances
As of June 30, 2024					
Tax contingencies	5,676	-	(25)	-	5,651
Labor contingencies	2,940	-	-	-	2,940
Legal contingencies	227	12	-	-	239
	8,843	12	(25)	-	8,830

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24. Deferred Income Tax Liabilities

The movement in deferred income tax and details of the temporary differences giving rise to it are as follows:

	As of June 23, 2023	As of December 31, 2023	Acquisition through business combination (note 1(b))	Credit to (debit from) the consolidated statement of profit or loss	Debit from the consolidated statement of changes in equity	As of June 30, 2024
<i>In thousands of soles</i>						
Assets						
Provision for inventory obsolescence	-	-	2,268	(50)	-	2,218
Cash flow hedge	-	-	-	(43,137)	47,190	4,053
Provision for decommissioning of power plants	-	-	32,838	(219)	-	32,619
Provision of project execution guarantee	-	-	13,961	(189)	-	13,772
Right-of-use liabilities	-	-	7,075	(1,232)	-	5,843
Employee benefits	-	-	4,628	(181)	-	4,447
Other provisions	-	-	16,137	(9,431)	-	6,706
Liabilities						
Difference in depreciation rates	-	-	760,249	23,405	-	783,654
Cash flow hedge	-	-	168	709	-	877
Other non-financial assets	-	-	83,379	(9,826)	-	73,553
Investment projects	-	-	2,442	-	-	2,442
Property, plant, and equipment	-	-	819,321	-	-	819,321
Intangibles	-	-	29,853	-	-	29,853
Other financial liabilities	-	-	97	-	-	97
Deferred liabilities, net	-	-	(1,618,602)	(68,727)	47,190	(1,640,139)

25. Equity

A. Issued capital

As of June 30, 2024, the Company's issued capital is represented by 2,006,467,398 fully issued and paid-in common voting shares with a par value of S/ 1.00 each (As of December 31, 2023, the Company's issued capital is represented by 300 fully issued and paid-in common voting shares with a par value of S/ 1.00 each). All shares confer equal rights and obligations on their respective holders.

As of June 30, 2024, the ownership structure of the Company's capital was as follows (see note 1):

	As of June 30, 2024		As of December 31, 2023	
	Number of shares	Total shareholding (%)	Number of shares	Total shareholding (%)
<i>In thousands of soles</i>				
Niagara Generation S.A.C	2,006,266,750	99.99	299	99.70
Niagara Holding S.A.R.L.	200,648	0.01	1	0.30
	2,006,467,398	100.00	300	100.00

Capital increase

On March 14, 2024, the General Shareholders' Meeting approved to increase the share capital by issuance of ordinary shares in the amount of US\$ 607,522,265 (equivalent to S/ 2,230,214,234) with a par value of S/ 1.00 each). The issued share capital increased from S/ 300 to S/ 2,230,214,534. The number of shares increased from 300 to 2,230,214,534.

Capital reduction

On May 16, 2024, the General Shareholders' Meeting approved to reduce the share capital by US\$ 60,018,008 (equivalent to S/ 223,747,134) through return of contributions. The issued share capital was reduced from S/ 2,230,214,534 to S/ 2,006,467,400. The number of shares was reduced from 2,230,214,232 to 2,006,467,398 and was maintained at a nominal value of S/ 1.00.

B. Declared and paid dividends

The Board of directors of the Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) on May 9, 2024, approved the distribution of cash dividends for S/ 215,041 thousand. As of June 30, 2024, the non-controlling interest' shareholders received dividends amounting to S/ 16,461 thousand related to this distribution.

26. Proceeds from Generation of Energy and Power

This caption comprises the following:

A. Revenue streams

The Company and Subsidiaries generates revenue streams from its activities distributed among its performance obligations.

<i>In thousands of soles</i>	2024	2023
Revenue from ordinary activities	433,502	-
	433,502	-

B. Disaggregation of revenue

The Company and Subsidiaries has defined a single reporting segment, which is energy and power generation. All of the Company and Subsidiaries' s revenue is derived from customers that are geographically located in Peru. Also, all non-current assets of the Company and Subsidiaries are located in Peru.

<i>In thousands of soles</i>	As of June 30, 2024	As of June 30, 2023
Sales of energy and power		
Third parties	424,568	-
Compensations		
Third parties	10,656	-
Other expenses	(1,722)	-
	433,502	-

C. Delivered but unbilled energy

The following table provides information about assets from contract with customers:

<i>In thousands of soles</i>	Note	2024	2023
Accounts receivable that are included in 'trade accounts receivable'	9	282,452	-

27. Cost of Energy Generation

This caption comprises the following:

<i>In thousands of soles</i>	Note	June 30, 2024	June 30, 2023
Natural gas supply, transportation, and distribution		75,306	-
Purchase of energy		50,782	-
Depreciation	15 (a)	32,101	-
Third party services		18,022	-
Personnel expenses	29 (a)	11,224	-
Various charges for operations and other		10,152	-
Water levy and electricity sector taxes		4,964	-
Consumption of various supplies		2,465	-
Amortization	16 (b)	1,534	-
Taxes		980	-
Personnel expenses directly related to work-in-progress		(1,507)	-
		206,023	-

28. Administrative Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2024	As of June 30, 2023
Legal advisory (a)		38,207	-
Insurance services (b)		15,879	-
Third party services		11,753	-
Personnel expenses	29(a)	4,486	-
Taxes		361	-
Depreciation	15 (a)	977	-
Amortization	16 (b)	1,040	-
Expected credit (recovery) loss estimate	9 (c)	485	-
Various charges for operations and other		2,552	-
		75,740	-

- (a) It corresponds to legal advice for the acquisition of subsidiaries Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Compañía Energética Veracruz S.A.C.' share.
- (b) It corresponds to the insurance of representations and guarantees (RWI insurance) contracted for the acquisition of subsidiaries Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Compañía Energética Veracruz S.A.C.' share.

29. Personnel Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2024	As of June 30, 2023
Remunerations		9,409	-
Employees' profit sharing		2,933	-
Social contributions		703	-
Vacations		811	-
Personnel expenses directly related to work-in-progress	15(b)	(1,507)	-
Other		1,854	-
		14,203	-

- (a) Personnel expenses are distributed as follows:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2024	As of June 30, 2023
Cost of energy generation	27	11,224	-
Administrative expenses	28	4,486	-
Personnel expenses directly related to work-in-progress		(1,507)	-
		14,203	-

30. Other Income and Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2024	As of June 30, 2023
Other income			
Compensation for the use of hydraulic facilities	22	548	-
Compensation for material damage and loss of profit		456	-
Fines to suppliers		3	-
Other		2,951	-
		3,958	-
Other expense			
Estimate of impairment of software	16(c)	(13,780)	-
Other		(28)	-
		(13,808)	-

31. Finance Income and Costs

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	As of June 30, 2024	As of June 30, 2023
Finance income			
Exchange difference, net		54,059	-
Profit or loss for derivative financial instruments		17,019	-
Interest on bank deposits		3,062	-
Late charges and interest		335	-
		74,475	-
Finance costs			
Interest on bank loans		105,910	-
Decommissioning update		573	-
Interest on bonds		420	-
Interest capitalization	15(c)	(7,888)	-
Other		7,878	-
		106,893	-

32. Tax Position

Tax rates

- A. The Company and Subsidiaries are subject to Peruvian tax regime. As of June 30, 2024, and December 31, 2023, the corporate income tax rate is calculated on the basis of the net taxable income determined by the Company and Subsidiaries at a rate of 29.5%.

For fiscal year 2024 and 2023, the income tax rate applicable to dividend distribution and any other form of profit distribution applicable to legal entities not domiciled in Peru and individuals is 5%.

Income tax calculation

- B. In calculating its taxable base for the period ended June 30, 2024 the Company have determined an income tax of S/ 96,301,000.

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by Management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the consolidated financial statements may differ from management's estimate of the effective tax rate for the annual consolidated financial statements.

Income tax expenses include:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Current		27,574	-
Deferred	24	68,727	-
		96,301	-

The reconciliation of the effective income tax rate with the tax rate is as follows:

<i>In thousands of soles</i>	As of June 30, 2024		As of June 30, 2023	
Profit before tax	109,471	100.00%	-	-%
Theoretical income tax	32,294	29.50%	-	-%
Tax effect of non-taxable income and non-deductible expenses				
Non-deductible exchange difference due to hedge accounting	30,764	28.10%	-	-%
Other non-deductible expenses (non-taxable income)	33,243	30.37%	-	-%
Income tax expenses	96,301	87.97%	-	-%

Temporary Tax on Net Assets (ITAN)

- C. The tax rate is 0.4% for fiscal years 2024 and 2023 and is applied to the amount of net assets exceeding S/ 1,000,000. It may be paid in cash or in nine (9) consecutive monthly installments. The paid amount may be used as a credit against payments on account subject to the General Income Tax Regime.

The Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) have determined that the Temporary Tax on Net Assets in 2023 amounts to S/ 14,662,000.

Transfer pricing

- D. For Income Tax determination purposes, transfer pricing for transactions carried out with related entities and with companies domiciled in territories with low or null taxation, shall be supported with documentation and information about the valuation methods used, and the criteria considered for pricing.

Based on the analysis of operations of the Company, the Management and its legal advisors consider that, as a consequence of the application of these provisions, no material contingencies will arise as of June 30, 2024 and December 31, 2023.

Tax assessment

- E. The Peruvian Tax Authority is entitled to review and, if applicable, to correct the income tax calculated by the Company in the four (4) years following the year of filing the corresponding income tax return. The Company's Subsidiaries' income tax returns for 2018 and 2020 to 2023 are open for review by the Tax Authority. The SUNAT has initiated a definitive audit for income tax for the period 1999, with respect to the operations of Enel Green Power Perú S.A.C., that was taken over by the Company through a merger process.

Company and Subsidiaries' sales tax returns corresponding to December 2018 to December 2023 are open to review by the Tax Authority.

Due to possible interpretations of the current legal regulations by the Tax Authority, it is not possible to determine, to date, whether future tax audits will result or not in liabilities for the Company and Subsidiaries; therefore, any difference that might arise from eventual tax audits would be applied to profit or loss for the period in which it is determined.

In Management's opinion of the Company and Subsidiaries and legal advisors, any possible additional tax assessment would not be material to the consolidated financial statements as of June 30, 2024 and December 31, 2023.

Tax regime applicable to Sales Tax

- F. In 2024 and 2023, the sales tax rate in force was 18% (including Municipal Promotion Tax).

33. Contingencies

Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) have different legal actions against them, which have been assessed by the Management and their legal advisors as possible. Such actions include labor and court contingencies, which amounted to S/ 62,766,000 as of June 30, 2024.

In Management's opinion and the legal advisors, these court actions will not result in significant additional liabilities (note 23) to the consolidated financial statements as of June 30, 2024 and December 31, 2023.

A brief description of the main contingency of the Company is explained below:

Cross-referencing for income tax for fiscal years 2000 and 2001

In December 2005, the Company was served with (i) determination and fine resolutions equal to S/ 75,892,000 (including, taxes, fines, and interests calculated as of that date) for income tax of fiscal year 2000 and (ii) determination resolutions equal to S/ 6,842,000, related to default interest referred to payments on account of income tax for fiscal year 2001.

In January 2006, the Company partially claimed the referred resolutions by paying the non-contested debt. In September 2008, the SUNAT declared such claim partially well-founded.

i. Suit Related to an Administrative Dispute Filed by the Company against Resolution of Tax Court No. 15281-8-2014

Simultaneously, in February 2016, the Company filed a suit related to an administrative dispute against the Resolution of Tax Court requesting to declare partial nullity thereof in the issues where (i) the relief related to including 15% for "interest during the construction" in the factor to determine the New Similar Value of the reassessed assets and (ii) the collection of default interest for omitting the payments on account of the Income Tax from March to December, 2021 by amending the applicable coefficient are revoked.

In March 2018, the Company was served with Order No. 12, whereby the Court issued a judgment and declared unfounded the suit related to the main claim to be declared the partial nullity of such Resolution of the Tax Court, and declared partially well-founded only the subordinated claim to not be applied the default

interest for omitting the payments on account of the income tax for periods from March to December 2001, and such Resolution was appealed.

In December 2018, the Company was served with Order No. 31, whereby the Court of Appeals declared void the judgment of first instance and ordered the Court to issue a new order taking into account the stated arguments.

In May 2020, the Company was aware that the Court had issued a judgment, by means of Order No. 38, in which the suit of the Company in the issue related to collection of default interest for omitting the payments on account for the periods from March to December 2001 was declared partially well-founded, which was one part of the request in the main claim of the suit. In this regard, the Court ordered the Tax Court and the SUNAT to void the collection of the referred interest. Furthermore, the suit in the issues related to: (i) the relief for including 15% for “interest during the construction” in the factor to determine the New Similar Value of the reassessed assets related to Income Tax for fiscal years 2000 and 2001; and (ii) the subordinated claim, related to the non-applicability of default interest accrued by the excessive delay in processing the administrative motions filed by the Company, was declared unfounded.

In August 2020, the Company filed an appeal against Order No. 38.

In September 2020, the Company was physically served with Order No. 38.

In December 2020, the Company was served with Order No. 39, whereby the Court granted the appeal with a stay of execution. In the same month, the file was submitted to the Court of Appeals.

In April 2021, the Company was served with Order No. 48, whereby the Court of Appeals issued a judgment, and ruled against the Company, except for the subordinated claim of the suit referred to the default interest during the tax proceeding, which was declared well-founded. The Tax Court and the SUNAT filed a petition for cassation against the stated judgment in April and May 2021, respectively. In June 2021, the Company filed a writ of entry of appearance before the Supreme Court.

In July 2022, the Company was served with the Order granting the Petition for Cassation No. 8717-2021-LIMA, whereby the Fifth Transitory Court of Appeals of Constitutional and Social Law declared the lack of merit of the petitions for cassation filed by the SUNAT and the Ministry of Economics and Finance (MEF for its acronyms in Spanish) on behalf of the Tax Court.

In September 2022, by means of Order No. 52, the Nineteenth Court related to an Administrative Dispute, subspecialized in Tax and Customs of Lima ordered to comply with the judgment and ordered the SUNAT to return the accrued default interest for the excessive delay in processing the filed administrative motions, as well as issue the settlements to calculate and refund the referred default interest, and for this, a term of thirty (30) business days is granted for the SUNAT to inform the Court on the performance of the judgment.

In September 2022, the SUNAT requested twenty (20) additional business days to comply with the Court Order No. 52. In the same month, the Court granted the additional term requested by the SUNAT through Order No. 54.

In December 2022, by means of Resolution No. 4070160000007, the SUNAT complied with Order No. 48, issued by the Sixth Court of Appeals Specialized in Administrative Dispute, subspecialized in Tax and Customs Matters, by recognizing the right of the Company to obtain the refund of payments of S/ 458,519 and S/ 2,298,360, plus the corresponding interest for refunding undue payments and/or the excess in payments made by the payments on account of the Income Tax from March to December 2001, and of the fine for infringement stated in Section 178(1) of the Tax Code for fiscal year 2000.

In the same month, the SUNAT notified the Company with Intendency Resolutions: No. 0121800029787 and No. 0121800029788, whereby the refund requests were processed at its own initiative by updating the amounts recognized as payments in excess in Resolution No. 4070160000007, with the corresponding interest, by issuing the respective non-negotiable checks. Furthermore, the SUNAT filed a writ to the Court with a summary stating that it complied with the order.

Furthermore, in December 2022, the Company filed an appeal against the Resolution No. 4070160000007 and against Intendency Resolutions No. 0121800029787 and No. 0121800029788 since the SUNAT did not comply correctly with the order stated by The Judiciary, which was processed under File No. 4070350000112.

In April 2023, the SUNAT notified the Company with Intendency Resolutions No. 012-180-030775/SUNAT and No. 012-180-0030776/SUNAT, whereby additional refunds of S/ 3,688,836 and S/ 973,956 were granted corresponding to interest paid in excess related to the fine for the annual income tax for fiscal year 2000, and payments on account of the stated tax for the periods from March to December 2001, respectively.

In May 2023, the Company filed writs of voluntary dismissal against the dispute of tax assessment and appeal. The judgment having been enforced, the proceeding was terminated, and the case was ordered to be closed.

In Management's opinion and the legal advisors, the foregoing issue will not result in significant liabilities or obligations to be recognized in the consolidated financial statements as of June 30, 2024, and December 31, 2023.

34. Non- Controlling Interest

The following tables summarize the information relating to each of Company's subsidiaries that has non-controlling interest.

	Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.)			
<i>In thousands of soles</i>		Chinango S.A.C.	Intragroup eliminations	Total
June 30, 2024				
NCI percentage	7.65%	26.12%		
Current assets	850,369	125,010	2,675	978,054
Non-current assets	8,176,961	484,346	(194,366)	8,466,941
Current liabilities	(553,908)	(44,779)	-	(598,687)
Non-current liabilities	(3,292,081)	(121,818)	-	(3,413,899)
Net assets	5,181,341	442,759	(191,691)	5,432,409
Carrying amount of NCI	396,373	115,649	(14,170)	497,852
Revenues	395,694	41,074	-	436,768
Profit	123,609	18,635	(89)	142,155
OCI	(15,997)	163	-	(15,834)

Niagara Energy S.A.C. and Subsidiaries
Notes to the Unaudited Consolidated Interim Financial Statement
For the six months ended June 30, 2024 and 2023

<i>In thousands of soles</i>	Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.)	Chinango S.A.C.	Intragroup eliminations	Total
Net income attributable to NCI	9,456	4,867	6	14,329
OCI attributable to NCI	(1,224)	43	-	(1,181)
Cash flows from operating activities	254,127	43,042	-	297,169
Cash flows from investing activities	(58,009)	(1,020)	-	(59,029)
Dividends paid to NCI	(16,461)	-	16,461	-
Cash flows from financing activities	(218,048)	94	-	(217,954)
Effect of changes in the exchange rate	2	2	-	4
Net increase (decrease) in cash equivalents	(38,389)	42,118	16,461	20,190

As of June 30, 2023 the Company did not have subsidiaries.

As of June 30, 2024 and December 31, 2023, there are no outstanding balance of dividend payable.

35. Events after the Reporting Period

From July 1, 2024 to the date of this report, the following significant event has occurred, but it does not impact the consolidated financial statements:

On July 24, 2024, the Board of Directors of subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) approved the distribution of dividends for the fiscal period 2024 in the amount of S/ 181,805,000. The corresponding payment was paid on August 21, 2024.

Orygen Perú S.A.A. and
Subsidiaries (Formerly: Enel
Generación Perú S.A.A. and
Subsidiaries)
Unaudited Condensed Consolidated

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Unaudited Condensed Consolidated Statement of Financial Position

As of June 30, 2024 and December 31, 2023

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	8	394,435	520,685
Trade accounts receivable	9	439,565	310,506
Other accounts receivable	11	19,409	37,050
Accounts receivable from related parties	10	-	110,935
Inventories	12	93,087	88,603
Tax credit from sales tax		-	56,888
Prepaid insurances	13	11,911	4,493
Total current assets		958,407	1,129,160
Non-current assets			
Other accounts receivable	11	-	9,434
Investment projects	14	15,184	15,184
Property, plant and equipment	15	5,230,325	5,148,777
Intangible assets	16	87,796	115,211
Other non-financial assets	17	249,450	278,397
Total non-current assets		5,582,755	5,567,003
Total assets		6,541,162	6,696,163

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	December 31, 2023
Liabilities			
Current liabilities			
Other financial liabilities	18	4,981	557,450
Trade accounts payable	19	304,265	355,712
Other accounts payable	20	241,357	373,987
Accounts payable to related parties	10	17,447	121,202
Contract liabilities	21	5,004	3,289
Other provisions	22	8,830	8,791
Income tax liabilities		924	14,720
Total current liabilities		582,808	1,435,151
Non-current liabilities			
Other financial liabilities	18	54,245	1,018,391
Accounts payable to related parties	10	1,534,800	-
Deferred income	21	61,781	63,425
Other accounts payable	20	8,398	6,704
Other provisions	22	110,571	109,803
Deferred tax liabilities	33	791,323	756,484
Total non-current liabilities		2,561,118	1,954,807
Total liabilities		3,143,926	3,389,958
Equity			
Issued share capital	23	3,134,887	3,134,887
Legal reserve		72,481	2,208
Net profit or loss from cash flow hedge		(35,995)	(20,522)
Other reserves		(2,121)	(2,121)
Retained earnings		138,897	113,110
Non-controlling interest		89,087	78,643
Total equity		3,397,236	3,306,205
Total liabilities and equity		6,541,162	6,696,163

The accompanying notes on pages 6 to 37 are an integral part of these unaudited condensed consolidated interim financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Unaudited Condensed Consolidated Statement of Profit or Loss

For the six and three-month periods then ended June 30, 2024 and 2023

		Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
		2024	2023 (Note 1.B)	2024	2023 (Note 1.B)
<i>In thousands of soles</i>	<i>Note</i>				
Revenue from energy and power generation	24	1,380,682	1,270,402	650,719	645,927
Cost of energy generation	25	(657,351)	(651,507)	(325,288)	(355,537)
Gross profit		723,331	618,895	325,431	290,390
Administrative expenses	26	(37,688)	(52,419)	(10,676)	(26,404)
Other expenses	28	(26,266)	-	(13,810)	-
Other income	28	10,225	19,373	3,680	13,206
Operating profit		669,602	585,849	304,625	277,192
Finance income	29	35,331	78,999	24,760	55,865
Finance costs	29	(41,953)	(40,714)	(22,144)	(20,935)
Net finance cost		(6,622)	38,285	2,616	34,930
Profit before tax		662,980	624,134	307,241	312,122
Income tax	30	(209,153)	(156,068)	(93,480)	(59,864)
Profit for the period		453,827	468,066	213,761	252,258
Net profit attributable to:					
Owners of the controlling entity		438,248	453,538	207,370	245,732
Non-controlling interests	32	15,579	14,528	6,391	6,526
		453,827	468,066	213,761	252,258
Basic and diluted earnings per share (in soles)		0.140	0.160	0.066	0.087
Weighted average number of shares outstanding	23(a)	3,134,887	2,829,475	3,134,887	2,829,475

The accompanying notes on pages 6 to 37 are an integral part of these unaudited condensed consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Unaudited Condensed Consolidated Statement of Other Comprehensive income

For the six and three-month periods ended June 30, 2024 and 2023

		Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
		2024	2023	2024	2023
<i>In thousands of soles</i>	<i>Note</i>				
Profit for the period		453,827	468,066	213,761	252,258
Other comprehensive income					
Net change in cash flow hedges		(29,811)	42,998	(34,738)	30,880
Income tax		14,432	(12,705)	14,820	(7,809)
Total comprehensive income for the period, net of taxes		438,448	498,359	193,843	275,329
Comprehensive income attributable to:					
Owners of the Company		422,775	483,555	187,412	268,690
Non-controlling interests	32	15,673	14,804	6,431	6,639
		438,448	498,359	193,843	275,329

The accompanying notes on pages 6 to 37 are an integral part of these unaudited condensed consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)
Unaudited Condensed Consolidated Statement of Changes in Equity
For the periods ended June 30, 2024 and 2023

		Number of shares	Issued capital	Other capital reserves	Cash flow hedges	Other reserves	Retained earnings		Non-controlling interests	
<i>In thousands of soles</i>	<i>Note</i>	(note 1.B.)	(note 1.B)	(note 1.B. & 23.c)	(note 1.B.)	(note 1.B.)	(note 1.B.)	Total	(note 32)	Total equity
Balance as of January 1, 2023		1,747,842,348	2,829,475	286,104	(19,798)	(2,114)	102,861	3,196,528	79,432	3,275,960
Profit for the period		-	-	-	-	-	453,538	453,538	14,528	468,066
Other comprehensive income		-	-	-	30,017	-	-	30,017	276	30,293
Total comprehensive income for the period		-	-	-	30,017	-	453,538	483,555	14,804	498,359
Transactions with owners of the Company										
Dividend distribution	23 (b)	-	-	-	-	-	(323,698)	(323,698)	(6,510)	(330,208)
Effect of translation difference		-	-	-	1,544	-	(94,520)	(92,976)	-	(92,976)
Legal reserve	23 (c)	-	-	21,516	-	-	(21,516)	-	-	-
Total transactions with the owners of the Company		-	-	21,516	1,544	-	(439,734)	(416,674)	(6,510)	(423,184)
Balance as of June 30, 2023		1,747,842,348	2,829,475	307,620	11,763	(2,114)	116,665	3,263,409	87,726	3,351,135
Balance as of January 1, 2024		3,134,886,677	3,134,887	2,208	(20,522)	(2,121)	113,110	3,227,562	78,643	3,306,205
Profit for the period		-	-	-	-	-	438,248	438,248	15,579	453,827
Other comprehensive income		-	-	-	(15,473)	-	-	(15,473)	94	(15,379)
Total comprehensive income for the period		-	-	-	(15,473)	-	438,248	422,775	15,673	438,448
Transactions with owners of the Company										
Dividend distribution	23 (b)	-	-	-	-	-	(342,188)	(342,188)	(5,229)	(347,417)
Legal reserve	23 (c)	-	-	70,273	-	-	(70,273)	-	-	-
Total transactions with the owners of the Company		-	-	70,273	-	-	(412,461)	(342,188)	(5,229)	(347,417)
Balance as of June 30, 2024		3,134,886,677	3,134,887	72,481	(35,995)	(2,121)	138,897	3,308,149	89,087	3,397,236

The accompanying notes on pages 6 to 37 are an integral part of these unaudited condensed consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)
Unaudited Condensed Consolidated Statement of Cash Flows

For the periods ended June 30, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	June 30, 2023 (note 1.B.)
Cash flows from operating activities			
Collection from customers		2,040,357	2,123,974
Other cash collections from operating activities		-	95,990
Payment to suppliers for services and goods		(1,145,203)	(1,318,760)
Payments to and by the employees		(79,496)	(81,640)
Other cash payments related to the operating activities		(167,000)	(179,706)
Collection of interest received (not included in investment activities)		9,326	11,485
Income tax payment		(180,509)	(207,790)
Net Cash from operating activities		477,475	443,553
Cash flows from investing activities			
Loans granted to related parties	10	-	(140,040)
Proceeds from loans granted to related entities	10	21,745	120,000
Interest received		23	882
Acquisition of property, plant and equipment and intangible assets	15 and 16	(226,234)	(138,862)
Net cash flows used in investing activities		(204,466)	(158,020)
Cash flows from financing activities			
Proceeds from loans from banks	18	-	600,814
Proceeds from loans from related entities	10.F	452,866	60,000
Payment of loans to banks	18	(488,000)	(317,142)
Payment of loans to related entities	10	-	(60,000)
Amortization of lease liabilities		(2,971)	(5,731)
Payment of interest		(34,000)	(57,603)
Payment of dividends	23.B	(342,188)	(323,698)
Payment of dividends (non-controlling interests)	32	(5,229)	(6,510)
Other cash proceed from financing activities		20,260	5,300
Net cash used in financing activities		(399,262)	(104,570)
Net (decreased) increase in cash and cash equivalents		(126,253)	180,963
Effect of movements in exchange rates on cash held		3	(12,034)
Cash and cash equivalents at beginning of period		520,685	257,369
Cash and cash equivalents at end of period	8	394,435	426,298
Transactions not representing cash flows and cash equivalents			
Financial obligations paid by Niagara Energy S.A.C.	10.F	1,081,934	-

The accompanying notes on pages 6 to 37 are an integral part of these unaudited condensed consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

1. Background and Reporting Entity

A. Background

ORYGEN PERÚ S.A.A. (referred to as the 'Company') is a subsidiary of Niagara Energy S.A.C. (a company incorporated in Peru). As of June 30, 2024, Niagara Energy S.A.C. owns 92.35 percent of the Company's share capital (see note 24). As of December 31, 2023, the Company was a subsidiary of Enel Perú S.A.C. which owned 66.49 percent of its share capital. Enel Perú S.A.C. is a subsidiary of the Italian group ENEL, through Enel Américas S.A., a company domiciled in Chile.

The Company was incorporated in Peru in 1996. It is a corporation listed on the Lima Stock Exchange (BVL).

In November 2023, both Enel Perú S.A.C. and Enel Américas S.A. agreed to sell all of their shares (66.49 percent and 20.46 percent, respectively, of the Company's share capital) in favor of Niagara Energy S.A.C., a company controlled by the global investment group Actis. The completion and execution of the transaction were subject to the satisfaction of conditions mutually agreed between Enel Perú S.A.C. and Niagara Energy S.A.C.

In March 2024, INDECOPI (Peruvian Institute for the Defense of Competition and Protection of Intellectual Property) approved the transfer of the Company's shares to Niagara Energy S.A.C.

In March 2024, as part of the transaction involving the sale of up to 100% of the Company's shares, Niagara Energy S.A.C. issued a public offering.

In April 2024, Enel Américas S.A. sold to Enel Perú S.A.C. all of its shares equivalent to 20.46 percent of the capital share of Enel Generación Perú S.A.A.

On May 7, 2024, as a result of the public offering, Niagara Energy S.A.C. was awarded by BVL, 92.35% of Enel Generación Perú S.A.A.'s share capital. The sale was conducted on May 9, 2024.

At General Shareholders' Meeting, held on June 24, 2024, an agreement was reached to change the corporate name of Enel Generación Perú S.A.A. to Orygen Perú S.A.A.

As of June 30, 2024 and December 31, 2023, the Company's subsidiaries are: Chinango S.A.C., in which it holds an 80 percent ownership interest, Energética Monzón S.A.C. and SL Energy S.A.C. in which it holds 99.9 percent ownership interest, respectively (together referred to as the 'Subsidiaries').

The Subsidiaries are engaged in the following economic activities:

Subsidiaries	Business activity
Chinango S.A.C.	Generation and commercialization of electrical energy and power to local private and public companies
Energética Monzón S.A.C.	Development of electricity generation projects
SL Energy S.A.C.	Electrical power project permit management and advisory services.

The legal domicile of the Company and its Subsidiaries as well as their administrative office are located at Jr. Paseo del Bosque 500, San Borja, Lima, Peru.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

B. Corporate reorganization

On August 1, 2023, the Company merged with its related parties Enel Green Power Perú S.A.C. (EGP), Empresa de Generación Eléctrica Marcona S.A.C (Egelmarsac), and Empresa de Generación Eléctrica Los Pinos S.A.C. (Egepisac); wherein the Company acted as the absorbing entity of 99.99 percent of their equity, and the absorbed Companies were extinguished. The merger was conducted to leverage the existing synergies among the Company, EGP, EGELMARSAC, and EGEPISAC; this will enable the creation of a company with an optimal relationship between hydroelectric generation, thermoelectric generation, generation from non-conventional renewable energy, as well as the incorporation of a strong portfolio of renewable projects. In particular, the conduction of the merger implies a geographic and technological diversification for the participating companies and creates more opportunities in the growing market of non-regulated clients seeking to sign contracts of energy produced from renewable sources.

The merger will also enable to effectively seize competitive growth opportunities and actively participate in the process of developing and modernizing the Peruvian energy generation market.

The merger project was approved by the General Shareholders' Meeting of the Company in April 2023 subject to certain suspensive conditions. In July 2023, the Company's Board of Directors documented that all suspensive conditions had been met and, in accordance with the merger project, it came into effect on August 1, 2023.

Since the aforementioned corporate reorganizations did not result in a change of control over the shares of these Companies, i.e., that all the Companies involved in the reorganizations belong to the same corporate economic group, the Company has recorded these reorganizations using the pooling-of-interest method. Therefore, for presentation and comparative purposes, the consolidated financial statements as of June 30, 2023, and for the period ended on that date, have been prepared giving retroactive effect to this corporate reorganization.

Balances corresponding to EGP, EGELMARSAC and EGEPISAC, incorporated into the Company's consolidated financial statements, are shown below.:

	For the six-month period ended June 30, 2023
<i>In thousands of soles</i>	
Statement of profit or loss	
Operating income	79,497
Gross profit	36,881
Net profit	36,865

C. Business activity

The Company is mainly engaged in the generation and commercialization of electrical energy and power to local private and public companies. The Company operates five (5) hydroelectric plants located in the basins of the Santa Eulalia and Rímac rivers, approximately 50 km away from Lima city. These power plants have an effective power generation of 600 MW. Furthermore, it owns two thermoelectric generation plants, one with an effective power of 410.9 MW, located in Lima city, and another with 476.2 MW, located in Ventanilla. It also owns two solar power plants located in the province of Mariscal Nieto, in the Moquegua region, with an effective power generation of 259.4 MW, and two wind power plants located in the province of Nazca, in the Ica region, with an effective power generation of 309.3 MW. Total effective power reaches 2,055.85 MW.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

Subsidiary Chinango S.A.C. operates two (2) hydroelectric plants, Yanango and Chimay. Yanango is located 280 km northwest of Lima at lote 2 s/n San José de Utcuyacu in the district of San Ramón, province of Chanchamayo. On the other hand, Chimay is located 320 km northwest of Lima at s/n Libertad Tingo, in the district of Monobamba, province of Jauja. Both plants are located in the department of Junín and have an effective power generation of 195.45 MW. Subsidiary Monzón S.A.C owns electric power generation projects.

The main balances of Chinango S.A.C.'s financial statements, as of June 30, 2024, and 2023, are shown below:

<i>In thousands of soles</i>	June 30, 2024	June 30, 2023
Assets	609,356	601,196
Liabilities	166,597	164,826
Equity	436,370	442,759
Income	144,327	135,566
Operating profit	109,160	102,168
Net profit	77,692	72,434

D. Approval of financial statements

The consolidated financial statements for the period ended June 30, 2024 have been authorized for issuance by the Company's management on September 21, 2024.

2. Operational Regulation and Legal Standards Affecting the Activities of the Electricity Sector and Main Contracts

The main regulations that affect the activities of the Company and its Subsidiaries are the same as those disclosed in the audited consolidated financial statements as of December 31, 2023, except for the following regulations published through June 30, 2024:

- a) Osinerghmin Board Resolution 010-2024-OS-CD, published on February 1, 2024, approving the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electric System, corresponding to the February – April 2024 quarter.
- b) Osinerghmin Board Resolution 011-2024-OS-CD, published on February 1, 2024, approving the updating factors to determine the unit charges for the February – April 2024 quarter.
- c) Osinerghmin Board Resolution 046-2024-OS-CD, published on March 27, 2024, approving the scale of fines of the regulation *Guide for the Elaboration and Presentation of Georeferenced Data of Electrical Generation and Transmission Systems Facilities*.
- d) Osinerghmin Board Resolution 047-2024-OS-CD, published on March 27, 2024, approving the scale of fines of the *Procedure for Monitoring the Implementation and Performance of Automatic Load and Generation Rejection Schemes*.
- e) Osinerghmin Board Resolution 051-2024-OS-CD, published on April 15, 2024, approving the bar prices for the period May 2024 – April 2025.
- f) Osinerghmin Board Resolution 052-2024-OS-CD, published on April 15, 2024, modifying the transmission tariffs contained in Table 6.1 of Resolution 070-2021-OS/CD and amendments for the period May 2024 – April 2025, as a result of the annual settlement of transmission revenues.
- g) Osinerghmin Board Resolution 054-2024-OS-CD, published on April 15, 2024, modifying the allocation of Payment responsibility for the use of facilities contained in Table 10.4 of Resolution 070-2021-OS/CD.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

- h) Osinergmin Board Resolution 062-2024-OS-CD, published on April 27, 2024, approving the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electric System from May 1 to August 3, 2024.
- i) Osinergmin Board Resolution 063-2024-OS-CD, published on April 27, 2024, approving the Unit Charge for 'Electricity Generators/Private-Use Ducts Compensation' (GGEE-DUP Compensation, for its Spanish acronym) to be added to the Secondary and Complementary Transmission System Tariff, effective from May 1, 2024, to April 30, 2025.
- j) Resolution OSINERGMIN 023-2024-OS/GRT, published on April 30, 2024, approving the Surcharge Factor of the Electricity Social Compensation Fund applicable to the billing for the period from May 1, 2024 to August 3, 2024. Additionally, this resolution also includes other provisions.
- k) OSINERGMIN Board Resolution 073-2024-OS/CD, published on May 16, 2024, approving the Procedure for the Oversight of Transmission Systems Performance.

3. Commitments

The commitments of the Company and Subsidiaries have not materially changed from what was disclosed in the audited consolidated financial statements as of December 31, 2023. Except for:

Transitional Service Agreement ('TSA')

On May 9, 2024, the TSA agreement came into effect under which Enel Group will supply the Company with services, mainly related to information technology, for a one-year period.

4. Basis of the Preparation of Consolidated Financial Statements

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), in force as of June 30, 2024 and December 31, 2023, respectively. The Company presents its interim financial statements in accordance with IAS 34 *Interim Financial Reporting*.

The interim consolidated financial statements have been prepared on the historical cost basis from the accounting records kept by the Company and its Subsidiaries, except for derivative financial instruments, which are recorded at fair value. These consolidated financial statements are presented in Peruvian soles (functional and presentation currency). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements do not include the subsidiary Energética Monzón S.A.C. because its financial statements are not material for purposes of consolidation and a full provision for impairment has been recorded for the Company's investment in the Subsidiary's capital as of the date of the Consolidated Statements of Financial Position.

The unaudited interim consolidated financial statements provide comparative information related to previous periods; however, they do not include all the information and disclosures required in the annual consolidated financial statements, so they should be read in conjunction with the audited consolidated report as of December 31, 2023.

5. Significant Judgments, and Accounting Estimates and Assumptions

The preparation of the interim consolidated financial statements requires management to make judgments, estimates and assumptions to determine the reported balances of assets and liabilities, exposure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of income and expenses. The most significant estimates are maintained in relation to the audited consolidated financial statements as of December 31, 2023.

6. Material Accounting Policies

The accounting policies applied in these interim financial statements are the same as those applied in the financial statements as at and for the year ended December 31, 2023. We have not identified new standards applicable since January 1, 2024.

7. Financial Instruments – Fair Values and Risk Management

A. Accounting classification and fair values

The following table shows the carrying amounts, fair values of financial assets and financial liabilities and an analysis of the financial instruments measured at fair value, using an evaluation method. The various levels were defined as follows:

Level 1: Quoted prices (unadjusted) in an active market for identical instruments.

Level 2: Observed data, direct or indirect, not included in level 1 above. The carrying amount is a reasonable approximation of fair value.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

The following table presents:

		Carrying amount					Fair value
		Current		Non-current			Level 2
		Financial assets at amortized cost	Other financial liabilities	Financial assets at amortized cost	Other financial liabilities	Total	
<i>In thousands of Soles</i>	<i>Note</i>						
As of June 30, 2024							
Financial assets measured at fair value							
Derivative financial instruments	11	164	-	-	-	164	164
		164	-	-	-	164	164
Financial assets not measured at fair value							
Cash and cash equivalents	8	394,435	-	-	-	394,435	-
Trade accounts receivable	9	439,565	-	-	-	439,565	-
Other accounts receivable (*)	11	9,583	-	-	-	9,583	-
Financial liabilities not measured at fair value							
Trade accounts payable	19	-	304,265	-	-	304,265	-
Accounts payable to related parties	10.C	-	17,447	-	1,534,800	1,552,247	1,534,800
Other accounts payable (*)	20	-	39,115	-	1,837	40,952	-
Loans and financing activities	18	-	4,981	-	54,245	59,226	54,245
		843,583	365,808	-	1,590,882	2,800,273	1,589,045

(*) It does not include taxes receivable, payments in advance.

(**) It does not include taxes payable, payments in advance, labor liabilities.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

			Carrying amount		Fair value	
		Fair value -	Financial assets	Other		
		Hedging	at amortized	financial		
		instruments	cost	liabilities	Total	Level 2
						Total
<i>In thousands of soles</i>	<i>Note</i>					
As of December 31, 2023						
Financial assets measured at fair value						
Derivative financial instruments	11	9,996	-	-	9,996	9,996
		9,996	-	-	9,996	9,996
Financial assets not measured at fair value						
Cash and cash equivalents	8	-	520,685	-	520,685	-
Trade accounts receivable	9	-	310,506	-	310,506	-
Accounts receivable from related entities	10	-	110,935	-	110,935	-
Other accounts receivable (*)	11	-	7,677	-	7,677	-
		-	949,803	-	949,803	-
Financial liabilities not measured at fair value						
Trade accounts payable	19	-	-	355,712	355,712	-
Accounts payable to related entities	10	-	-	121,202	121,202	-
Other accounts payable (**)	20	-	-	157,180	157,180	-
Other financial liabilities	18	-	-	1,575,841	1,575,841	1,648,599
		-	-	2,209,935	2,209,935	1,648,599

(*) It does not include taxes receivable, payments in advance.

(**) It does not include taxes payable, payments in advance, labor liabilities.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

B. Fair value measurement

The carrying amount of trade receivable, other accounts receivable, accounts receivable and payable to related parties, trade accounts payable and other accounts payable reported in the statement of financial position approximately fair values due to the short maturities of these instruments.

The Company is exposed to the following risks related to the use of financial instruments:

The management of the Company and its Subsidiaries is responsible for risk management. To fulfill this duty, they have implemented policies that aim to identify and analyze the risks faced by the Company and its Subsidiaries, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Company and its Subsidiaries.

Currently, the Company and its Subsidiaries are exposed to the following financial risks:

i. Interest rate risk

Floating-rate borrowing may expose the Company to interest rate risk on its cash flows. The Company holds most of its financial obligations at floating interest rates. On the other hand, fixed-rate borrowings may expose the Company and its Subsidiaries to interest rate risk on the fair value of their financial liabilities. As of June 30, 2024, the Company's debts and loans at a fixed interest rate accounted for 3.7% of the total, compared to 20.8% as of December 31, 2023; thus, evidencing that the Company increased its exposure to interest rate fluctuations by the end of the first half of 2024, as a result of unwinding the derivative instrument that transformed floating interest rate risk into fixed interest rate for a portion of the debt; this is due to the settlement of the debt with third parties and the implementation of a new loan between related parties amounting to \$ 400 million at floating rate.

ii. Currency risk

It is related to the impact it may have on the value of the Company's asset and liability positions in foreign currency. Considering that some of its revenues and liabilities are denominated in foreign currency, the Company's management implements actions to mitigate the exchange risk. The Company monitors and manages currency risk to mitigate the volatility observed as of June 30, 2024 resulting from external factors and local political instability.

iii. Credit risk

Counterparty risk is managed focusing on both the financial agents – used by the Company – and commercial customers. The Company only uses investment-grade rated counterparties to place its cash surplus, while conducting credit assessments on the current and future customer portfolio that may require collaterals for the execution of contracts.

C. Capital management

The Company's objective in managing capital is to safeguard its capacity to continue operating as a going concern and provide the expected return to its stockholders maintain an optimum structure to reduce capital cost.

8. Cash and Cash Equivalents

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Checking accounts (a)	394,432	520,656
Fixed fund	3	29
	394,435	520,685

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Note to the Unaudited Condensed Consolidated Financial Statements

As of June 30, 2024 and December 31, 2023

- (a) As of June 30, 2024, and December 31, 2023, the funds held in checking accounts are in Peruvian soles and US dollars. The funds have free withdrawal option and are deposited in local and international banks with high credit ratings and earn interest at market rates.

Impairment of cash and cash equivalents has been measured on a twelve-month expected credit loss basis and reflects the short-term maturities of the exposures. The Company and Subsidiaries consider that their cash and cash equivalents have low credit risk based on the external credit ratings of the counterparts.

9. Trade Accounts Receivable

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Energy invoiced to customers (a)	159,304	101,536
Energy and power delivered but not invoiced	282,452	210,458
	441,756	311,994
Less: Estimated of expected credit loss (c)	(2,191)	(1,488)
	439,565	310,506

- (a) Trade accounts receivable are mainly denominated in Peruvian soles, have current maturity and are non-interest bearing. The balance of accounts receivable as of June 30, 2024 and December 31, 2023 corresponds to 190 and 197 customers, respectively.

- (b) In April 2022, the Company entered into a master agreement with a banking entity, whereby the Company shall transfer the irrevocable right to collect the nominal value of its trade accounts receivable, which shall be fixed in each supplementary agreement based on the amount transferred.

As of June 30, 2024, the master agreement was not applied. As of December 31, 2023, the nominal value for the application of the master agreement amounted to S/ 110,227,000 of its accounts receivable, at a discount rate of 8.80% and US\$ 2,988,000 (equivalent to S/ 11,115,000) at a discount rate of 8.73%.

- (c) In the opinion of the management of the Company and its Subsidiaries, the estimate of expected credit loss on accounts receivable as of June 30, 2024 and December 31, 2023 properly covers the credit risk of these items as of those dates.

10. Related Party Balances and Transactions**A. Parent and ultimate controlling party**

As of June 30, 2024, the ultimate controlling party of the Company is Niagara Energy S.A.C. (note 1).

As of December 31, 2023, its ultimate controlling parties were Enel Perú S.A.C., Enel Américas S.A., and Enel SPA. (see note 1).

B. Transactions with key management personnel**i. Loans to directors**

As of June 30, 2024 and as of December 31, 2023, there are no loans to Directors.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

ii. Key management personnel compensation

The Company's key management personnel are the Directors and their operational Managers. Compensation paid to the key management personnel amounts to S/ 5,206,000 as of June 30, 2024 and S/ 9,008,000 as of December 31, 2023.

These benefits are included in 'cost of energy generation' and 'administrative expenses' of the separate statement of profit or loss and other comprehensive income.

As of June 30, 2024 and December 31, 2023, the Company has not granted loans to the key personnel.

During the period ended June 30, 2024, dividends amounting to S/ 342,188,000 were paid (S/ 26,014,000 to Enel Américas S.A., S/ 84,545,000 to Enel Perú S.A.C., S/ 198,580,000 to Niagara Energy S.A.C., and S/ 33,049,000 to other minority shareholders). As of June 30, 2023, dividends totaling S/ 323,698,000 were paid (S/ 270,601,000 to Enel Perú S.A.C. and S/ 53,097,000 to other minority shareholders).

C. Related party transactions

		Six-Months Period Ended			
		2024		2023	
		Income	Expenses/ costs	Income	Expenses/ costs
<i>In thousands of soles</i>	<i>Note</i>				
Controlling entity					
Interest on loans granted		-	17,447	-	119
Related parties					
Proceeds from sales of energy and power generation	24	277,131	-	360,910	-
Management and operation services		3,942	6,137	11,114	7,656
Fees and administrative expenses		-	8,958	-	13,237
Interest on loans granted	29	8	-	1,812	-
Purchase of energy		-	6,744	-	21,774
IT services		-	6,110	4,747	2,905
Derivative financial instruments		-	167	3,098	-
Other		246	356	188	22
		281,327	45,919	381,869	45,713

D. As a result of these and other transactions with related parties, the balance of accounts receivable and payable is presented as follows:

<i>In thousands of soles</i>	As of June 30, 2024	As of December 31, 2023
Trade accounts receivable		
Related parties		
Enel Distribución Perú S.A.A.	-	72,847
	-	72,847
Other accounts receivable		
Controlling entity		
Enel Perú S.A.C.	-	104
Related parties		
Proyectos y Soluciones Renovables S.A.C.	-	21,579
Enel Distribución Perú S.A.A.	-	10,093
Enel Generación Piura S.A.	-	5,617

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Note to the Unaudited Condensed Consolidated Financial Statements

As of June 30, 2024 and December 31, 2023

		As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>			
Enel S.p.A.		-	166
Enel X Perú S.A.C.		-	248
Energía Nueva Energía Limpia México SRL de C.V.		-	121
Enel Américas S.A.		-	41
Enel Distribuicao Sao Paulo		-	56
Enel X Way Perú S.A.C.		-	63
		-	38,088
		-	110,935
		As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>			
Trade accounts payable			
Related parties			
Enel Generación Piura S.A.		-	1,475
		-	1,475
Other accounts payable			
Controlling entity			
Niagara Energy S.A.C.		17,447	-
Related parties			
Enel Green Power S.p.A.		-	69,475
Enel S.p.A.		-	17,178
Enel Distribución Perú S.A.A.		-	9,550
Enel Green Power Chile Ltda.		-	9,080
Enel Generación Chile S.A.		-	5,809
Proyectos y Soluciones Renovables S.A.C.		-	3,536
Enel Trade S.p.A.		-	1,901
Enel Generación Piura S.A.		-	1,279
Enel Brazil		-	900
Enel Italy		-	654
Enel X Perú S.A.C.		-	206
Enel Chile S.A.		-	159
		17,447	119,727
Trade accounts payable			
Controlling entity			
Niagara Energy S.A.C.	10.F	1,534,800	-
		1,534,800	-
		1,552,247	121,202

E. Terms and conditions of transactions with related parties

Sales and purchases with related parties are conducted on market conditions equivalent to those applied to transactions between independent parties.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

F. Long-term accounts payable to related parties

On March 5, 2024, the Company's Board of Directors approved a financing of US\$ 400,000,000. This financing was used to refinance the Company's debt, except for the bonds, at the time of execution of the share purchase agreement between Enel Peru S.A.C. and Niagara Energy S.A.C. (note 1). The share purchase transaction was conducted on May 9, 2024 and financing became effective on that date. The terms of the financing are detailed below:

- Amount: US\$ 400,000,000
- Start date: May 9, 2024
- Term: five (5) years – Non-amortizing (March 1, 2029)
- Interest rate: Daily Compounded SOFR + applicable margin. The margin will be increased over the effective term of the loan by 2.50% for the first two years; 2.75% for the following two years; and 3.00% for the last year.
- Prepayment: Optional, free of fees or penalties.

Financing was executed with a cash loan of US\$ 121,055,000 (equivalent in S/ 452,866) and through a direct payment made by Niagara Energy S.A.C. (on behalf of Orygen Perú S.A.A.) to the holders of the debts outstanding by the Company at the time of the purchase and sale transaction, as detailed below:

Financial entity	Amount (in thousands of USD)	Amount (in thousands of soles)	Payment terms
Banco de Crédito del Perú	121,055	452,866	Cash loan (see 18 (e)) Direct payment from Niagara Energy S.A.C.
European Investment Bank	245,084	946,198	(see 18 (e)) Direct payment from Niagara Energy S.A.C.
Inter-American Development Bank	33,861	135,736	(see 18 (e))
Total	400,000	1,534,800	

G. Terms and conditions of transactions with related entities of Enel Group 2023

As of December 31, 2023, the Company and Subsidiaries obtained the following loans from their related entities, whose rates were fixed based on market conditions and paid in the following dates:

Obtained loans	Currency	Amount (in thousands)	Effective rate	Start date	Payment date
As of December 31, 2023					
Controlling interest					
Enel Perú S.A.C.	PEN	30,000	8.68%	05/23/2023	05/31/2023
Enel Perú S.A.C.	PEN	30,000	8.87%	06/19/2023	06/28/2023
Enel Perú S.A.C.	PEN	33,000	8.91%	07/13/2023	07/31/2023
	PEN	93,000			

As of June 30, 2024, the Company did not grant loans to its related parties.

Trade accounts receivable from and payable to related parties bear interest and do not have maturity or specific guarantees, except for trade accounts receivable related to sale of energy and power, which have an average maturity period of ten days and the loans with its related parties, whose maturity period is determined on a transaction-by-transaction basis.

11. Other Accounts Receivable

This caption comprises the following:

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Note to the Unaudited Condensed Consolidated Financial Statements

As of June 30, 2024 and December 31, 2023

	As of June 30, 2024		As of December 31, 2023	
<i>In thousands of soles</i>	Current	Non-current	Current	Non-current
Prepayments from suppliers	8,289	-	26,830	-
Guarantees	2,932	-	2,932	-
Loans to personnel	1,373	-	1,981	-
Warehouse sales	997	-	-	-
Claims from third parties	864	-	864	-
Reimbursement for material damage	456	-	-	-
Derivative financial instruments	164	-	562	9,434
Others	4,364	-	3,911	-
	19,439	-	37,080	9,434
Less: Estimate of expected credit loss	(30)	-	(30)	-
	19,409	-	37,050	9,434

- (a) In the opinion of the management of the Company and its Subsidiaries, the expected credit loss estimate of other accounts receivable as of June 30, 2024 and December 31, 2023 appropriately covers the credit risk of those items as of those dates.

12. Inventories

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Maintenance materials (a)	81,873	77,959
Oil	17,731	17,772
Materials in transit	1,002	454
	100,606	96,185
Less: Estimate of inventory obsolescence	(7,519)	(7,582)
	93,087	88,603

- (a) The inventories primarily consist of materials used for the maintenance of the existing power generation plants.

The estimate of inventory obsolescence has been determined based on technical studies, and in the opinion of management, this estimate adequately covers the risk of inventory obsolescence as of June 30, 2024, and December 31, 2023.

13. Prepaid Insurance

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Prepaid expenses	4,366	1,057
Prepaid property tax and municipal fees	4,048	2,668
Other prepaid expenses	2,696	634
All-risk insurance policy	133	-
Other insurance	668	134
	11,911	4,493

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

- (a) As of December 31, 2023, the Company and Subsidiaries purchased “all risk” insurance policies for the period from November 2023 to October 2024. The first invoice was paid during the first quarter of 2024.

14. Investment Projects

As of June 30, 2024 and December 31, 2023, this caption comprises the following renewable energy projects:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Pampa Mórrope	10,702	10,702
Marcona	4,482	4,482
	15,184	15,184

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

15. Property, Plant, and Equipment

The movement of cost and accumulated depreciation is presented below:

<i>In thousands of soles</i>	Land	Buildings and other constructions	Power plants	Vehicles	Furniture and fixtures	Various equipment	Work-in-progress	Total
Cost								
Balance as of January 1, 2023	40,945	699,972	7,619,632	10,125	24,563	32,850	968,144	9,396,231
Additions	-	-	162	905	-	184	325,988	327,239
Transfers	-	5,395	140,925	-	90	246	(146,656)	-
Decommissioning cost update	-	-	(7,402)	-	-	-	-	(7,402)
Disposals	(188)	(1,844)	(55)	(592)	-	-	-	(2,679)
Translation difference	(58)	(4,153)	(68,356)	(155)	(12)	(33)	(48,506)	(121,273)
Balance as of December 31, 2023	40,699	699,370	7,684,906	10,283	24,641	33,247	1,098,970	9,592,116
Additions	-	100	-	-	-	-	175,717	175,817
Reclassifications of intangible assets (note 16)	-	-	-	-	-	-	4,137	4,137
Transfers (c)	1,661	3,910	1,140,853	-	-	546	(1,146,970)	-
Disposals	-	-	(21,168)	-	-	-	(626)	(21,794)
Balance as of June 30, 2024	42,360	703,380	8,804,591	10,283	24,641	33,793	131,228	9,750,276
Accumulated depreciation								
Balance as of January 1, 2022	-	327,800	3,856,775	5,152	16,250	25,021	-	4,230,998
Depreciation for the period (a)	-	18,741	162,864	2,094	1,046	1,766	-	186,511
Disposals	-	(189)	(54)	(592)	-	-	-	(835)
Translation difference	-	(601)	(11,940)	(87)	(11)	(28)	-	(12,667)
Balance as of December 31, 2023	-	345,751	4,007,645	6,567	17,285	26,759	-	4,404,007
Depreciation for the period (a)	-	9,249	85,800	1,305	493	933	-	97,780
Disposals	-	-	(13,592)	-	-	-	-	(13,592)
Balance as of June 30, 2024	-	355,000	4,079,853	7,872	17,778	27,692	-	4,488,195

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

		Buildings and other constructions	Power plants	Vehicles	Furniture and fixtures	Various equipment	Work-in-progress	Total
<i>In thousands of soles</i>	Land							
Impairment estimate								
Balance as of January 1, 2023	-	6,191	10,059	-	-	-	8,454	24,704
Additions	-	-	15,072	-	-	-	-	15,072
Translation difference	-	(38)	-	-	-	-	(406)	(444)
Balance as of December 31, 2023	-	6,153	25,131	-	-	-	8,048	39,332
Additions	-	-	-	-	-	-	626	626
Disposals	-	-	(7,576)	-	-	-	(626)	(8,202)
Balance as of June 30, 2024	-	6,153	17,555	-	-	-	8,048	31,756
Net carrying amount								
As of December 31, 2023	40,699	347,466	3,652,130	3,716	7,356	6,488	1,090,922	5,148,777
As of June 30, 2024	42,360	342,227	4,707,183	2,411	6,863	6,101	123,180	5,230,325

Oxygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

- (a) Distribution of depreciation was as follows:

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	June 30, 2023
Cost of energy generation	25	94,881	88,471
Administrative expenses	26	2,899	2,437
		97,780	90,908

- (b) Property, plant, and equipment includes financing costs related to the construction of works in progress. As of June 30, 2024, the Company and Subsidiaries have capitalized interest for S/ 21,331 thousands with an average rate of 6.78% and S/ 16,397 with an average rate of 6.77% as of June 30, 2023 (note 29).
- (c) As of June 30, 2024, the Company carried out transfers of works in progress to generating plants for approximately S/ 1,140,853, these being the Wayra Extension Wind Farm (177.30 MW) and the Cledesí Photovoltaic Solar Power Plant project (114.93MW) beginning their operations on June 29, 2024 and February 20, 2024. As of December 31, 2023, the Company had projects in progress for S/ 1,090,922.

16. Intangible Assets

The movement of cost and accumulated amortization is presented below:

<i>In thousands of soles</i>	Rights and concessions	Software	Other intangible assets	Intangible assets in progress	Total
Cost					
Balance as of January 1, 2023	35,282	99,130	1,392	49,803	185,607
Additions	-	445	-	13,515	13,960
Transfers	-	9,902	-	(9,902)	-
Translation difference	-	(278)	-	(1,700)	(1,978)
Balance as of December 31, 2023	35,282	109,199	1,392	51,716	197,589
Additions	-	-	-	594	594
Transfers	-	4,269	-	(4,269)	-
Sale and/or disposals	-	(86)	-	(2,247)	(2,333)
Reclassifications to property, plant and equipment (note 15)	-	-	-	(4,137)	(4,137)
Balance as of June 30, 2024	35,282	113,382	1,392	41,657	191,713
Accumulated amortization					
Balance as of January 1, 2023	14,351	53,293	1,287	-	68,931
Additions (a)	64	13,540	11	-	13,615
Translation difference	-	(168)	-	-	(168)
Balance as of December 31, 2023	14,415	66,665	1,298	-	82,378
Additions (a)	852	6,902	5	-	7,759
Balance as of June 30, 2024	15,267	73,567	1,303	-	90,137
Impairment estimate					
Balance as of January 1, 2023	-	-	-	-	-
Additions (b)	-	13,780	-	-	13,780
Balance as of June 30, 2024	-	13,780	-	-	13,780
Net carrying amount					
As of December 31, 2023	20,867	42,534	94	51,716	115,211
As of June 30, 2024	20,015	26,035	89	41,657	87,796

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

- (a) Distribution of amortization was as follows:

<i>In thousands of soles</i>	<i>Note</i>	June 30, 2024	June 30, 2023
Cost of energy generation	25	6,015	3,985
Administrative expenses	26	1,744	2,209
		7,759	6,194

- (b) In conformity with TSA agreement, the Company wrote down certain software due to technological obsolescence.

17. Other Non-Financial Assets

As of June 30, 2024, and December 31, 2023, this relates to the accounting treatment of the energy contract modification resulting from the implementation of Resolution 216-2018-OS/CD, dated December 28, 2018, and Supreme Decree 022-2018-EM, dated September 5, 2018.

As per the guidelines of IFRS 15.21(a) *Revenue from Contracts with Customers*, the Company and its Subsidiary Chinango record the contract modification as if it were a termination of the existing contract and the creation of a new contract. For these modifications, the revenue recognized until the date of the original contract (the amount associated with the completed performance obligations) is not adjusted. The remaining portion of the original contract and the modification are accounted for prospectively. The balance of the new contract is allocated to the performance obligations to be met, including those introduced in the modification.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

18. Other Financial Liabilities

This caption comprises the following:

	Current portion (*)		Non-current portion		Total outstanding debt as of	
	As of June 30, 2024	As of December 31, 2023	As of June 30, 2024	As of December 31, 2023	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>						
Creditor						
Corporate bonds						
Third program	1,048	1,021	38,370	37,130	39,418	38,151
	1,048	1,021	38,370	37,130	39,418	38,151
Bank loans						
Banco de Crédito (f)	-	465,753	-	-	-	465,753
European Investment Bank (b)	-	30,137	-	237,632	-	267,769
European Investment Bank (b)	-	19,192	-	133,668	-	152,860
European Investment Bank (c)	-	571	-	148,520	-	149,091
European Investment Bank (c)	-	149	-	37,130	-	37,279
Inter-American Development Bank (d)	-	26,621	-	36,064	-	62,685
Inter-American Development Bank (d)	-	279	-	14,852	-	15,131
Inter-American Development Bank (d)	-	1,117	-	59,408	-	60,525
European Investment Bank (c)	-	6,235	-	237,632	-	243,867
European Investment Bank (c)	-	1,587	-	59,408	-	60,995
	-	551,641	-	964,314	-	1,515,955
Finance lease						
Right-of-use liabilities	3,933	4,788	15,875	16,947	19,808	21,735
	3,933	4,788	15,875	16,947	19,808	21,735
	4,981	557,450	54,245	1,018,391	59,226	1,575,841

(*) Current portion of long-term obligations includes the accrued and unpaid interest on the debt as of the date of the consolidated statement of financial position.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Note to the Separate Financial Statements

As of March 31, 2024 and December 31, 2023

(a) The Corporate Bond debt is composed as follows:

							Current portion (*)		Non-current portion		Total outstanding debt as of		
	Currency of origin	Issued amount	Issue date	Annual interest (%)	Interest paid	Maturity date	2024	2023	2024	2023	2024	2023	
In thousands of soles													
Description of Corporate Bonds													
Third program of Corporate Bonds													
8th issuance, Series A							US\$	10,000,000	Jan. 2008	6.344	Semi-annual	Jan. 2028	
							1,048	1,021	38,370	37,130	39,418	38,151	
							1,048	1,021	38,370	37,130	39,418	38,151	

(*) Current portion of Corporate Bond debt includes the accrued and unpaid interest on the debt as of the date of the separate statement of financial position.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

- (b) In November 2017, the Company entered into a financing agreement with the European Investment Bank for US\$ 150,000,000 for a 15-year term, including a 3-year grace period, and semiannual amortizations at a rate of 6-month LIBOR plus a margin.

The disbursement of the funds was made in two tranches:

- (i) US\$ 100,000,000 were disbursed in December 2017, at a rate of LIBOR + 0.810%, maturing in December 2032. Repayment period began in December 2020.
- (ii) US\$ 50,000,000 were disbursed in July 2018, at a rate of LIBOR + 0.734%, maturing in July 2033. Repayment period began in July 2021.

These funds were mainly used for the construction of the Wayra and Rubí electric power generation plants, which are currently in operation.

Total debt was paid off on May 9, 2024 (see note 10.F).

- (c) In December 2021, the Company entered into a financing agreement with the European Investment Bank for US\$ 130,000,000 for a 15-year term, including a 3-year grace period, and semiannual amortizations at a rate of 6-month LIBOR plus a margin.

In April 2022, the following disbursements were made:

- (i) US\$ 40,000,000 were disbursed at a rate of LIBOR + 0.277%, maturing in December 2036.
- (ii) US\$ 10,000,000 were disbursed at a rate of LIBOR + 0.53%, maturing in December 2036.

Total debt was paid off on May 9, 2024 (see note 10.F).

As of December 31, 2023, the following disbursements were made:

- (i) US\$ 64,000,000 were disbursed in February 2023, at a rate of 6m SOFR + 1.37426%, maturing in August 2036.
- (ii) US\$ 16,000,000 were disbursed in February 2023, at a rate of LIBOR + 1.50126%, maturing in August 2036.

Total debt was paid off on May 9, 2024 (see note 10.F).

- (d) In December 2021, the Company entered into a financing agreement with the Inter-American Development Bank for US\$ 85,000,000 for a 15-year term, including a 21-month grace period (in average), and semiannual amortizations at a rate of 6-month SOFR plus a margin.

In July 2022, three disbursements were made as follows:

- (i) US\$ 20,000,000 were disbursed at a rate of 6m SOFR + 0.97%, maturing in March 2026.
- (ii) US\$ 4,000,000 were disbursed at a rate of 6m SOFR + 0.97%, maturing in September 2026.
- (iii) US\$ 16,000,000 were disbursed at a rate of 6m SOFR + 0.97%, maturing in September 2031.

Total debt was paid off on May 9, 2024 (see note 10.F).

- (e) On May 9, 2024 the Company prepaid the principal, interest, and fees related to each financing, corresponding to the loans granted by the European Investment Bank, Inter-American Development Bank, and Banco de Crédito del Perú, through a financing of US\$ 400,000,000 (equivalent S/ 1,534,800) by and between the Company and its shareholder Niagara Energy S.A.C. (see note 10.F).

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)
Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

- (f) As of June 30, 2024 and December 31, 2023, the main obligation of the Company, during the effective term of the bonds issued as part of the Third Corporate Bond Program, is to ensure that its debt ratio does not exceed 1.5 (at the end of June, the debt ratio was below the established limit). Such debt ratio is calculated as the consolidated debt-to-equity ratio (net of cash up to US\$ 50,000,000).

In management's opinion, this obligation does not restrict or affect the Company's operations and the debt ratio is being satisfactorily met.

- (g) As of June 30, 2024, the Company repaid the following loans:

Repaid loans	Currency	Amount O.C.	Amount (in thousands of soles)	Effective rate %	Collection date
Banco Europeo de Inversiones	USD	2,000	7,616	5.18%	24/01/2024
Banco Interamericano de Desarrollo	USD	3,429	12,759	6.35%	15/03/2024
Banco de Crédito del Perú	USD	125,000	467,625	6.25%	09/05/2024
	USD	130,429	488,000	-	-

As of June 30, 2023, the Company obtained and repaid the following loans:

	Obtainment of loans				Loan amortization		
			Thousands	Thousands	Payment	Thousands	Thousands
Bank loans	Start date	Rate %	of US dollars	of soles	date	of US dollars	of soles
Banco Europeo de Inversiones	Feb. 2023	SOFR 6m + 1.37426%	64,000	243,840	Aug. 2036	-	-
Banco Europeo de Inversiones	Feb. 2023	SOFR 6m + 1.50126%	16,000	60,960	Aug. 2036	-	-
Banco de Crédito del Perú	Jun. 2023	6.70%	10,000	36,330	Jun. 2023	10,000	36,330
Banco Europeo de Inversiones	Dec. 2017	LIBOR a + 0.810%	-	-	Jun. 2023	4,000	14,532
Banco Europeo de Inversiones	Jul. 2018	LIBOR a + 0.734%	-	-	Jan. 2023	2,000	7,702
Scotiabank	Jan. 2023	5.07%	8,000	30,808	Feb. 2023	8,000	30,480
Scotiabank	Apr. 2023	5.68%	16,000	59,504	Apr. 2023	16,000	59,504
BBVA	May-23	6.68%	30,000	110,460	May-23	30,000	110,466
Scotiabank	May-23	5.81%	16,000	58,912	Jun. 2023	16,000	58,128
			160,000	600,814		86,000	317,142

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

19. Trade Accounts Payable

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Provisions for energy and power (b)	99,909	77,773
Suppliers of work-in-progress	93,016	150,469
Power plant maintenance contract	43,151	69,509
Provisions for gas supply, transportation, and distribution (c)	41,063	38,679
insurance	9,225	370
Inventories	3,663	3,688
Taxes	-	342
Other	14,238	14,882
	304,265	355,712

- (a) Trade accounts receivable are mainly stated in Peruvian soles, have current maturity, are non-interest bearing, and do not have specific guarantees.
- (b) Provisions for energy and power as of June 30, 2024 and December 31, 2023 correspond to purchases from suppliers in June 2024 and December 2023, whose invoices were received mainly in July and January 2024, respectively.
- (c) Provisions for gas supply, transportation and distribution as of June 30, 2024 and December 31, 2023 correspond to purchases from suppliers in June 2024 and December 2023, whose invoices were received mainly in July and January 2024, respectively.

20. Other Accounts Payable

This caption comprises the following:

	As of June 30, 2024		As of December 31, 2023	
<i>In thousands of soles</i>	Current	Non-current	Current	Non-current
Accounts payable for anticipated collections -				
COES (b)	156,512	-	173,281	-
Sales Tax	20,155	-	-	-
Employees' profit sharing	12,855	-	33,100	-
Electricity social compensation fund	12,423	-	15,382	-
Energy social inclusion fund	11,781	-	11,492	-
Remunerations and other benefits payable	9,496	-	6,415	-
Contributions to regulatory bodies	3,537	-	4,382	-
Exceptional voluntary retirement program (c)	2,995	-	2,995	-
Taxes	230	-	1,016	-
Seniority awards	-	6,561	-	6,704
Collections on behalf of third parties to be settled	-	-	121,342	-
Others	11,374	1,837	4,582	-
	241,358	8,398	373,987	6,704

- (a) Accounts receivable are mainly denominated in Peruvian soles and do not accrue interest.
- (b) It corresponds to the excess payment made by COES that shall be returned to it due to the application of higher marginal costs in December 2023. This payment will be settled during the 2024 tariff period.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

- (c) The amount corresponds to the provision for the Exceptional Voluntary Retirement Program presented by the Company to all employees hired on an indefinite basis. This program offers an economic incentive plan based on the employee's age, salary, and length of service. Its goal is to encourage the Company's generational renewal.

21. Contract Liabilities

As of June 30, 2024 and December 31, 2023, the balance corresponds to the non-accrued portion of the Company's invoices for the service to use part of the hydraulic facilities owned by the Company.

In June 30, 2024 and 2023 the accrued income of S/ 1,644,000 was recognized in 'other income' (note 28).

22. Other Provisions

This caption comprises the following:

	As of June 30, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Decommissioning of plants	110,571	109,803
Contingencies	8,830	8,791
	119,401	118,594
By maturity term		
Current portion	8,830	8,791
Non-current portion	110,571	109,803
	119,401	118,594

23. Equity**A. Issued capital**

As of June 30, 2024 and December 31, 2023, the Company's issued capital is represented by 3,134,886,677 fully issued and paid-in common voting shares with a par value of S/ 1.00 each. All shares confer equal rights and obligations on their respective holders.

As of June 30, 2024 and December 31, 2023, the ownership structure of the Company's capital was as follows (see note 1):

	As of June 30, 2024		As of December 31, 2023	
	Number of shares (thousands)	Total shareholding (%)	Number of shares (thousands)	Total shareholding (%)
<i>In thousands of soles</i>				
Niagara Energy S.A.C	2,894,921	92.35	-	-
Enel Perú S.A.C.	-	-	2,084,498	66.49
Enel Américas S.A.	-	-	641,378	20.46
Other shareholders	239,966	7.65	409,011	13.05
	3,134,887	100.00	3,134,887	100.00

Share price as of June 30, 2024 was S/ 2.14 and an average of 562 transactions per month were traded (as of December 31, 2023, the share price was S/ 2.29 and an average of 257 transactions per month were traded).

Oxygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

i. Corporate Reorganization

As indicated in note 1.B, the Company merged with its related parties Enel Green Power Perú S.A.C., EGEPIA, and EGELMARSA. This merger came into effect on August 1, 2023. As a result of this merger, the Company's issued share capital increased by S/ 1,291,373.506.76 and the nominal value of the shares changed from S/ 0.88 to S/ 1.00 each. Therefore, the Company's issued share capital at the time of the merger's effective date consisted of 2,829,474,773 shares with a nominal value of S/ 1.00 each.

ii. Calculation of outstanding equivalent shares

As indicated in note 1B *Corporate Reorganization*, the Company merged with its related parties Enel Green Power Peru S.A.C., EGEPIA, and EGELMARSA on August 1, 2023. The merger was carried out between companies under common control. It was registered using the pooling-of-interests method. The consolidated financial statements for comparative purposes were prepared assuming that EGP, Egelmarsa, and Egepiac were merged in each of the reported fiscal periods; consequently, the calculation of the equivalent shares (for comparative purposes) is presented as if the merger had taken place on January 1, 2023, considering a nominal value of the shares of S/ 1.00 each.

	Number of shares	Outstanding period	Equivalent
Shares as of 1.1.2024	3,134,886,677	180 days	3,134,886,677
Shares as of 6.30.2024	3,134,886,677		3,134,886,677
Shares as of 1.1.2023	2,829,474,773	180 days	2,829,474,773
Shares as of 6.30.2023	2,829,474,773		2,829,474,773

B. Declared and paid dividends

The dividends declared as of June 30, 2024, and December 31, 2023 are as follows:

<i>In thousands of soles</i>	Dividend type	Agreement date	Declared dividends	Dividend per share
2024 dividends				
Mandatory Annual Shareholders' Meeting	Final - 2023 fiscal year	March 27	127,147	0.100287
Board of directors	year	May 9	215,041	0.068596
			342,188	
2023 dividends				
Mandatory Annual Shareholders' Meeting	Final - 2022 Fiscal year	March 28	141,712	0.081078
	On account of 2023 fiscal			
Board of directors	year	April 25	181,986	0.104120
			323,698	

Dividends declared in 2024 (final - 2023 fiscal year and on account of 2024 fiscal year) were paid in cash in April and June 2024, respectively.

Dividends declared in 2023 (final - 2022 fiscal year and on account of 2023 fiscal year) were paid in cash in April and May 2023, respectively.

C. Capital reserves

According to the *Companies Act*, the Company is required to allocate at least 10% of its annual net profit to a legal reserve. This allocation is required until the reserve equals 20% of paid-in capital. The legal reserve may be applied to offset losses or may be capitalized.

Annual Mandatory General Shareholders' Meeting, held on March 27, 2024, approved to allocate S/ 70,273,000 to increase the legal reserve. Annual Mandatory General Shareholders' Meeting, held on March 28, 2023, approved to allocate S/ 21,516,000 to increase the legal reserve.

24. Proceeds from Generation of Energy and Power

This caption comprises the following:

A. Revenue streams

The Company generates revenue streams from its activities distributed among its performance obligations.

<i>In thousands of soles</i>	Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
	2024	2023	2024	2023
Revenue from ordinary activities	1,380,682	1,270,402	650,719	645,927
	1,380,682	1,270,402	650,719	645,927

B. Disaggregation of revenue

The Company has defined a single reporting segment, which is energy and power generation. All of the Company and subsidiaries' s revenue is derived from customers that are geographically located in Peru. Also, all non-current assets of the Company and Subsidiaries are located in Peru.

<i>In thousands of soles</i>	Note	Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
		As of June 30, 2024	As of June 30, 2023	2024	2023
Sales of energy and power					
Third parties		1,097,160	881,808	594,027	462,509
Related parties	10.C	275,630	359,167	69,337	181,990
Compensations					
Third parties		11,475	28,381	(10,378)	(1,851)
Related parties	10.C	1,501	1,743	169	1,522
Other expenses		(5,084)	(697)	(2,436)	1,757
		1,380,682	1,270,402	650,719	645,927

During June 30, 2024 and 2023, customers that represent more than 60% of the Company and Subsidiaries' total revenues were:

<i>In thousands of soles</i>	Six – Months Period Ended		From April 1 to June 30	
	As of June 30, 2024	As of June 30, 2023	2024	2023
Pluz Energía S.A.A.	424,752	393,798	207,048	195,560
Luz del Sur S.A.A.	266,995	189,083	127,669	93,191
Minera las Bambas S.A.	163,642	161,204	85,375	81,728
Minera Chinalco S.A.	116,492	115,722	55,158	56,078
Empresa Siderúrgica del Perú S.A.A.	28,361	26,334	13,097	13,620
	1,000,242	886,141	488,347	440,178

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

C. Delivered but unbilled energy

The following table provides information about assets from contract with customers:

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Accounts receivable that are included in 'trade accounts receivable'	9	282,452	210,458

25. Cost of Energy Generation

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
		June 30, 2024	June 30, 2023	2024	2023
Natural gas supply, transportation, and distribution		212,832	277,107	101,516	166,071
Purchase of energy		187,706	143,548	87,585	72,923
Depreciation	15 (a)	94,881	88,471	48,373	44,196
Personnel expenses	27	44,046	52,036	19,615	26,819
Third party services		54,778	38,329	34,243	18,489
Various charges for operations and other		29,097	19,478	18,873	9,954
Water levy and electricity sector taxes		19,283	18,558	8,453	8,924
Consumption of various supplies		8,595	9,871	4,002	5,825
Amortization	16 (a)	6,015	3,985	1,474	1,890
Taxes		3,209	3,792	3,166	2,210
Personnel expenses directly related to work-in-progress		(3,091)	(3,668)	(2,012)	(1,764)
		657,351	651,507	325,288	355,537

26. Administrative Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
		As of June 30, 2024	As of June 30, 2023	2024	2023
Personnel expenses	27	18,325	20,966	7,789	11,044
Third party services		13,383	23,674	2,060	11,284
Taxes		1,298	1,049	541	850
Depreciation	15 (a)	2,899	2,437	1,450	1,269
Amortization	16 (a)	1,744	2,209	921	1,126
Expected credit (recovery) loss estimate		(771)	1,230	(1,036)	189
Various charges for operations and other		799	795	(1,060)	622
Other		11	59	11	20
		37,688	52,419	10,676	26,404

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

27. Personnel Expenses

This caption comprises the following:

	Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
	As of June 30, 2024	As of June 30, 2023	2024	2023
<i>In thousands of soles</i>				
Remunerations	28,749	29,951	14,515	15,831
Employees' profit sharing	23,179	28,153	7,970	12,634
Social contributions	3,403	4,292	85	2,109
Vacations	2,982	2,871	1,239	1,306
Personnel expenses directly related to work-in-progress	(3,091)	(3,668)	(2,012)	(1,764)
Other	4,058	7,735	3,595	5,983
	59,280	69,334	25,392	36,099

(a) Personnel expenses are distributed as follows:

		Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
		As of June 30, 2024	As of June 30, 2023	2024	2023
<i>In thousands of soles</i>	<i>Note</i>				
Cost of energy generation	25	44,046	52,036	19,615	26,819
Administrative expenses	26	18,325	20,966	7,789	11,044
Personnel expenses directly related to work-in-progress		(3,091)	(3,668)	(2,012)	(1,764)
		59,280	69,334	25,392	36,099

28. Other Income and Expenses

This caption comprises the following:

		Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
		As of June 30, 2024	As of June 30, 2023	2024	2023
<i>In thousands of soles</i>	<i>Note</i>				
Other income					
Administrative services to related parties	10.C	3,942	11,830	(330)	6,832
Compensation for the use of hydraulic facilities		1,644	1,644	822	822
Compensation for material damage and loss of profit		456	2,562	456	2,522
Fines to suppliers		20	-	10	-
Other		4,163	3,337	2,722	3,030
		10,225	19,373	3,680	13,206
Other expense					
Impairment of software	16 (b)	(13,780)	(9)	(13,810)	-
Liabilities assumed on behalf of related party		(11,421)	-	-	-
Other		(1,065)	-	-	-
		(26,266)	-	(13,810)	-

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

29. Finance Income and Costs

This caption comprises the following:

		Six-Months Period Ended	Three-Months Period Ended From April 1 to June 30		
		As of June 30, 2024	As of June 30, 2023		
<i>In thousands of soles</i>	<i>Note</i>			2024	2023
Finance income					
Profit or loss for derivative financial instruments		19,295	10,725	17,673	9,168
Interest on bank deposits		9,367	4,109	4,371	(794)
Exchange difference, net		5,786	56,497	2,227	41,988
Late charges and interest		875	-	487	(1,149)
Interest on loans to related entities	10.C	8	1,812	2	796
Other		-	5,856	-	5,856
		35,331	78,999	22,533	13,877
Finance costs					
Interest on bank loans		35,267	47,277	11,429	25,189
Interest on loans - related entities		17,447	119	17,447	119
Guarantee commissions		5,040	4,965	1,631	2,385
Interest on bonds		1,222	1,215	642	554
Decommissioning update		1,147	750	750	750
Provisions and contingencies update		27	113	(26)	59
Interest capitalization	14.b	(21,331)	(16,397)	(11,553)	(9,348)
Other		3,134	2,672	1,824	1,227
		41,953	40,714	22,144	20,935

30. Tax Position

The tax position of the Company and its Subsidiaries has not changed significantly when compared to the disclosures in the audited consolidated financial statements as of December 31, 2023.

Income expenses comprise the following:

	Six-Months Period Ended		Three-Months Period Ended From April 1 to June 30	
	As of June 30, 2024	As of June 30, 2023	2024	2023
<i>In thousands of soles</i>				
Current	159,883	199,875	53,986	101,477
Deferred	49,270	(43,807)	39,494	(41,613)
	209,153	156,068	93,480	59,864

31. Contingencies

The contingencies of the Company and its Subsidiaries have not changed significantly when compared to the disclosures in the audited consolidated financial statements as of December 31, 2023.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

32. Non- Controlling Interest

The following tables summarize the information relating to each of Orygen's subsidiaries that has non-controlling interest.

<i>In thousands of soles</i>	Chinango S.A.C. (a)	Intragroup eliminations	Total
June 30, 2024			
NCI percentage	20%		
Current assets	125,010	2,675	127,685
Non-current assets	484,346	-	484,346
Current liabilities	(44,779)	-	(44,779)
Non-current liabilities	(121,818)	-	(121,818)
Net assets	442,759	2,675	445,434
Carrying amount of NCI	88,552	535	89,087
Revenues	111,100	-	111,100
Profit	77,692	205	77,897
OCI	468	-	468
Net income attributable to NCI	15,538	41	15,579
OCI attributable to NCI	94	-	94
Cash flows from operating activities	106,619	-	106,619
Cash flows from investing activities	(6,307)	-	(6,307)
Dividends paid to NCI	(5,229)	5,229	-
Cash flows from financing activities	(20,659)	-	(20,659)
Effect of changes in the exchange rate	291	-	291
Net increase in cash equivalents	74,715	5,229	79,944

<i>In thousands of soles</i>	Chinango S.A.C. (a)	Intragroup eliminations	Total
June 30, 2023			
Revenues	103,538	-	103,538
Profit	72,474	165	72,639
OCI	1,380	-	1,380
Net income attributable to NCI	14,495	33	14,528
OCI attributable to NCI	276	-	276
Cash flows from operating activities	76,708	-	76,708
Cash flows from investing activities	(22,632)	-	(22,632)
Dividends paid to NCI	(6,510)	6,510	-
Cash flows from financing activities	(25,442)	-	(25,442)
Effect of changes in the exchange rate	(360)	-	(360)
Net increase (decrease) in cash equivalents	21,764	6,510	28,274

As of June 30, 2024 and 2023, there are no outstanding balance of dividend payable.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Unaudited Condensed Consolidated Interim Financial Statement

For the six months ended June 30, 2024 and 2023

33. Deferred Tax Liabilities

The movement in the deferred income tax and the detail of the temporary differences that gave rise to it is as follows:

<i>In thousands of soles</i>	As of January 1, 2023	Credit (debit) to the consolidated income statement	Charge to the consolidated statement of changes in equity	Difference by conversion	As of December 31, 2023	Credit (debit) to the consolidated income statement	Charge to the consolidated statement of changes in equity	As of June 30, 2024
Assets								
Provision for inventory devaluation	2,218	19	-	-	2,237	(19)	-	2,218
Other assets	-	-	-	-	-	-	-	-
Cash flow hedging	-	-	-	-	-	(13,275)	14,431	1,156
Provision for plant decommissioning	31,596	796	-	-	32,392	227	-	32,619
Other provisions	44,583	(3,349)	-	-	41,234	(10,466)	-	30,768
Liabilities								
Difference in depreciation rates	(789,666)	34,997	-	5,476	(749,193)	(33,721)	-	(783,654)
Cash flow hedging	(635)	1,141	(672)	-	(166)	(711)	-	(877)
Other non-financial assets	(92,432)	9,444	-	-	(82,988)	8,695	-	(73,553)
Deferred liabilities, net	(804,336)	43,048	(672)	5,476	(756,484)	(49,270)	14,431	(791,323)

34. Events after the Reporting Period

From July 1, 2024 to the date of this report, the following significant event has occurred, but it does not impact the consolidated financial statements:

On July 24, 2024, the Board of Directors approved the distribution of dividends for the fiscal period 2024 in the amount of S/ 181,805,000. The corresponding payment was paid on August 21, 2024.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Consolidated Financial Statements

December 31, 2023, 2022 and 2021

(Including Independent Auditors' Report)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.)

Opinion

We have audited the consolidated financial statements of Orygen Perú S.A.A. and its Subsidiaries (hereinafter the Company and Subsidiaries), which comprise the consolidated statement of financial position as of December 31, 2023, 2022 and 2021 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA) approved for their application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Peru, together with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter on Comparative Information

The consolidated financial statements as of December 31, 2022 and 2021, were prepared by the management of the Company and Subsidiaries giving effect to the corporate reorganization and following the guidelines indicated in notes 1.B. and 5.A.i.

Key Audit Matter

Key audit matter is a matter that, in our professional judgment, has been of most significance in our audit of the consolidated financial statements of the current period. This matter has been addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on this matter.



Contingencies: refer to note 5.N; Provisions: refer to note 5.O.; Other provisions: refer to note 21 and note 31 Contingencies.

Key Audit Matter	How the matter was dealt with in our audit
<p>In accordance with IAS 37 “Provisions, contingent liabilities and contingent assets”, the Company and Subsidiaries classify their legal cases by the degree of occurrence, whether remote, possible or probable at the end of the reporting period.</p> <p>As of December 31, 2023, the Company and Subsidiaries maintain provisions for labor, tax and judicial cases for S/ 8,791,000, which have a probable classification and discloses contingent liabilities for S/ 62,766,000 with a possible classification.</p> <p>The recognition of provisions and contingent liabilities is a key audit matter due to the relevance of the amounts recognized and disclosed in the consolidated financial statements, respectively, due to the key judgments used by the Company and Subsidiaries to determine the classification of the legal cases, due to the complexity and duration of the legal cases, as well as the possibility of future changes in their classification and/or in the amounts recognized and disclosed in the consolidated financial statements until their final closing.</p>	<p>Our approach to address the issue involved the following procedures, among others:</p> <ul style="list-style-type: none"> ▪ Obtain the details of provisions and contingencies for labor, tax and judicial cases prepared by the Company and Subsidiaries based on the analysis of its internal and external legal advisors, indicating the degree of occurrence, such as remote, possible or probable and the determined amounts. ▪ Obtain the confirmations sent to the internal and external legal advisors of the Company and Subsidiaries, for the purpose of comparing with the details of provisions and contingencies for labor, tax and judicial cases prepared by the Company and Subsidiaries. ▪ Involve our Tax and Legal professionals, with specialized skills and knowledge, in order to analyze the tax provisions and contingencies through a sample. ▪ Evaluate the adequacy of the disclosures included in the consolidated financial statements of the Company and Subsidiaries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern; disclosing, as applicable, matters related to going concern; using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISA approved for their application in Peru will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISA approved for their application in Peru, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and therefore is the Key Audit Matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru

September 21, 2024

Ernst & Young, Córdova y Asociados

Countersigned by:

Marilynn Montero

Marilynn Montero (Partner)
Peruvian CPA Registration 32462

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Consolidated Statement of Financial Position

As of December 31, 2023, 2022 and 2021

<i>In thousands of soles</i>	<i>Note</i>	2023	2022 (note 1.B)	2021 (note 1.B)
Assets				
Current assets				
Cash and cash equivalents	5.B, 5.C, and 7	520,685	257,369	224,728
Trade accounts receivable	5.C, 5.D, and 8	310,506	324,474	240,753
Other accounts receivable	5.C, 5.D, and 10	37,050	21,475	91,116
Accounts receivable from related entities	5.C, 5.D, and 9	110,935	109,622	106,501
Inventories	5.D, 5.E, and 11	88,603	71,529	72,719
Tax credit from sales tax		56,888	243,411	192,179
Income tax assets		-	-	14,861
Prepaid insurances	5.F and 12	4,493	34,755	1,931
Total current assets		1,129,160	1,062,635	944,788
Non-current assets				
Other accounts receivable	5.C, 5.D, and 10	9,434	14,046	-
Investment projects	5.J and 13	15,184	16,663	17,942
Property, plant, and equipment	5.D, 5.H, 5.G, and 14	5,148,777	5,140,529	4,657,372
Intangible assets	5.D, 5.I, and 15	115,211	116,676	109,612
Other non-financial assets	5.Q and 16	278,397	308,585	282,806
Total non-current assets		5,567,003	5,596,499	5,067,732
Total assets		6,696,163	6,659,134	6,012,520

<i>In thousands of soles</i>	<i>Note</i>	2023	2022 (note 1.B)	2021 (nota 1.B)
Liabilities				
Current liabilities				
Other financial liabilities	5.C, 5.H, 5.L, and 17	557,450	643,921	279,362
Trade accounts payable	5.C and 18	355,712	562,001	348,401
Other accounts payable	5.C, 5.P, and 19	373,987	120,719	57,743
Accounts payable to related entities	5.C, 5.D, and 9	121,202	176,534	169,586
Deferred income	5.Q and 20	3,289	3,370	3,289
Other provisions	5.K, 5.N, 5.O, and 21	8,791	9,072	10,271
Income tax liabilities		14,720	55,130	-
Total current liabilities		1,435,151	1,570,747	868,652
Non-current liabilities				
Other financial liabilities	5.C, 5.H, 5.L, and 17	1,018,391	820,211	592,075
Deferred income	5.Q and 20	63,425	66,714	70,003
Other accounts payable	5.C, 5.P, and 19	6,704	5,300	5,673
Other provisions	5.K, 5.N, 5.O, and 21	109,803	115,866	202,016
Deferred income tax liabilities	5.M and 22	756,484	804,336	812,187
Total non-current liabilities		1,954,807	1,812,427	1,681,954
Total liabilities		3,389,958	3,383,174	2,550,606
Equity				
	5.S, 5.T, 5.U, and 23			
Issued share capital		3,134,887	2,829,475	3,081,315
Legal reserve		2,208	286,104	228,733
Net profit or loss from cash flow hedge		(20,522)	(19,798)	(83,329)
Other reserves		(2,121)	(2,114)	(2,114)
Retained earnings		113,110	102,861	156,144
Non-controlling interest		78,643	79,432	81,165
Total equity		3,306,205	3,275,960	3,461,914
Total liabilities and equity		6,696,163	6,659,134	6,012,520

The accompanying notes from page 6 to 90 are an integral part of these consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)
Consolidated Statement of Profit or Loss

For the years ended December 31, 2023, 2022 and 2021

<i>In thousands of soles</i>	<i>Note</i>	2023 (note 1.B)	2022 (note 1.B)	2021 (note 1.B)
Revenue from energy and power generation	5.Q and 24	2,622,561	2,375,074	1,936,805
Cost of energy generation	5.R and 25	(1,440,983)	(1,244,744)	(984,439)
Gross profit		1,181,578	1,130,330	952,366
Administrative expenses	5.R and 26	(107,034)	(97,696)	(112,611)
Other expenses	5.R	-	(4,217)	-
Other income	5.Q and 28	37,795	62,272	50,402
Operating profit		1,112,339	1,090,689	890,157
Finance income	5.Q, 5.R, and 29	93,983	83,874	14,059
Finance costs	5.Q, 5.R, and 29	(78,170)	(70,641)	(82,530)
Net Finance Costs		15,813	13,233	(68,471)
Profit before tax		1,128,152	1,103,922	821,686
Income tax expense	5.M and 30	(313,819)	(294,877)	(302,575)
Profit for the period		814,333	809,045	519,111
Net profit attributable to:				
Owners of the Company		797,432	788,825	500,433
Non-controlling interest		16,901	20,220	18,678
		814,333	809,045	519,111
Net profit per basic and dilute share (in soles)	5.T	0.280	0.296	0.217
Weighted average outstanding shares (in thousands of units)	23.A.iv	2,905,828	2,733,355	2,395,570

The accompanying notes from page 6 to 90 are an integral part of these consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Consolidated Statement of Other Comprehensive Income

For the years ended December 31, 2023, 2022 and 2021

<i>In thousands of soles</i>	<i>Note</i>	2023 (note 1.B)	2022 (note 1.B)	2021 (note 1.B)
Profit or loss for the period		814,333	809,045	519,110
Other comprehensive income				
	<i>5.C, 6.A.i and ii, and 17(i)</i>			
Net change for cash flow hedges		(518)	80,396	7,788
Income tax	<i>6.A.ii, 17(i), and 22</i>	(672)	(17,788)	3,575
Total comprehensive income for the period, net of taxes		813,143	871,653	530,473
Comprehensive income attributable to:				
Owners of the Company		795,833	850,998	511,475
Non-controlling interests		17,310	20,655	18,999
		813,143	871,653	530,474

The accompanying notes from page 6 to 90 are an integral part of these consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Consolidated Statement of Changes in Equity

For the years ended December 31, 2023, 2022 and 2021

<i>In thousands of soles</i>			Number of shares	Issued share capital (notes 1.B. and 23.A)	Legal reserve (notes 1.B and 23.C)	Cash flow hedge (notes 1.B, 6.A.ii, and 17 (i))	Other reserves (note 1.B)	Retained earnings (note 1.B)	Total	Non-controlling interest (note 32)	Total equity
	Note		(note 23.A)								
Balance as of January 1, 2021			2,838,751,440	3,471,315	182,573	(95,076)	(2,114)	176,242	3,732,940	77,377	3,810,317
Profit for the period			-	-	-	-	-	500,433	500,433	18,678	519,111
Other comprehensive income, net of taxes			-	-	-	11,042	-	-	11,042	321	11,363
Total comprehensive income for the period, net of taxes			-	-	-	11,042	-	500,433	511,475	18,999	530,474
Transactions with the owners of the Group											
Dividend distribution			-	-	-	-	-	(601,224)	(601,224)	(15,211)	(616,435)
Capital reduction	23.A.ii		(443,181,819)	(390,000)	-	-	-	-	(390,000)	-	(390,000)
Effect of exchange difference			-	-	-	705	-	126,853	127,558	-	127,558
Legal reserve	23.C		-	-	46,160	-	-	(46,160)	-	-	-
Total transactions with the owners of the Group			(443,181,819)	(390,000)	46,160	705	-	(520,531)	(863,666)	(15,211)	(878,877)
Balance as of December 31, 2021			2,395,569,621	3,081,315	228,733	(83,329)	(2,114)	156,144	3,380,749	81,165	3,461,914
Profit for the period			-	-	-	-	-	788,825	788,825	20,220	809,045
Other comprehensive income, net of taxes	5.S, 6.A.i,ii, and 17(i)		-	-	-	62,173	-	-	62,173	435	62,608
Total comprehensive income for the period, net of taxes			-	-	-	62,173	-	788,825	850,998	20,655	871,653
Transactions with the owners of the Group											
Dividend distribution	23.B		-	-	-	-	-	(652,682)	(652,682)	(22,388)	(675,070)
Capital increase	23.A.iii		-	318,160	-	-	-	-	318,160	-	318,160
Capital reduction	23.A.ii		(647,727,273)	(570,000)	-	-	-	-	(570,000)	-	(570,000)
Effect of exchange difference			-	-	-	1,358	-	(132,055)	(130,697)	-	(130,697)
Legal reserve	23.C		-	-	57,371	-	-	(57,371)	-	-	-
Total transactions with the owners of the Group			(647,727,273)	(251,840)	57,371	1,358	-	(842,108)	(1,035,219)	(22,388)	(1,057,607)
Balance as of December 31, 2022			1,747,842,348	2,829,475	286,104	(19,798)	(2,114)	102,861	3,196,528	79,432	3,275,960
Profit for the period			-	-	-	-	-	797,432	797,432	16,901	814,333
Other comprehensive income, net of taxes	5.S, 6.A.ii, and 17(i)		-	-	-	(1,599)	-	-	(1,599)	409	(1,190)
Total comprehensive income for the period, net of taxes			-	-	-	(1,599)	-	797,432	795,833	17,310	813,143
Transactions with the owners of the Group											
Increase in shares due to merge	23.A.i		1,081,632,425	-	-	-	-	-	-	-	-
Dividend distribution	23.B		-	-	-	-	-	(647,020)	(647,020)	(18,099)	(665,119)
Capitalization of legal reserve	23.C		305,411,904	305,412	(305,412)	-	-	-	-	-	-
Effect of exchange difference			-	-	-	875	(7)	(118,647)	(117,779)	-	(117,779)
Legal reserve	23.C		-	-	21,516	-	-	(21,516)	-	-	-
Total transactions with the owners of the Group			1,387,044,329	305,412	(283,896)	875	(7)	(787,183)	(764,799)	(18,099)	(782,898)
Balance as of December 31, 2023			3,134,886,677	3,134,887	2,208	(20,522)	(2,121)	113,110	3,227,562	78,643	3,306,205

The accompanying notes from page 6 to 90 are an integral part of these consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Consolidated Statement of Cash Flows

For the years ended December 31, 2023, 2022 and 2021

<i>In thousands of soles</i>	<i>Note</i>	2023 (note 1.B)	2022 (note 1.B)	2021 (note 1.B)
Cash flows from operating activities				
Collection from customers		4,407,896	3,710,806	3,054,823
Other cash collections from operating activities		111,787	48,312	48,666
Payment to suppliers for services and goods		(2,517,161)	(1,888,726)	(1,524,814)
Payments to and by the employees		(129,631)	(102,727)	(92,874)
Other cash payments related to the operating activities		(293,211)	(292,146)	(448,627)
Collection of interest received (not included in investment activities)		21,326	9,774	2,679
Income tax payment		(376,795)	(251,856)	(318,971)
Net cash flows from operating activities		1,224,211	1,233,437	720,882
Cash flows from investing activities				
Proceeds from loans granted to related entities	9.E	235,000	64,137	333,769
Interest received		2,348	1,304	1,831
Loans granted to related entities	9.E	(235,000)	(45,884)	(231,265)
Acquisition of property, plant and equipment and intangible assets	14 and 15	(340,294)	(880,089)	(320,266)
Net cash flows used in investing activities		(337,946)	(860,532)	(215,931)
Cash flows from financing activities				
Proceeds from loans from banks	17(f)	1,370,924	1,415,674	505,212
Payment of loan to banks	17(f)	(1,209,534)	(702,000)	(358,732)
Proceeds from loans from related entities	9.E	93,000	67,010	46,988
Payment of loans to related entities	9.E	(93,000)	(91,408)	(23,000)
Payment of lease liabilities	17(k)	(7,551)	(15,265)	(31,651)
Payment of dividends	23.B	(647,020)	(652,682)	(601,224)
Payment of dividends (non-controlling interests)	32	(18,099)	(22,388)	(15,211)
Payment of interest	17(j)	(116,186)	(45,657)	(22,982)
Payment of bonds	17(e)	-	(25,000)	-
Capital increase	23.A	-	318,160	-
Capital reduction	23.A	-	(570,000)	(390,000)
Other cash proceeds (payments) from financing activities		16,498	(772)	(7,884)
Net cash flows used in financing activities		(610,968)	(324,328)	(898,484)
Net increase in cash and cash equivalents		275,297	48,577	(393,533)
Effect of exchange difference on cash and cash equivalent		(11,981)	(15,936)	26,024
Cash and cash equivalents at the beginning of the period		257,369	224,728	592,237
Cash and cash equivalents as of December 31	7	520,685	257,369	224,728
Transactions not representing cash flows and cash equivalents				
Purchase of machinery and equipment – Leases	14(d)	905	5,069	-

The accompanying notes from page 6 to 90 are an integral part of these consolidated financial statements.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Consolidated Financial Statements

December 31, 2023, 2022 and 2021

1. Background and Reporting Entity

A. Background

Orygen Perú S.A.A (formerly Enel Generación Perú S.A.A) hereinafter “the Company”, was a subsidiary of Enel Perú S.A.C., which owned 66.49% of its share capital as of December 31, 2023. Enel Perú S.A.C. owned 83.60% of the Company’s share capital as of December 31, 2022 and 2021. The reduction in Enel Perú S.A.C.’s share capital ownership in the Company was due to the corporate reorganization as explained in note 1 B.

The Company was incorporated in Peru in 1996. It is a corporation whose shares are listed on the Lima Stock Exchange (BVL for its Spanish acronym). Enel Perú S.A.C. is a subsidiary of Enel Group from Italy, through Enel Américas S.A., a company domiciled in Chile. In November 2022, Enel Group announced its intention to sell its investment in Peru.

In November 2023, Enel Peru S.A.C. and Enel Americas S.A. agreed to sell all of their shares (66.49% and 20.46%, respectively, of the Company’s share capital) to Niagara Energy S.A.C., a company controlled by the Actis Global Investment Group.

The closing and execution of the transaction is subject to the fulfillment of conditions agreed upon between Enel Perú S.A.C. and Niagara Energy S.A.C.

In March 2024, the Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual – INDECOPI (National Institute for the Defense of Competition and Intellectual Property) approved the Company’s transfer to a Niagara Energy S.A.C.

In March 2024, as part of the transaction for the sale of 100% of the Company’s shares, Niagara Energy S.A.C. issued a Public Offering, which, as of the date of issuance of this report, is in progress.

As of December 31, 2023, 2022 and 2021 the Company holds 80% ownership interest in Chinango S.A.C. As result of the corporate reorganization described in note 1.B, Energética Monzón S.A.C. became a subsidiary of the Company, holding 99.9% ownership interest in.

The Subsidiaries are engaged in the following economic activities:

Subsidiaries	Business activity
Chinango S.A.C.	Generation and commercialization of electrical energy and power to local public and private companies
Energética Monzón S.A.C.	Development of power generation projects

B. Corporate Reorganization

On August 1, 2023, the Company merged with its related entities Enel Green Power Perú S.A.C. (EGP), Empresa de Generación Eléctrica Marcona S.A.C. (EGELMARSAC), and Empresa de Generación Eléctrica Los Pinos S.A.C. (EGEPISAC), where the Company acted as the absorbing entity of 99.99% of their equity, and the absorbed related entities were dissolved. The purpose of the merger was to leverage the existing synergies among the Company, EGP, EGELMARSAC, and EGEPISAC; this will enable the establishment of a company with an optimal balance between hydroelectric generation, thermoelectric generation, generation from non-conventional renewable energy, as well as the incorporation of a solid portfolio of renewable projects. Specifically, the conduction of the merger implies a geographic and technological diversification for the companies involved in it, as well as generating greater opportunities in the growing market of non-regulated customers who request the signing of contracts of energy derived from renewable sources.

The merger will also enable the appropriate addressing of competitive growth opportunities, participating in the process of development and modernization of the Peruvian energy generation market.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Consolidated Financial Statements

December 31, 2023, 2022 and 2021

The merger project was approved by the General Shareholders' Meeting of the Company in April 2023 subject to certain suspensive conditions. In July 2023, the Company's Board of Directors documented that all suspensive conditions had been met and, in accordance with the merger project, it came into effect on August 1, 2023.

The merger of entities under common control is not within the scope of IFRS 3 'Business Combinations.' Since the aforementioned corporate reorganizations did not result in a change of control over the shares of these Companies, i.e., that all the Companies involved in the reorganizations belong to the same corporate economic group, the Company has recorded these reorganizations using the pooling-of-interest method. Therefore, for presentation and comparative purposes, the consolidated financial statements as of December 31, 2022 and 2021, and for the period ended on that date, have been prepared giving retroactive effect to these corporate reorganizations (note 5.A.i).

Balances corresponding to EGP, EGELMARSAC and EGEPISAC, incorporated into the Company's consolidated financial statements, are shown below.

Consolidated Statement of financial position	December 31,	December 31,
	2022	2021
Current assets	228,851	166,637
Current liabilities	522,770	265,183
Property, plant, and equipment	1,978,867	1,349,187
Other financial liabilities	825,166	583,971
Total liabilities	1,426,798	859,377
Total equity	1,085,460	891,562

Consolidated Statement of Profit or Loss	For the years ended December 31		
	2023	2022	2021
Operating income	99,222	182,492	39,237
Gross profit	46,635	84,641	76,700
Net profit	29,224	(91,535)	(29,628)

C. Business activity

The Company is mainly engaged in the generation and commercialization of electrical energy and power to local public and private companies. The Company has five (5) hydroelectric plants located in the basins of Santa Eulalia and Rímac rivers, at an approximate distance of 50 km from the city of Lima, with an effective generation capacity of 600 MW. Likewise, it owns two (2) thermoelectric generation plants, one with an effective generation capacity of 412.4 MW, located in Cercado de Lima, and another with 476.2 MW, located in Ventanilla. It also owns a solar power plant located in the province of Mariscal Nieto, in the Moquegua region, with an effective generation capacity of 144.5 MW, and a wind power plant located in the province of Nazca, in the Ica region, with an effective generation capacity of 132.3 MW. Total effective capacity reaches 1,765.4 MW.

Subsidiary Chinango S.A.C. has two (2) hydroelectric plants: Yanango, located 280 Km northwest from Lima at Lote 2 s/n San José de Utcuyacu in the district of San Ramón, province of Chanchamayo; and Chimay, located 320 Km northeast from Lima at s/n Libertad Tingo, in the district of Monobamba, province of Jauja; both in the department of Junín, with effective generation capacity of 195.4 MW.

The Subsidiary Energética Monzón S.A.C. owns power generation projects.

The legal domicile of the Subsidiaries, where their administrative offices are located, is Jirón Paseo del Bosque 500, Urb. Chacarilla del Estanque, San Borja, Lima, Perú.

The main balances of the Subsidiaries's financial statements, as of December 31, 2023, 2022 and 2021, are:

Chinango S.A.C.

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Consolidated Financial Statements

December 31, 2023, 2022 and 2021

<i>In thousands of soles</i>	2023	2022	2021
Assets		563,255	570,021
Liabilities	545,139 154,394	168,148	165,842
Equity	390,745 262,589	395,107	404,179
Income	118,498	227,664	181,218
Operating profit	84,093	144,589	131,417
Net profit		100,691	92,980

Energética Monzón S.A.C.

<i>In thousands of US dollars</i>	2023	2022	2021
Assets	678	729	797
Liabilities	2,956	31,603	30,264
Equity	(2,278)	(30,874)	(29,467)
Operating loss	(320)	(259)	(6,113)
Net loss	(450)	(1,407)	(6,306)

D. Approval of the consolidated financial statements

The consolidated financial statements as of December 31, 2023 have been authorized for issuance by the Company's Management on September 21, 2024.

2. Operation Regulation and Legal Standards Affecting the Electricity Sector Activities and Main Agreements

Main regulations affecting the Company and Subsidiaries' activities are:

A. Electricity Concessions Law and its Regulations

It is worth noting that by means of Executive Decree 006-2020-MINAM, published on July 4, 2020, the permanent Multisectoral Commission known as the 'High-Level Commission on Climate Change (CANCC for its Spanish acronym)' was created.

B. Executive Orders issued within the framework of emergency situations

Executive Order 008-2017-EM, published on March 23, 2017, establishes a regime for the authorization of energy import in emergency situations. Within the framework of emergency situations as provided in Decision 757, in accordance with Paragraph 5.3 of the Internal Regulations for the application of Decision 757 of the Andean Community of Nations (CAN for its Spanish acronym), and in the absence of other available options, the COES is authorized to carry out emergency electricity exchanges to ensure the electricity supply to the Public Electricity Service.

Executive Order 017-2018-EM, published on July 23, 2018, establishes a Rationing Mechanism for situations that put the natural gas supply in Emergency, understanding as an Emergency the total or partial shortage of natural gas in the domestic market due to any situation affecting the supply and/or transport and/or distribution of natural gas, duly qualified by the Ministry of Energy and Mines.

C. Executive Order 016-2000-EM

This decree, published on September 14, 2000, establishes regulation hours and monthly excess probabilities for hydroelectric plants and peak hours of the electrical system. It also establishes the requirement for natural gas generation units to declare a single price that considers the costs of supply, transportation, and distribution of natural gas, effective in July of each year for a period of twelve (12) months.

Executive Order 019-2017-EM, published on June 7, 2017, amended Section 5 of Executive Order 016-2000-EM. Generation companies using natural gas as fuel shall declare a single price of natural gas at the delivery point of each generation plant, a readjustment formula, and information regarding fuel quality. This information shall be submitted twice a year. The first submission is made on the last business day of the first half of November, effective for the flood season period (from December 1 to May 31 of the following year), and the second submission is made on the last business day of the first half of May, effective for the dry season period (from June 1 to November 30).

Executive Order 039-2017-EM, published on November 14, 2017, suspended the filing process of the single price of natural gas for thermoelectric plants until December 31, 2017, referred to in Section 5 (5.2) of Executive Order 016-2000-EM.

Executive Order 043-2017-EM, published on December 28, 2017, amended Section 5 of Executive Order 016-2000-EM, stipulating that generation companies using natural gas as fuel shall declare the single gas price once a year with effective date on July 1. The COES verifies that the declared value is, at least, the result from applying a formula that considers the Daily Contractual Quantity (DCQ), the specific consumption, take-or-pay agreements, and the natural gas supply price excluding transport and distribution.

D. Supreme Resolution 006-2019-EM

Supreme Resolution 006-2019-EM, dated June 20, 2019, creates the Multisectoral Commission for the Reform of the Electricity Subsector. The purpose is to conduct an analysis of the electricity market and the regulatory framework of the Electricity and Hydrocarbon Subsectors, in relation to the provision of electricity for the SEIN, in order to formulate proposals aimed at adopting measures that ensure the sustainability and development of the Electricity Subsector. The effective term of the commission is twenty-four (24) months.

E. Osinergmin Resolution 144-2019-OS/CD amending the Technical Procedure of COES 26 'Firm Power Calculation'

Such parameter is used to determine the power revenues of generation companies in the COES, as well as the contracting level they are allowed to reach. Since September 2019, the Firm Power for plants with renewable energy resources (RER) using wind, solar or tidal technologies (prior to the amendment it was zero) shall be determined based on the energy production during the peak hours of the system.

F. Standards approved with significant impact on the Peruvian Electricity Sector

By Supreme Decree N° 003-2021-EM, published on February 1, 2021, provisions were established to improve the efficiency of the use of gas transportation capacity for thermal generation with natural gas and the payment of firm power.

By means of Osinergmin Board Resolution N° 012-2021-OS/CD, published on February 1, 2021, the new COES Technical Procedure N° 06 "Reprogramming of the daily operation (PR-06)" was approved.

By means of Osinergmin Board Resolution No. 030-2021-OS/CD, published on February 27, 2021, the new COES Technical Procedure No. 04 "Tests for the Determination of the Minimum Power of the Generation Units of the SEIN" was approved.

By means of Osinergmin Board Resolution No. 083-2021-OS/CD, published on April 30, 2021, approved the modification of COES Technical Procedure No. 20 "Entry, Modification and Withdrawal of Facilities in the SEIN".

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Consolidated Financial Statements

December 31, 2023, 2022 and 2021

By means of Osinerghmin Board Resolution No. 092-2021-OS/CD, published on May 3, 2021, approved the modification of COES Technical Procedure No. 31 "Calculation of the Variable Costs of the Generation Units" in which the declaration of gas prices was changed to audited prices that include the entire chain (Production, Transportation and Distribution) the significant impact will be in the increase of the marginal cost.

By means of Ministerial Resolution No. 146-2021-MINEM/DM, published on May 18, 2021, entrusted ProInversion with the process of promoting private investment in several Binding Projects of the 2021-2030 Transmission Plan, approved by R.M. No. 422-2020-MINEM/DM. These binding projects will reinforce the electric system in such a way as to allow greater penetration of renewable energies.

Supreme Decree 012-2021-EM, published on May 19, 2021, approved the Regulation to Optimize the Use of Natural Gas and created the Natural Gas Manager.

By means of Ministerial Resolution No. 0084-2021-MINEM/DGE, published on May 25, 2021, the modification of numeral 5.4.10 of the Technical Standard for Coordination of Real-Time Operation of Interconnected Systems was approved in order to improve the efficiency criteria that allows the maximum use of natural gas for electricity generation.

By means of Ministerial Resolution No. 153-2021-MINEM/DM, published on May 26, 2021, the Peak Hours of the National Interconnected Electric System were fixed, for the purpose of evaluating the unavailability of the generating units.

By means of Osinerghmin Board Resolution No. 096-2021-OS/CD, published on May 29, 2021, the new COES Technical Procedure No. 25 (PR-25): "Determination of the Unavailability Factors Presence and Incentives to the availability of the Power Plants and Generation Units" of the Criteria and Methodology to determine the respective Reference Factors for Contracting (FRC) and the FRC for the period June 1, 2021 to April 30, 2025.

Ministerial Resolution No. 096-2021-MINAM, published on June 7, 2021, approved the "Peruvian National Climate Change Adaptation Plan: an input for updating the National Climate Change Strategy".

By means of Osinerghmin Board Resolution No. 120-2021-OS/CD, published on June 12, 2021, the "Methodological Guide for the Calculation of the Base Fine" was approved, the Regulation of Inspection and Sanction of Energy and Mining Activities in charge of Osinerghmin was amended and provisions related to administrative authorities in the procedures processed before Osinerghmin in the energy and mining sector were modified.

By means of Osinerghmin Board Resolution 185-2021-OS-CD, published on July 29, 2021, amendments to the "Procedure for Long-Term Supply Bids within the framework of Law No. 28832" were approved.

By means of Osinerghmin Board Resolution 194-2021-OS-CD, published on August 24, 2021, the publication of Technical Report No. 569-2021-GRT, "Process of Regulation of the Prices in Bar corresponding to the period May 2021 - April 2022" was established.

By means of Ministerial Resolution 159-2021-MINEM-DGE, published on September 29, 2021, several Typical Distribution Sectors were established for the purpose of setting the Aggregate Distribution Value for the years 2022 and 2023.

By means of Osinerghmin Board Resolution 205-2021-OS-CD, published on September 29, 2021, the publication of the Technical Report N° 609-2021-GRT "Regulation Process of the Secondary Transmission Systems and Complementary Transmission Systems" corresponding to the period May 2021 - April 2025 was established.

By means of Osinerghmin Board Resolution 208-2021-OS-CD, published on September 29, 2021, the "Procedure for the auditing of refunds and recoveries of electric energy in the public electricity service" was approved.

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By means of Ministerial Resolution 305-2021-MINEM-DM, published on September 30, 2021, the easement of the 60 kV Transmission Line SE Oquendo - SE La Pampilla, imposed in favor of the definitive concession of electric energy distribution held by Enel Distribución Perú S.A.A., was modified.

By means of Resolution No. 0196-2021-ANA, published on October 19, 2021, the "General Guidelines for the Updating of Water Resources Management Plans in Basins" were approved.

By Ministerial Resolution No. 196-2021-MINAM, published on October 20, 2021, the "Methodological Guidelines for the formulation and updating of Local Climate Change Plans and their annexes" were approved.

By means of Osinerghmin Board Resolution 226-2021-OS-CD, published on October 30, 2021, the update factors "p" applicable as of November 4, 2021, were approved to determine the unitary charges for Cold Reserve Supply Security Compensation, for Premium, for FISE, and for Electric Generation Capacity.

Supreme Decree No. 030-2021-MINAM, published on October 30, 2021, approved Maximum Permissible Limits for atmospheric emissions from thermoelectric generation activities.

By means of Osinerghmin Board Resolution 244-2021-OS-CD, published on December 18, 2021, the Technical Procedure of COES No. 07 "Determination of Short-Term Marginal Costs" (PR-07) was modified.

By means of Osinerghmin Board Resolution 035-2022-OS-CD, published on March 17, 2022, the COES Technical Procedure 22 'Secondary Frequency Regulation Reserve (PR-22)' is amended, which was approved by Resolution 003-2020-OS-CD.

By means of Osinerghmin Board Resolution 167-2022-OS-CD, published on September 2, 2022, the COES Technical Procedure 34 'Determination of the Variable Maintenance Cost of Thermoelectric Generation Units (PR-34)' is approved.

By means of Osinerghmin Board Resolution 171-2022-OS-CD, published on September 18, 2022, the COES Technical Procedure 31 'Calculation of the Variable Costs of Generation Units (PR 31)' is amended.

By means of Osinerghmin Board Resolution 231-2022-OS-CD, published on December 19, 2022, the COES Technical Procedure 2 'Participation Conditions in the Wholesale Electricity Market (PR-02)' is amended.

By means of Osinerghmin Board Resolution 230-2022-OS-CD, published on December 21, 2022, the COES Technical Procedure 13 'Calculation of Firm Power, Annual Verification of Committed Power Coverage, and Monthly Balance of Committed Power (PR-13)' is approved.

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By means of Osinerghmin Board Resolution 011-2023-OS-CD, published on January 30, 2023, the Surcharge Factor of the Electricity Social Compensation Fund applicable to the tariff charges of public electricity service users in interconnected systems and the Quarterly External Transfers Program corresponding to the period February 4 to April 30, 2023, are approved.

By means of Osinerghmin Board Resolution 015-2023-OS-CD, published on January 30, 2023, the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electrical System, corresponding to the quarter February-April 2023, is approved.

By means of Osinerghmin Board Resolution 016-2023-OS-CD, published on January 30, 2023, the update factors for determining unit charges for the quarter February-April 2023, are approved.

By means of Law 31713, the Congress of the Republic approved the Law suspending the application of Section 3-A of Law 27510, Law creating the Social Electrical Compensation Fund.

By means of Osinerghmin Board Resolution 056-2023-OS-CD, published on April 15, 2023, the busbar tariff for the period May 2023-April 2024 was approved.

By means of Osinerghmin Board Resolution 057-2023-OS-CD, published on April 15, 2023, the Transmission Tariffs referred to in Resolution 070-2021-OS/CD are modified, the Unit Settlement Charge for Secondary Transmission Systems and/or Complementary Transmission Systems assigned to the demand is established; and other provisions are issued.

By means of Osinerghmin Board Resolution 059-2023-OS-CD, published on April 15, 2023, the allocation of payment responsibility for the use of SSTG, SSTGD and ST059-type facilities indicated in Table 10.1 and the allocation of payment responsibility in Table 10.4 of Exhibit 10 of Resolution 070-2021-OS-CD, are modified.

By means of Osinerghmin Board Resolution 063-2023-OS-CD, published on April 16, 2023, the standard Procedure for Application of the Electricity Social Compensation Fund (FOSE for its Spanish acronym) is approved.

By means of Osinerghmin Board Resolution 072-2023-OS-CD, published on April 28, 2023, the Surcharge Factor of the Electricity Social Compensation Fund, applicable to the tariff charges of public electricity service users in interconnected systems, as well as to non-regulated users, and the Quarterly External Transfers Program for the period from May 1 to August 3, 2023 are approved.

Osinerghmin Board Resolution 068-2023-OS-CD, published on April 29, 2023, approves the Unit Charge for Electricity Generators with Private Use Ducts (GGEE-DUP for its Spanish acronym) Compensation to be added to the Secondary and Complementary Transmission System Tariff, from May 1, 2023 to until April 30, 2024.

By means of Osinerghmin Board Resolution 069-2023-OS-CD, published on April 29, 2023, the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electrical System, corresponding to the quarter May-August 2023, is approved.

By means of Osinerghmin Board Resolution 079-2023-OS-CD, published on May 19, 2023, the COES Technical Procedures 46 'Guarantees and Establishment of Trusts for the Wholesale Electricity Market (PR-46)' and 47 'Daily Valuations in the Wholesale Electricity Market (PR-47)' are amended.

By means of Osinerghmin Board Resolution 113-2023-OS-CD, published on June 3, 2023, Resolution 056-2023-OS-CD, which approved the Busbar Prices for the period May 2023-April 2024, was amended.

Osinerghmin Board Resolution 115-2023-OS-CD, published on June 3, 2023, replaces Table 10.4 of Exhibit 10 of Resolution 070-2021-OS-CD, which deals with the setting of Transmission Tariffs and Compensations for Secondary Transmission System (SST for its Spanish acronym) and Supplementary Transmission Systems (SCT

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for its Spanish acronym), for the period from May 2021 to April 2025, as amended by Resolution 154-2021-OS-CD.

By means of Osinerghmin Board Resolution 124-2023-OS-CD, published on June 26, 2023, the 'Procedure for the Qualification of Requests for Exclusion of Electrical Service Interruptions for Compensation Calculation' is approved.

By means of Osinerghmin Board Resolution 136-2023-OS-CD, published on July 28, 2023, the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electrical System from August 4, 2023 to November 3 2023, is approved.

By means of Osinerghmin Board Resolution 137-2023-OS-CD, published on July 28, 2023, the update factors p and FA, to determine the consideration charges for the quarter August 2023 - October 2023, are approved.

By means of Osinerghmin Board Resolution 135-2023-OS-CD, published on July 28, 2023, the Surcharge Factor of the Electricity Social Compensation Fund, applicable to the tariff charges of public electricity service users in interconnected systems, as well as to non-regulated users, and the Quarterly External Transfers Program for the period from August 4 to October 31, 2023 are approved.

Executive Order 014-2023-EM, published on August 19, 2023, approved the Executive Order establishing supplementary provisions for the Detailed Environmental Plan governed by the Environmental Protection Regulations on Electricity Operations, approved by the Executive Order 014-2019-EM.

Osinerghmin Board Resolution 148-2023-OS-CD, dated August 20, 2023, ordered the publication of Technical Report 581-2023-GRT: Regulation Process of Busbar Prices for the period May 2023 - April 2024.

By Executive Order 016-2023-EM, published on September 24, 2023, the Regulations on Citizen Participation for Electrical Activities was approved.

By means of Osinerghmin Board Resolution 195-2023-OS-CD, published on October 28, 2023, the Surcharge Factor of the Electricity Social Compensation Fund, applicable to the tariff charges of public electricity service users in interconnected systems, as well as to non-regulated users, and the Quarterly External Transfers Program for the period November 1, 2023 to February 3, 2024, are approved.

By means of Osinerghmin Board Resolution 192-2023-OS-CD, published on October 30, 2023, the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electrical System, corresponding to November 4, 2023 to January 3, 2024, is approved.

By means of Osinerghmin Board Resolution 193-2023-OS-CD, published on October 30, 2023, the update factors p and FA, to determine certain tariff charges effective from November 4, 2023 to January 3, 2024, are approved.

By means of Osinerghmin Board Resolution 203-2023-OS-CD, published on November 29, 2023, the Floating Reserve Margin for Primary Frequency Regulations for the year 2024 was established.

By means of Osinerghmin Board Resolution 210-2023-OS-CD, published on November 30, 2023, the COES Technical Procedure 13 'Calculation of Firm Power, Annual Verification of Committed Power Coverage, and Monthly Balance of Committed Power (PR-13)' is amended.

By means of Osinerghmin Board Resolution 212-2023-OS-CD, published on November 30, 2023, the Incentive Factor referred to in Section 9.3 of the Wholesale Electricity Market Regulation was approved.

Administrative Resolution 437-2023-ANA of the National Water Authority, published on December 31, 2023, amended the provisions, regulating the manner and deadline for users to pay the respective consideration for

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water use and treated wastewater discharge, approved by Administrative Resolution 115-2021-ANA, to clarify the content and facilitate the application by users with their own supply systems and water infrastructure operators.

3. Concessions

The Company and Subsidiaries have been granted authorizations and concessions for an indefinite period, allowing them to conduct energy and power generation activities. The main ones are detailed below:

No.	Granted right	Resolution number, date, and registration
1	Final concession for hydroelectric generation at the Moyopampa Hydroelectric Power Plant	Supreme Resolution 097-96-EM, dated November 28, 1996 Form 0005, Record 2-C Concession Registry
2	Final concession for hydroelectric generation at the Huinco Hydroelectric Power Plant	Supreme Resolution 098-96-EM, dated November 28, 1996 Form 0003, Record 2-C Concession Registry
3	Final concession for hydroelectric generation at the Huampani Hydroelectric Power Plant	Supreme Resolution 103-96-EM, dated November 28, 1996. Form 0006, Record 2-C Concession Registry
4	Final concession for hydroelectric generation at the Matucana Hydroelectric Power Plant	Supreme Resolution 101-96-EM, dated November 28, 1996 Form 0007, Record 2-C Concession Registry
5	Final concession for hydroelectric generation at the Callahuanca Hydroelectric Power Plant	Supreme Resolution 100-96-EM, dated November 28, 1996 (power expansion approved by Supreme Resolution 011-2011-EM, dated March 5, 2011). Form 0004, Record 2-C Concession Registry
6	Final concession for hydroelectric generation at the Curibamba Hydroelectric Power Plant	Supreme Resolution 070-2014-EM. Pending registration in the Concessions Registry
7	Authorization for thermoelectric generation at the Santa Rosa Thermal Power Plant for 100 MW.	Ministerial Resolution 456-96-EM/VME, dated November 21, 1996
8	Authorization for thermoelectric generation at the Santa Rosa Thermal Power Plant for 140 MW	Ministerial Resolution 457-96-EM/VME, dated November 25, 1996
9	Authorization for thermoelectric generation at the Santa Rosa II Thermal Power Plant for 190 MW	Ministerial Resolution 448-2008-MEM/DM, dated October 4, 2008
10	Authorization for thermoelectric generation at the Ventanilla Thermal Power Plant	Supreme Resolution 003-96-EM, dated January 15, 1996 (power modifications approved by Ministerial Resolutions 209-2001-MEM/VME and 298-2007-MEM/DM)
11	Final concession for generation using renewable energy resources at the HER 1 Hydroelectric Power Plant for 0.7 MW.	Ministerial Resolution 548-2017-MEM/DM, dated December 29, 2017
12	Final concession for generation using renewable energy resources at the Clemesí Solar Power Plant for 114.93 MW	Ministerial Resolution 061-2021-MINEM/DM, dated March 16, 2021, amended by: i) Ministerial Resolution 136-2023-MINEM/DM, dated March 28, 2023 (modifying power to 114.93 MW) and ii) Ministerial Resolution 407-2023-MINEM/DM, dated October 13, 2023 (modifying the schedule).
13	Final concession for transmission of electrical energy for the SE Rubí Expansion project	Ministerial Resolution 141-2023-MINEM/DM, dated March 31, 2023
14	Final concession for generation using renewable energy resources at the Wayra Wind Power Plant Extension for 177 MW	Ministerial Resolution 370-2020-MINEM/DM, dated December 15, 2020, amended by: i) Ministerial Resolution 157-2023-MINEM/DM, dated April 10, 2023 (modifying schedule due to force majeure events) and ii) Ministerial Resolution 437-2023-MINEM/DM, dated November 6, 2023 (modifying power from 108 to 177 MW and the schedule).
15	Final concession for transmission of electrical energy for the SE Flamenco Expansion project	Ministerial Resolution 391-2022-MINEM/DM, dated November 3, 2022
16	Final concession for generation using renewable energy resources at the Rubí Solar Power Plant for 144.48 MW	Ministerial Resolution 328-2017-MINEM/DM, dated July 26, 2017
17	Final concession for generation using renewable energy resources at the Wayra I Wind Power Plant for 132.3 MW	Ministerial Resolution 090-2016-MINEM/DM, dated July 13, 2016, amended by: i) Ministerial Resolution 010-2017-MINEM/DM, dated January 16, 2017 (modifying the area) and ii) Ministerial

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No.	Granted right	Resolution number, date, and registration
		Resolution 520-2017-MINEM/DM, dated December 6, 2017 (modifying installed power from 160 MW to 132.3 MW)
18	Concession for hydroelectric generation at the Chimay Hydroelectric Power Plant	Supreme Resolution 032-2009-EM, dated May 24, 2009 Entry 11073613 of the Property Registry of Lima. (Concession amended by Supreme Resolution 080-2012-EM, dated July 11, 2012)
19	Concession for hydroelectric generation at the Yanango Hydroelectric Power Plant	Supreme Resolution 037-2009-EM, dated May 29, 2009 Entry 11107458 of the Property Registry of Lima

A. Agreements**i. Energy sale agreements**

Sixty seven (67) electricity supply agreements have been signed with Regulated Customers (distribution companies), of which thirteen (13) were signed with Pluz Energía Perú S.A. (formerly named Enel Distribución Perú S.A.A.). The term of these agreements ranges from five (5) to nineteen (19) years, with a maximum contracted power from 0.09 MW to 166.69 MW.

In May 2016, Enel Green Power Perú S.A.C. (now merged with the Company) entered into two (2) electricity supply agreements (fourth tender) with the Peruvian Government, committing to inject 415 GW/year and 573 GW/year into the national interconnected system from its Rubí photovoltaic power plant and Wayra wind power plant, respectively. These agreements guaranteed an income of US\$ 47.98 per MW/h and US\$ 37.83 per MW/h for each plant, respectively. The agreements came into effect since the commercial operation of the plants (January 2018 for the Rubí photovoltaic power plant and May 2018 for the Wayra wind power plant. Both agreements will terminate on December 31, 2038.

In addition, one hundred and nine (109) agreements have been signed with Non-regulated Customers, with effective terms from 1 to 38 years and a maximum contracted power from 0.20 MW to 185 MW.

ii. Agreement on Natural Gas Supply from Camisea Deposits

Orygen Perú S.A.A. signed two (2) natural gas supply agreements with the Pluspetrol Consortium to serve the operations of the Ventanilla and Santa Rosa thermal power plants. These agreements were signed on May 30, 2019, effective from July 1, 2019 to December 31, 2029. The Daily Contractual Quantity (DCQ) is 74.16 MMPCD for Ventanilla and 63.57 MMPCD for Santa Rosa.

The purchase price is fixed at the receipt point (Las Malvinas - Camisea) and is expressed in US\$/MMBTU (US dollars per million BTU).

As of December 31, 2023, the cost of natural gas supply amounted to S/ 286,233,000 (S/ 212,657,000 as of December 31, 2022 and S/ 158,367,000 as of December 31, 2021) and is recorded under the 'Cost of energy generation' item in the consolidated statement of profit or loss.

iii. Natural Gas Transport Agreements

On May 2, 2006, the Company entered into with Transportadora de Gas del Perú S.A. (hereinafter TGP) an Interruptible Natural Gas Transport Service Agreement, whereby TGP shall provide such service from the receipt point located in Las Malvinas (Camisea) to the delivery point at the City Gate in Lurín. This agreement is valid until January 1, 2034.

The maximum daily interruptible gas quantity (CIMD for its Spanish acronym) that TGP shall transport is as follows:

Period	CIMD (m ³ /td/day)
From July 31, 2007 to July 31, 2008	4,200,000

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Period	CIMD (m³/td/day)
From August 1, 2008 to July 31, 2009	2,700,000
From August 1, 2009 to December 14, 2009	2,000,000
From December 15, 2009 to August 13, 2010	1,482,178
From August 14, 2010 to December 31, 2019	992,624
From January 1, 2020 to October 13, 2020	1,000,000
From October 14, 2020 to December 31, 2025	1,900,000
From January 1, 2026 to January 1, 2034	3,100,000

On September 25, 2023, the Company and TGP entered into a new Interruptible Natural Gas Transportation Service Agreement, whereby TGP shall provide this service from September 25, 2023 to December 31, 2029.

The maximum daily interruptible gas quantity (CIMD) under the new Agreement that TGP shall transport is as follows:

Period	CIMD (m³/td/day)
From September 25, 2023 to December 31, 2024	1,100,000
From January 1, 2025 to December 31, 2025	200,000
From January 1, 2026 to December 31, 2029	1,100,000

On the other hand, on December 10, 2008, the Company and TGP entered into a Firm Transportation Service Agreement, whereby TGP shall provide such service from August 1, 2008, to December 31, 2025.

The Daily Reserved Capacity (DRC) amounts to the following values:

Period	DRC (m³/td/day)
From August 1, 2008 to July 31, 2009	1,500,000
August 1, 2009 to December 14, 2009	2,200,000
From December 15, 2009 to August 13, 2010	2,717,822
From August 14, 2010 to August 1, 2019	3,207,376
From August 2, 2019 to January 1, 2020	2,589,554
From January 2, 2020 to December 31, 2025	2,100,000

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The consideration for the service referred to in the aforementioned interruptible and firm agreements is calculated based on the rates regulated by OSINERGMIN, applied to the volumes of gas actually transported in the case of the interruptible service agreement, and to the reserved volume in the case of the firm service agreement.

The cost for these services as of December 31, 2023, amounted to S/ 207,341,000 (S/ 171,286,000 as of December 31, 2022 and S/ 144,978,000 as of December 31, 2021) and is recorded in 'Cost of energy generation' in the consolidated statement of profits or loss and consolidated statement of other comprehensive income.

iv. Natural Gas Distribution Agreements

On May 20, 2005, the Company and GNLC entered into another Interruptible Natural Gas Transport Service Agreement through the Main Distribution Network from the receipt point located in City Gate of Lurín to the delivery point at the Santa Rosa thermoelectric plant (Santa Rosa Interruptible Agreement). This agreement is valid until December 31, 2024.

The maximum Daily Interruptible Gas Quantity (CIMD) that GNLC shall transport is as follows:

Period	CIMD (m ³ /td/day)
From August 22, 2008 to December 15, 2009	2,000,000
From December 15, 2009 to February 28, 2010	1,382,178
From March 1, 2010 to December 31, 2019	900,000
From January 1, 2020 to December 31, 2024	2,000,000
From June 9, 2023 to December 31, 2024	2,800,000

On September 22, 2008, as part of the Eleventh Public Tender for the Contracting of Firm Service and the Call for Tenders for Interruptible Natural Gas Transport Service via the Main Distribution Network, GNLC and the Company signed the following Firm Service Agreement for its Ventanilla plant. The Daily Contractual Quantity (DCQ) of gas that GNLC shall transport is as follows:

Period	DCQ (m ³ /td/day)
From September 22, 2008 to July 31, 2009	1,500,000
From August 1, 2009 to December 31, 2025	2,100,000

On April 1, 2023, GNLC and Orygen Perú S.A.A. entered into a Firm Service Agreement for its Santa Rosa plant. The Daily Contractual Quantity (DCQ) of gas that GNLC shall transport is as follows:

Period	DCQ (m ³ stdSm ³ /day)
From April 1, 2023 to May 31, 2023	123,000
From June 1, 2023 to July 31, 2023	371,854
From August 1, 2023 to September 14, 2023	1,100,000
From September 15, 2023 to December 31, 2023	1,239,515
From January 1, 2024 to March 31, 2024	30,000

The consideration for the services referred to in the above agreements is calculated based on the tariffs regulated by OSINERGMIN, applied to the volumes of gas actually transported in the case of interruptible service agreements and to the reserved volumes in the case of firm service agreements.

As of December 31, 2023, the cost of these services amounted to S/ 114,972,000 (S/ 92,213,000 as of December 31, 2022 and S/ 79,491,000 as of December 31, 2021) and is recorded in 'Cost of energy generation' in the consolidated statement of profit or loss.

v. Long-term Agreement on the Acquisition of Replacement Units and Provision of Maintenance Services for the Thermal Power Plants

On March 27, 2009, Siemens Power Generation, Inc. (now Siemens Energy Inc.) and Siemens Power Generation Service Company, Ltd. (whose rights and obligations have been transferred to Siemens S.A.C.) signed a Long-term Service Agreement (LTSA) with the Company for the acquisition of spare parts and replacement units, as well as the provision of scheduled maintenance services (minor and major) for Siemens turbine installed at the Santa Rosa thermoelectric generation plant. The LTSA related to the Siemens turbine at Santa Rosa plant became effective on the date of signature and will remain in force until one of the following conditions occurs: (a) the Siemens turbine at the Santa Rosa thermoelectric plant accumulates 100,000 Equivalent Service Hours (ESH); (b) eighteen (18) years after the signature; or (c) two (2) major inspections and two (2) hot gas path inspections are conducted, as set forth in the agreement, whichever occurs first. As of December 31, 2023, the agreement is effective.

The agreement establishes various payment terms such as: initial payment for spare parts and equipment specified in the respective agreements, monthly payments based on an accumulation diagram of equivalent service hours (ESH) for the turbine, monthly fixed payments for the turbines, payments according to the specified schedule for minor and major scheduled maintenance services, based on the accumulation of ESH, and monthly payments for maintenance services of the gas turbine control system for each agreement.

vi. Fuel Supply Agreements on Thermal Power Plants

On September 7, 2009, the Company and Petróleos del Perú - Petroperú S.A. (Petroperú) entered into an agreement on the supply of Biodiesel B2 GE or another similar fuel intended for thermal power plants with a renewable term of one (1) year. Through communications between the parties, the term was extended to three (3) years and formalized by an addendum on December 13, 2010, including automatic renewal for similar periods unless prior notice to the contrary is submitted.

According to the executed agreement, Petroperú commits to delivering a monthly volume of 20,000 barrels ('free volume') or any other volume exceeding this amount, on a 'firm' basis, that the Company has requested with 60 days' notice. If the Company fails to withdraw the requested 'firm' volume, it will be subject to a penalty payment in favor of Petroperú to compensate for its financial and storage costs.

On December 7, 2018, the Company and Repsol Comercial S.A.C. (Repsol) entered into an agreement for the supply of Biodiesel B5 S50 intended for thermal power plants for a term of three (3) years, which has been extended until December 31, 2026, through an addendum. According to the executed agreement, Repsol commits to delivering a monthly volume of 25,000 barrels ('free volume') if the Company requests it. Furthermore, the Company shall pay to Repsol the corresponding price for the fuel actually supplied in the manner and deadline set forth in the respective agreement.

vii. Power Purchase Option Agreements

By means of Resolution 216-2018-OS/CD, dated December 28, 2018, and under Executive Order 022-2018-EM, dated September 5, 2018, the transitional procedure for the evaluation of addenda to agreements resulting from tenders was approved. It allows distribution and generating companies to sign amendments to such contracts, provided that the conditions stipulated in the sole provisional supplementary provision of the aforementioned order are met, subject to prior approval by OSINERGMIN.

In the sole provisional supplementary provision of Executive Order 022-2018-EM, a provisional procedure is established for the approval and signing of addenda to agreements, effective from September 6 to December 31, 2018, authorizing distribution and generating companies to sign amendments to the agreement regarding the effective term, contracted power, and/or firm prices that were in effect as of September 5, 2018. As a result of the mentioned renegotiation processes of long-term tender agreements, OSINERGMIN authorized the Company and Subsidiaries to sign addenda for the supply of contracted power intended for the supply of its regulated market, for agreements from January 1, 2014 to January 1, 2018, which include the option to sell energy to various distribution companies at the end of the specified term, at the rate established in the original current agreement.

The purchase option agreements refer to the payment for the right granted by distribution companies to generation companies to amend the electricity supply agreement signed by the parties regarding the supply of the market from 2024 to 2030.

The purchase option agreements were executed as of December 31, 2021.

4. Basis of Preparation of the Consolidated Financial Statements

A. Basis of accounting

The consolidated financial statements of the Company and Subsidiaries have been prepared according to the International Financial Reporting Standards (hereinafter IFRS) issued by the International Accounting Standards Board (hereinafter IASB), effective as of December 31, 2023, 2022 and 2021.

The consolidated financial statements include the Subsidiary Chinango S.A.C. and do not include the Subsidiary Energética Monzón S.A.C., due to the fact that its financial statements are not material for consolidation purposes. The Company has an impairment estimation for the value of the investments of its Subsidiary Energética Monzón S.A.C., which is recorded in the Consolidated Statement of Financial Position.

B. Responsibility for information

The information contained in these consolidated financial statements is the responsibility of the Management of the Company and Subsidiaries that expressly state that all principles and criteria included in the IFRS as issued by the IASB, effective as of December 31, 2023, 2022 and 2021, have been applied, respectively.

C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, based on the accounting records held by the Company and Subsidiaries, except for the derivative financial instruments recorded at fair value.

D. Functional and presentation currency

The consolidated financial statements are presented in soles (S/), which is the functional and presentation currency of the Company and Subsidiaries. All information is presented in thousands of soles and all amounts have been rounded to the nearest unit, unless otherwise indicated.

E. Use of judgments and estimates

In preparing these consolidated financial statements, the Management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Significant estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are prospectively recognized in the period in which the estimates are revised and in any future periods affected.

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i. Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Lease term: Whether the Company and Subsidiaries are reasonably certain to exercise extension options in lease agreements (note 5.H).
- Uncertain tax treatment: Estimate of current tax payable and current tax expense in relation to an uncertain tax position (note 5.L).

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as of December 31, 2023, 2022 and 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities is included in the following notes:

- Recognition and measurement of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of economic resources (notes 5.M and 5.N).
- Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax loss carry forwards from previous periods may be utilized (note 5.L).
- Estimate of inventory obsolescence (note 5.E).
- Estimation of useful life and residual values of power plants, buildings and other buildings, vehicles, furniture, and equipment (note 5.G).

iii. Measurement of fair value

A number of the accounting policies and disclosures of the Company and Subsidiaries require the measurement of fair values, for both financial and non-financial assets and liabilities.

In measuring an asset or liability fair value, the Company and Subsidiaries use observable market data, when 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 (unadjusted) market prices 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. 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 fall into different levels of the 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 entire measurement.

The Company and Subsidiaries recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5. Material Accounting Policies

The Company and Subsidiaries adopted the disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2), beginning on January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they affected the accounting policy information disclosed in the consolidated financial statements. The amendments require entities to disclose their 'material' accounting policies, rather than their 'significant' accounting policies. The amendments also provide guidance on the application of materiality to the disclosure of accounting policies, assisting entities in providing useful and specific information about accounting policies that users need to understand other information in the consolidated financial statements. The Company and Subsidiaries have reviewed the accounting policies and updated the disclosures in this note (2022: Significant Accounting Policies) in accordance with the amendments. Find below the material accounting policies used by Management of the Company and Subsidiaries in the preparation of the consolidated financial statements:

A. Basis of consolidation

i. Business combinations under common control

Business combinations among entities under common control where the existence of economic substance cannot be demonstrated are recorded using the pooling-of-interest method.

According to the pooling-of-interest method, the items in the consolidated financial statements of the merging companies, both in the period in which the merger occurs and in the other periods presented comparatively, are included in the consolidated financial statements of the continuing company as if they had been merged from the beginning of the earliest period presented.

Due to the pooling-of-interest results in a single merged entity, it shall adopt uniform accounting policies. Therefore, the merged entity recognizes the assets, liabilities, and equity of the merging companies at their book values, adjusted for any necessary items to align the accounting policies and apply them to all periods presented. No goodwill is recognized in this process. Additionally, the effects of all transactions between the merging companies are eliminated when preparing the consolidated financial statements of the merged entity.

ii. Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

iii. Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The interest of third parties, that are not part of the Company, is shown as non-controlling interest in equity in the consolidated financial position and the consolidated statements and consolidated statement of other comprehensive income.

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iv. Loss of control

When the Company loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any related non-controlling interests, and other components of equity. Any resulting gain or loss is recognized in profit or loss. If the parent retains any interest in the former subsidiary, it is measured at fair value at the date it loses control.

A change in interest of a Subsidiary, without loss of control, is recognized as equity transaction.

v. Intercompany balances and transactions

The balances and transactions among the Company and Subsidiaries and any unrealized income or expense arising from such transactions are eliminated.

vi. Control considerations

The Company controls an investee if, and only if, it has:

- power over the investee; that is, there are rights that give it the present ability to direct the relevant activities of the investee;
- exposure or rights to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns significantly.

It is generally presumed that a majority of the voting or similar rights of the investee, grant control over the investee. The Company considers all relevant facts and circumstances in order to assess whether it has power over said entity, including:

- the contractual arrangement between the Company and the other holders of the voting rights of the investee;
- the rights arising from other contractual arrangements;
- the investor's voting rights, potential voting rights or a combination of both.

The Company reassesses whether or not it has control over an investee and if facts and circumstances indicate that there are changes in one or more of the three (3) elements of control described above.

B. Cash and cash equivalents

Cash and cash equivalents of the consolidated statement of financial position includes cash on hand, checking accounts, and term deposits with an original maturity lower than three months.

C. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i. Recognition and initial measurement

Trade accounts receivable and debt instruments initially issued are recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company and Subsidiaries becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

The financial assets of the Company and Subsidiaries include cash and cash equivalents, trade accounts receivable, other accounts receivable, and accounts receivable from related entities.

ii. Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortized cost; at fair value through consolidated statement of other comprehensive income (FVOCI) – debt investment; at fair value through consolidated statement of other comprehensive income – equity investment; or at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company and Subsidiaries change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if both of the following conditions are met and is not measured at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms give rise – on specified dates – to cash flows that are solely payments of principal and interest on the outstanding principal.

Business model assessment

The Company and Subsidiaries make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is assessed and reported to the key personnel of the Company's Management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- The frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that are not qualified for derecognition are not considered sales for this purpose, consistent with the Company and Subsidiaries' continuing recognition of the assets.

Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses are recognized in profit or loss. However, see (note 5.C) for derivatives designated as hedging instruments.

As of December 31, 2023, 2022 and 2021, the financial assets of the Company and Subsidiaries are those presented in the consolidated statement of financial position under 'cash and cash equivalents,' 'trade accounts receivable,' 'trade accounts receivable from related entities,' and 'other accounts receivable'. They

fully belong to 'amortized cost,' except from the derivative financial instruments allocated as hedging instruments.

▪ ***Financial liabilities***

Recognition and initial measurement

Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest gains and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

As of December 31, 2023, 2022 and 2021, the financial liabilities of the Company and Subsidiaries includes trade accounts payable, other accounts payable, accounts payable to related entities, and other financial liabilities which belong to 'amortized cost.' The Company and Subsidiaries have not recognized any financial liability in the category FVTPL. See note 5.C. for the financial liabilities allocated as hedging instruments.

iii. Derecognition

Financial assets

The Company and Subsidiaries derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company and Subsidiaries neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

Financial liabilities

The Company and Subsidiaries derecognize a financial liability when its contractual obligations are discharged or canceled or expire. The Company and Subsidiaries also derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the extinguished financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) are recognized in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company and Subsidiaries currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

The Company and Subsidiaries hold derivative financial instruments to hedge the exposure to the exchange rate risk and interest rate risk. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are generally recognized in the consolidated statement of other comprehensive income.

The Company and Subsidiaries designate certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At the inception of designated hedging relationships, the Company and Subsidiaries document the risk management objective and strategy for undertaking the hedge. The Company and Subsidiaries also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the consolidated statement of other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in the consolidated statement of other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged forecast transaction results in the recognition of a non-financial item, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the same period or periods during which the hedged expected future cash flows affect the profit or loss.

If the hedged item no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the cost of the non-financial item on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods in which the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

Embedded derivatives

Implicit derivatives embedded in host contracts are accounted for as separate derivatives and recorded at their fair value if the economic characteristics and associated risks are not closely related to the host contract and the host contract has not been designated as a trading financial asset or designated at fair value through profit or loss. Gains or losses for changes in fair value of embedded derivatives are recorded in the consolidated statement of profit or loss.

As of December 31, 2023, 2022 and 2021, the Company and Subsidiaries do not hold embedded derivatives that require separation.

Non-derivative hedging instruments

The Company and Subsidiaries designate certain non-derivative financial instruments as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates. If there is a high degree of correlation between revenues and fluctuations in the US dollar exchange rate, the Company and Subsidiaries will be subject to exchange rate risk for their future cash flows.

At the inception of designated hedging relationships, the Company and Subsidiaries document the risk management objective and strategy for undertaking the hedge. The Company and Subsidiaries also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. IFRS 9 allows for hedging these revenues by obtaining debt in foreign currency. The exchange differences on this debt, being cash flow hedging operations, are charged, net of their tax effect, to a reserve account in equity and recorded in the consolidated statement of other comprehensive income over the period in which the hedged cash flows are expected to occur. This period has been estimated in ten (10) years.

D. Impairment of assets

i. Non-derivative financial assets

Financial instruments and contract assets

The Company and Subsidiaries recognize loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Company and Subsidiaries measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as twelve-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade accounts receivable and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company and Subsidiaries consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the historical experience of the Company and Subsidiaries and informed credit assessment, that includes forward-looking information.

The Company and Subsidiaries assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company and Subsidiaries consider a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company and Subsidiaries in full, without recourse by the Company and Subsidiaries to actions such as realizing security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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Twelve-month-ECLs are the portion of ECLs that result from default events that are possible within the twelve (12) months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve (12) months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company and Subsidiaries are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company and Subsidiaries expect to receive).

ECL are discounted using the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company and Subsidiaries assess whether financial assets recognized at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulties of the issuer or borrower;
- a breach of contract, such as a default or an event of default exceeding the stipulated deadlines;
- the restructuring of a loan or advance by the Company and Subsidiaries on terms it would not be considered otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial asset in question because of financial difficulties.

Value adjustments for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

In the case of a debt instrument measured at fair value through consolidated statement of other comprehensive income, the value adjustment is charged to profit or loss and recognized in the consolidated statement of profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company and Subsidiaries have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii. Non-financial assets

The Company and Subsidiaries assess, at each reporting date, whether there is an indication that an asset (other than investment properties and deferred income tax assets) may be impaired. If any indication exists or when annual impairment testing for an asset is required, the asset recoverable amount is estimated by the Company and Subsidiaries. The recoverable amount of an asset is the higher of fair value less costs of sale, whether an asset or a CGU, and its value in use, and is determined for each individual asset, unless the asset does not generate cash flows that are largely independent from other assets or group of assets.

When the carrying amount of an asset or a CGU exceeds its recoverable amount, the asset is considered to be impaired, and its value is reduced to its recoverable amount. In assessing the use value of an asset, the estimated cash flows are discounted to their present value using a pre-tax discount rate reflecting the current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of sale, if any, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the consolidated statement of profit or loss in those expense categories that correspond to the function of the impaired asset.

A previously recognized impairment loss is reversed only if there was a change in the assumptions used to determine the asset's recoverable amount since the last time that the impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had it not been an impairment loss recognized for the asset in previous periods. Such reversal is recognized in the consolidated statement of profit or loss.

E. Inventories

Inventories are composed of operating and maintenance materials, which are used for power plant maintenance and are valued at the lower of cost or at net realizable value, net of estimate of impairment.

Cost is determined using the weighted average method, except for inventories in transit, which are recorded at specific acquisition cost. The net realizable value is the estimated selling price in the ordinary course of business, less the costs necessary to make the sale of inventories and the commercialization and distribution expenses.

Spare parts, considered critical for the continuity of the plant operations, are classified as property, plant, and equipment and are depreciated using the straight-line method, according to the applicable rates.

Management assesses the impairment and obsolescence of these assets on a regular basis. They are recorded with debit to profit or loss, if so, based on the estimates of the technical areas of the Company and Subsidiaries.

F. Prepaid insurances

The criteria adopted for recording these items are as follows:

- Insurance is recorded at the value of the premium paid for coverage of various assets and are amortized on a straight-line basis over the term of the policies.
- Prepayments for other services are recorded as an asset and recognized as an expense when the service is rendered.

G. Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and/or accumulated impairment loss, if applicable. The initial cost of the asset comprises its purchase price or manufacturing costs, including non-reimbursable customs fees and purchase taxes as well as any other costs necessary to bring the asset to working condition for its intended use, the initial estimate of the decommissioning obligation, and the financing costs for long-term construction projects, to the extent that the recognition requirements are met.

When significant components of property, plant, and equipment must be replaced, the replaced component is derecognized and the new component is recognized by the Company and Subsidiaries, including the corresponding useful life and depreciation. Similarly, when a major inspection is performed, the cost is recognized as a replacement to the extent that requirements are met for their recognition. All routine costs of repair and maintenance are recognized as expense in the consolidated statement of profit or loss to the extent they are incurred.

The present value of the estimated cost for the decommissioning of the asset after its use is included in the cost of that asset, to the extent that the requirements for recognizing the respective provision are met.

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An item of property, plant, and equipment or a significant component is derecognized when it is disposed or when no future economic benefits are expected from its use or subsequent disposal. Any gain or loss arising from the disposal of fixed assets (calculated as the difference between revenues from the sale and the assets carrying amount) is included in the consolidated statement of profit or loss in the year when the asset is disposed.

The residual value, useful life, and depreciation methods are reviewed and adjusted, as needed, at the end of each year.

The works in progress include the disbursements for the construction of assets, financing costs, and other direct expenses attributable to such works, accrued during the construction stage. The works in progress are capitalized when they are completed, and depreciation is calculated from the moment they are ready to be used.

The criteria for capitalizing financing costs and other direct expenses are as follows:

- Loan costs that are directly attributable to the acquisition, construction, or production of qualifying assets, which are those that require a substantial period of time before they are ready for use, such as power generation facilities, are capitalized as part of the cost of the asset. The interest rate used corresponds to the specific financing of the Company and Subsidiaries in relation to the investment made.
- To capitalize direct personnel expenses, the Company and Subsidiaries identify each area dedicated to the planning, execution, and management of works, applying this to the costs of employees in these areas.

Depreciation is calculated applying the straight-line method, based on the following useful lives:

	Years
Buildings and other constructions	20 to 60
Power plants	10 to 80
Furniture and fixtures	10 to 15
Various equipment	4 to 10
Vehicles	4 to 5

H. Leases***As lessee***

At commencement or on modification of a contract that contains a lease component, the Company and Subsidiaries allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for property leases, the Company and Subsidiaries have chosen not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

The Company and Subsidiaries recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs for decommissioning and removing the underlying asset, or restoring underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method over the lease term, unless the underlying asset ownership is transferred to the Company and Subsidiaries by the end of the lease term, or the cost of the right-of-use asset reflects that the Company and Subsidiaries will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset,

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which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Company and Subsidiaries use their incremental borrowing rate as the discount rate.

The Company and Subsidiaries determine their incremental borrowing rate by obtaining interest rates from various external financing sources and make certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that is reasonably certain to exercise, payments in an optional renewal period if is reasonably certain to exercise an extension option, and penalties for early termination of a lease, unless the Company and Subsidiaries are reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate; if there is a change in the Company and Subsidiaries' estimate of the amount expected to be payable under a residual value guarantee; if the Company and Subsidiaries change their assessment of whether it will exercise a purchase, extension or termination option; or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

I. Intangible assets

Intangible assets are recognized at acquisition cost, net of accumulated amortization. Amortization is recognized as expense and is determined using the straight-line method based on the estimated useful life of assets. Find below the useful life per type of intangible asset.

	Years
Concessions and rights	30
Software	5 to 10
Others	10 to 20

The useful life estimate is reviewed on a regular basis to ensure that the amortization period is consistent with the expected pattern of economic benefits from such assets.

J. Investment projects

Investment projects are recognized within the consolidated statement of financial position, provided that their technical feasibility and economic profitability are reasonably assured and approved by the competent body of the Company. Investment projects are recorded as an expense in the consolidated statement of profit or loss in the period in which Management considers these are not viable. Management carries out this assessment annually.

K. Provision for decommissioning of plants

Decommissioning liabilities are recognized when the Company and Subsidiaries have an obligation to decommission and remove facilities to restore the site where they are located, and when a reasonable estimate of the liability can be made. The decommissioning and removal costs are provisioned at the present value of the expected costs to settle the obligation, using estimated cash flows, and are recognized as an integral part of the cost of the particular asset. The cash flows are discounted at a current market rate before taxes reflecting the specific risks of the liability.

The accrual of the discount is accounted for as an expense as incurred and recognized in the consolidated statement of profit or loss as a finance cost. The estimated future decommissioning and removal costs are reviewed annually and adjusted as appropriate. Changes in these estimated future costs or in the applied discount rate are added to or deducted from the cost of the related asset.

L. Bonds

The obligation for bond issuance is recognized at nominal value. Commissions and interest are recognized in profit or loss for the fiscal year, when accrued.

M. Current and deferred income tax

Income tax expense includes current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or consolidated statement of other comprehensive income.

The Company and Subsidiaries have determined that interest and penalties related to income tax do not meet the definition of income tax and, consequently, are accounted for under IAS 37 'Provisions, Contingent Liabilities, and Contingent Assets.'

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Legal standards and rates used to calculate amounts payable are those effective on the date of the consolidated statement of financial position.

Current tax assets and liabilities are offset only if certain criteria are met.

- (a) if the entity has a legally enforceable right to set off the recognized amounts; and
- (b) if the entity intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of the corresponding temporary difference. If the amount of the taxable temporary differences is insufficient to recognize a deferred tax asset, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the separate business plans of the Company and Subsidiaries. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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Unrecognized deferred tax assets are reassessed by the entity at the end of each reporting period. Also, it will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax will reflect the tax consequences resulting from the manner in which the Company and Subsidiaries expect, at the reporting date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met and there are sufficient future benefits for the deferred tax asset to be utilized.

Uncertainty over income tax treatments

Acceptability of a concrete tax treatment under tax law may be unknown until the corresponding Tax Authorities or justice tribunals make a decision in the future. Consequently, a dispute or inspection of a concrete tax treatment on the part of the Tax Authorities may impact the accounting of an entity of current or deferred tax asset or liability.

If an entity concludes that it is probable that the Tax Authorities will accept an uncertain tax treatment, the entity shall determine such treatment consistently with the tax treatment used or planned to be used in its income tax filings.

If an entity concludes that it is not probable that the Tax Authorities will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty.

If an uncertain tax treatment affects current tax and deferred tax, an entity shall make consistent judgments and estimates for current and deferred tax.

An entity shall reassess a judgment or estimate required if the facts and circumstances on which the judgment or estimate was based change, or as a result of new information that affects the judgment or estimate. An entity shall reflect the effect of a change in facts and circumstances or the effect of new information as a change in an accounting estimate.

N. Contingencies

Contingent liabilities are recognized in the consolidated financial statements when it is likely that are confirmed along the time and may be reasonably quantified. Possible contingencies are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements, except when it is remote that an economic benefit will flow to the Company and Subsidiaries.

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The determination of contingencies inherently involves the exercise of judgments and calculation of estimates regarding the outcome of future events.

Contingent assets are not recognized in the consolidated financial statements, but they are disclosed in the notes to the consolidated financial statements when they degree of contingency is probable.

O. Provisions

Provisions are recognized when the Company and Subsidiaries have a present obligation (legal or constructive) as a result of a past event, and when is probable that an outflow of resources will be required to settle the obligation, and it is possible to reliably estimate the amount of the obligation. The provisions are revised on a regular basis and are adjusted to reflect a better estimate as of the date of the consolidated statement of financial position.

The expense related to a provision is presented in the consolidated statement of profit or loss. When the effect of time is significant, provisions are discounted at their present value using a rate that reflects the

specific risks related to the liability. When discount is made, the increase in the provision, due to the lapse of time, is recognized as a finance cost.

A contingent liability is disclosed when the existence of an obligation will only be confirmed by future events or when the amount of the obligation cannot be measured with sufficient reliability. Contingent assets are not recognized but are disclosed when it is probable that an economic benefit will flow to the Company and Subsidiaries.

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The determination of contingencies inherently involves the exercise of judgments and calculation of estimates regarding the outcome of future events.

The contingent assets are not recognized in the consolidated financial statements of the Company and Subsidiaries but are disclosed in the notes when their likelihood of occurrence is more likely than not.

P. Employee benefits

The Company and Subsidiaries have short-term employee benefit obligations including salaries, social contributions, legal bonuses, performance bonuses, and profit sharing.

These obligations are monthly recorded and are charged to the consolidated statement of profit or loss on an accrual basis.

In accordance with legal regulations, employees' profit sharing is calculated on the same basis as current income tax and is presented in the consolidated statement of profit or loss under 'Cost of energy generation' and 'Administrative expenses', as appropriate.

The Company and Subsidiaries grant seniority awards to their employees for every five-year period worked (quinquennium), which are calculated based on a percentage of the salary in effect at the end of the period. This obligation is estimated based on actuarial calculations. The Company and Subsidiaries recognize the expense on an accrual basis, and any actuarial gain or loss is recorded directly in the consolidated statement of profit or loss.

Q. Revenue recognition

Revenue is recognized at the fair value of the consideration received or receivable derived from it. These revenues are reduced by estimates such as customer returns, rebates, and other similar items.

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Revenue from the sale of energy and power is recognized to represent the transfer of promised goods or services to customers, in an amount that reflects the consideration the entity expects to receive in exchange for the goods or services, considering the following five (5) steps:

- Step 1: Identify the agreement with the client.
- Step 2: Identify the separate obligations of the agreement.
- Step 3: Determine the price of transaction.
- Step 4: Distribute the price of transaction among the obligations of the agreement.
- Step 5: Recognize the income when (provided that) the entity meets the obligations of the agreement.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Sale of energy and power	The Company and Subsidiaries consider, based on all relevant facts and circumstances, that the obligation to deliver energy and power is regarded as services that are transferred consecutively over the duration of the contract, which are provided and consumed simultaneously. This means that the customer consumes each unit of energy (kWh) and power immediately. According to the terms of the contract, the amount to be invoiced is based on the units of energy transferred to the customer. <u>Invoices are generally collected within thirty (30) days.</u>	Revenue is recognized over time as the energy and power are provided.

Interest income

Interest is recognized in proportion to the time elapsed, so as to reflect the effective return on the asset using the effective interest rate method.

Dividends and other income

Dividends are recognized as income when they are declared, and other income is recognized when accrued.

R. Cost and expense recognition

The energy generation costs are recognized when accrued. In addition, the cost of the purchase of energy is recognized when accrued, simultaneously to the recognition of income for the corresponding sale.

Financing costs, not related to the long-term construction projects, are recorded when accrued and include the interest charges and other costs incurred related to the loans obtained.

Other costs and expenses are recognized when accrued and are recorded in the periods to which they relate, regardless of the moment when they are paid.

S. Foreign currency transactions**Functional and presentation currency**

Peruvian sol has been defined as the functional and presentation currency of the Company and Subsidiaries.

Foreign currency transactions (any currency other than the functional currency) are initially translated into the functional currency (soles) using the current exchange rates ruling at the dates of the transactions. This translation is performed based on the exchange rates established by the Banking, Insurance and Pension Plan Agency (SBS for its Spanish acronym).

Monetary assets and liabilities in foreign currency are subsequently adjusted to the functional currency at the effective exchange rate as of the date of the consolidated statement of financial position. Gains or losses on exchange difference arising on the settlement of these transactions and on translating of monetary assets and

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liabilities in foreign currency at the year-end exchange rates are recognized in the consolidated statement of profit or loss.

Non-monetary assets and liabilities in foreign currency – measured based on historical cost – are translated into functional currency at exchange rates on the dates of transactions.

T. Issued share capital

Common shares are classified as equity and are recognized at face value. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction of the amount received, net of taxes.

U. Dividend distribution

Dividend distribution to shareholders is recognized as liabilities in the consolidated financial statements in the period they are approved by the Shareholders of the Company and Subsidiaries.

V. Profit per basic and diluted share

Profit per basic and diluted share is calculated based on the weighted average number of outstanding common shares as of the date of the consolidated statement of financial position. As of December 31, 2023 and 2022, the Company and Subsidiaries do not have dilutive effect financial instruments, so that the basic and diluted shares are the same.

W. Segments

A business segment is a group of assets and operations that provides goods or services and is subject to significant risks and returns different from those of other business segments. A geographical segment is characterized by providing goods or services within a particular economic environment that is subject to risks and returns different from those of segments operating in other economic environments. In the case of the Company and Subsidiaries, Management has determined that their only reportable segment is energy generation.

X. Subsequent events

Subsequent events after the closure of the fiscal year providing evidence of the conditions related to the financial position of the Company and Subsidiaries as of the date of the Consolidated Statement of Financial Position (adjustment events) are included in the consolidated financial statements. The significant material events that are not adjustment events are exposed to the notes to the consolidated financial statements (note 30).

Y. New accounting standards**Current accounting standards**

The following amendments to IFRSs are applied to the annual periods beginning on January 1, 2023:

New IFRSs	Date of mandatory application
<i>IFRS 17 Insurance Contracts</i>	For annual periods beginning on or after January 1, 2023. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before that date.
Amendments to IFRSs	Date of mandatory application
<i>Initial application of IFRS 17 and IFRS 9: Comparative Information – Amendments to IFRS 17</i>	For annual periods beginning on or after January 1, 2023.
<i>Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements.</i>	

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Definition of Accounting Estimate – Amendments to IAS 8.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.

International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12).

These amendments did not have a material impact on the consolidated financial statements of the Company and Subsidiaries as of December 31, 2023.

Z. Accounting standards not yet effective

The following accounting standards are applicable for annual periods beginning after January 1, 2024, and have not been applied in the preparation of these consolidated financial statements. The Company and Subsidiaries will apply the corresponding accounting standards on the respective application dates, not before.

Amendments to IFRSs	Date of mandatory application
<i>Classification of Liabilities as Current or Non-current (Amendments to IAS 1)</i>	For annual periods beginning on or after January 1, 2024. Earlier adoption is permitted.
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).</i>	Effective date was indefinitely deferred.
<i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i>	For annual periods beginning on or after January 1, 2024. Earlier adoption is permitted.
<i>Non-current Liabilities with Covenants – Amendments to IAS 1</i>	For annual periods beginning on or after January 1, 2024.
<i>Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7</i>	For annual periods beginning on or after January 1, 2024 (earlier adoption is permitted) and the amendments to IFRS 7 when applying the amendments to IAS 7.
<i>Lack of Exchangeability – Amendments to IAS 21</i>	For annual periods beginning on or after January 1, 2025. Earlier adoption is permitted.

Management expects that these accounting standards – not yet effective – do not have any material effect on the consolidated financial statements of the Company and Subsidiaries.

AA. Regulatory pronouncements on sustainability not yet in force

The following accounting standards are applicable for the preparation of sustainability reports. The Management of the Company and Subsidiaries will apply the corresponding accounting standards on the respective application dates, not before.

New Sustainability IFRSs	Date of mandatory application
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual periods beginning on or after January 1, 2024. Earlier application is permitted if IFRS S2 is also adopted.
IFRS S2 Climate-related Disclosures	Annual periods beginning on or after January 1, 2024. Earlier application is permitted if IFRS S1 is also adopted.

IFRS S1 and S2 are subject to local adoption processes in Peru before becoming effective.

Management will apply these standards once their adoption in the country has been formalized.

6. Financial Risk Management

The main financial liabilities of the Company and Subsidiaries include other financial liabilities, trade accounts payable, accounts payable to related entities, and other accounts payable. The main purpose of these financial liabilities is to finance the operations of the Company and Subsidiaries. On the other hand, the Company and Subsidiaries have cash and cash equivalents, trade accounts receivable, accounts receivable from related entities, and other accounts receivable directly arising from their operations.

The Company and Subsidiaries are exposed to market risks, credit risks, and liquidity risks, resulting from the changes in interest rate, exchange rate, and prices.

The Company and Subsidiaries are exposed to the following risks related to the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Management of the Company and Subsidiaries are responsible for risk management and take the actions necessary to mitigate those impacts related to such risks.

Risk management policies are established to identify and analyze the risks faced by the Company and Subsidiaries, to set appropriate risk limits and controls, and to monitor risks and compliance with limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions and the activities of the Company and Subsidiaries.

The Company and Subsidiaries, by means of their management rules and procedures, intend to develop a disciplined and constructive control environment, so that all employees are aware of their functions and obligations.

Management revises and approves the policies to manage the following risks:

A. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, for example, exchange rate, interest rate, or prices. The financial instruments affected by market risk include loans and deposits held by the Company and Subsidiaries.

The sensitivity analysis shown herein are related to the position as of December 31, 2023, 2022 and 2021, and is prepared based on net debt, proportion of fixed and floating interest, and proportion of financial instruments in foreign currency.

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i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company and Subsidiaries maintain significant cash balances that may earn interest at market rates. The revenues and operating cash flows of the Company and Subsidiaries are substantially independent from changes in market interest rates. The exposure of the Company and Subsidiaries to this risk is primarily generated by the remuneration of cash and the impact on their financial obligations.

Borrowing at floating rates exposes the Company and Subsidiaries to interest rate risk on their cash flows. The Company and Subsidiaries hold most of their financial obligations at variable interest rates and have contracted a derivative financial instrument that converts the interest rate risk from variable to fixed for a portion of these debts.

On the other hand, the fixed-rate borrowings may expose the Company and Subsidiaries to interest rate risk on the fair value of their liabilities.

As of December 31, 2023, a percentage of 20.90% of debts and loans of the Company and Subsidiaries have a fixed interest rate, compared to 25.5% in 2022 and 100% in 2021, indicating that the Company and Subsidiaries have increased their exposure to interest rate fluctuations as of December 31, 2023.

Below is a reconciliation of the hedging reserve in the consolidated statement of other comprehensive income, net of taxes, resulting from the cash flow hedging of interest rate risk with derivative financial instruments.

<i>In thousands of U.S. dollars</i>	2023	2022	2021
Cash flow hedge reserve			
Initial balance	13,305	(31,500)	(49,555)
Effective portion of changes in fair value	(3,117)	44,414	22,085
Exchange difference	(736)	391	(4,030)
Balance of net change reserves for cash flow hedges at the end of the period	9,452	13,305	(31,500)

ii. Exchange risk

Exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates. The exposure of the Company and Subsidiaries to exchange risk is mainly related to the operating activities of the Company and Subsidiaries (when income or expenses are stated in a currency other than the functional currency of the Company and Subsidiaries, mainly US dollar - US\$).

The Company and Subsidiaries minimize their exchange rate risk applying a hedging policy based on projected cash flows, aiming to maintain a balance between cash flows indexed to US dollars and the levels of assets and liabilities in that currency. The goal is to minimize the exposure of cash flows to fluctuations in the exchange rate. The result of maintaining foreign currency balances for the Company and Subsidiaries as of December 31, 2023, and 2022 was a net gain of S/ 58,077,000 and S/ 45,226,000, respectively, as of December 31, 2021 was a net loss of S/ 52,469,000 which is presented under 'Exchange difference, net' in the consolidated statement of profit or loss.

The Company and Subsidiaries hedge exchange rate exposure by using forward contracts with a maturity of less than one (1) year from the date of presentation of the invoices for US dollar debts with certain suppliers (note 10(a)) and non-derivative financial instruments (note 16(ii)) for future cash flows from operating income. These contracts are designated as cash flow hedges.

For this purpose, the Company and Subsidiaries determine the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, terms, maturities, and the notional amounts.

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The Company and Subsidiaries assess whether the hedging instruments designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item under the hypothetical derivative method. In these hedging relationships, the main sources of ineffectiveness are the effect of the credit risk of the counterparties and the Company and Subsidiaries on the fair value of the hedging instruments, which is not reflected in the change in the fair value of the hedged cash flows attributable to changes in exchange rates and changes in the timing of the hedged transactions.

Find below the reconciliation of the hedging reserve in the consolidated statement of other comprehensive income, net of taxes, resulting from the cash flow hedge accounting of the exchange rate risk with derivative financial instruments.

<i>In thousands of soles</i>	2023	2022	2021
Cash flow hedge reserve			
Initial balance	(24,802)	(25,226)	(6,082)
Effective portion of changes in fair value	7,809	(5,918)	(29,470)
Amount reclassified to "Sale of energy and power" of the consolidated statement of profit or loss	(11,462)	5,348	11,145
Exchange difference	1,580	994	(819)
Final balance	(26,875)	(24,802)	(25,226)
Deferred income tax			
Initial balance	(1,909)	5,123	(307)
Movement for the year	1,172	(7,005)	4,763
Exchange difference	31	(27)	53
Final balance	(706)	(1,909)	4,509
Balance of net change reserves for cash flow hedges at the end of the period	(27,581)	(26,711)	(20,717)

As of December 31, 2023, the balances of financial assets and liabilities in foreign currency are stated in soles at exchange offer and demand published by the SBS, effective as of those dates, which were S/ 3.713 (sell) and S/ 3.705 (buy) (S/ 3.820 (sell) and S/ 3.808 (buy) as of December 31, 2022 and S/ 3.998 (sell) and s/ 3.975 (buy) as of December 31, 2021). They are summarized as follows:

<i>In thousands of U.S. dollars</i>	<i>Note</i>	2023	2022	2021
Assets				
Cash and cash equivalents		21,158	26,328	19,040
Trade accounts receivable		16,769	16,549	10,475
Other accounts receivable		-	719	1,427
Accounts receivable from related entities		5,766	6,095	6,581
		43,693	49,691	37,523
Liabilities				
Trade accounts payable		15,650	80,058	31,703
Long-term financial liabilities, including current portion		298,636	232,300	163,272
Other financial liabilities		125,000	150,023	46,151
Other accounts payable		-	14,057	569
Accounts payable to related entities		18,693	35,224	35,646
		457,979	511,662	277,341
Hedge debt	17(i)	403,571	160,298	10,411
Net liability position		(10,715)	(301,673)	(229,407)

Sensitivity to exchange rate

The following table shows the sensitivity to a reasonably possible change in US\$ exchange rate, with all other variables remaining constant, of the profit of the Company and Subsidiaries before income tax (due to changes in the fair value of the monetary assets and liabilities).

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<i>In thousands of soles</i>	Increase/decrease in exchange rate	Effect on profit or loss before income tax
2023		
US dollar	10%	(4,087)
US dollar	(10%)	4,087
2022		
US dollar	10%	111,891
US dollar	(10%)	(111,891)
2021		
US dollar	10%	(91,453)
US dollar	(10%)	91,453

B. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or commercial contract – in the manner and deadline agreed – resulting in a financial loss.

The Company and Subsidiaries are exposed to credit risk due to their operating activities (mainly for trade accounts receivable) and their financial activities, including deposits in banks and financial entities, exchange operations, and other financial instruments.

The Company and Subsidiaries have established a policy to mitigate the risk of the counterparty, using the risk classifications granted by the financial entities – as reference – to structure an investment portfolio that diversifies this risk based on the best practices of the Company and Subsidiaries.

i. Trade accounts receivable

The credit risk associated with accounts receivable from commercial activity is historically very low due to the short collection period from customers, which prevents significant individual amounts from accumulating.

The Management of the Company and Subsidiaries periodically assesses the credit risk of their customer portfolio, considering factors such as liquidity, debt levels, profitability, age of business, payment behavior, criminal records, among others.

The need to record an impairment provision is analyzed at each reporting period date and is in accordance with the policy of the Company and Subsidiaries described in note 5.D(i).

Management considers that the impaired amounts that are past due by more than thirty (30) days are still collectible in full, based on historical payment behavior and analysis of customer credit risk, including credit ratings if they are available.

The maximum exposure to credit risk as of the date of the consolidated financial statements is represented by the carrying amounts presented in the 'Trade accounts receivable,' 'Accounts receivable from related entities,' and 'Other accounts receivable,' which are shown in notes 8, 9, and 10, respectively, of the consolidated statement of financial position.

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ii. Financial instruments and cash deposits

The credit risk of balances with banks and financial institutions is managed by the Finance Management of the Company and Subsidiaries according to their corporate policy. Excess funds are invested only with approved counterparties and within the credit limits assigned to each counterparty. The Finance Management of the Company and Subsidiaries periodically reviews the exposure of the counterparties. Limits are established to minimize credit risk concentration and, thus, mitigate financial loss that could arise from potential counterparty defaults. The maximum exposure to credit risk as of the date of the consolidated financial statements is the carrying amount of 'Cash and cash equivalents', note 7. In Management's opinion, there are no significant credit risks for the Companies and Subsidiaries as of December 31, 2023, 2022 and 2021.

C. Liquidity risk

Management is aware that liquidity risk implies holding enough cash and cash equivalents and having the possibility of committing and/or having committed financing through a proper number of credit sources. The Company and Subsidiaries hold appropriate levels of cash and cash equivalents and available credit lines.

Exposure to liquidity risk

Find below the contractual maturity of financial liabilities as of the presentation date. The amounts are gross and undiscounted, including contractual interest payments and excluding the impact of settlement agreements.

In thousands of soles	Note	Carrying amount	Contractual cash flows				6 to 10 years or more
			Total	Less than 1 year	1 to 2 years	3 to 5 years	
As of December 31, 2023							
Financial liabilities							
Trade accounts payable	18	355,712	355,712	355,712	-	-	-
Accounts payable to related entities	9.D	121,202	121,202	121,202	-	-	-
Other accounts payable (*)	19	157,180	157,180	157,180	-	-	-
Other financial liabilities - Bank loans	17	1,515,955	1,921,806	617,736	147,108	457,388	699,574
Other financial liabilities – Bonds	17	38,151	47,729	2,355	2,355	43,019	-
Other financial liabilities - Lease liabilities	17	21,735	23,610	5,320	3,488	9,595	5,207
		2,209,935	2,627,239	1,259,505	152,951	510,002	704,781
As of December 31, 2022							
Financial liabilities							
Trade accounts payable	18	562,001	562,001	562,001	-	-	-
Accounts payable to related entities	9.D	176,534	176,534	176,534	-	-	-
Other accounts payable (*)	19	27,465	27,465	27,465	-	-	-
Other financial liabilities - Bank loans	17	1,396,694	1,645,205	682,759	113,160	335,549	513,737
Other financial liabilities – Bonds	17	39,251	51,528	2,423	2,423	46,682	-
Other financial liabilities - Lease liabilities	17	28,187	40,213	4,760	4,944	30,509	-
		2,230,132	2,502,946	1,455,942	120,527	412,740	513,737
As of December 31, 2021							
Financial liabilities							
Trade accounts payable	18	348,401	348,401	348,401	-	-	-
Accounts payable to related entities	9.D	169,586	169,586	169,586	-	-	-
Other accounts payable (*)	19	31,998	31,998	30,827	-	-	-
Other financial liabilities - Bank loans	17	729,181	769,022	242,565	47,956	143,924	334,577
Other financial liabilities - Bonds	17	66,123	80,072	26,143	2,536	51,393	-
Other financial liabilities - Lease liabilities	17	37,274	39,733	11,747	3,474	24,512	-
		1,382,563	1,438,812	829,269	53,966	219,829	334,577

(*) It does not include taxes, payments in advance – received or granted – nor labor liabilities.

Management deals with the risk related to the amounts included in the mentioned categories, including good relations with local banks in order to ensure enough credit lines on a permanent basis.

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D. Capital management

Company and Subsidiaries' main objective in managing capital is to ensure a solid credit rating and healthy capital ratios to support the business and maximize value for the shareholders. At the end of 2023, 2022 and 2021, the Company and Subsidiaries have two risk ratings: Pacific Credit Rating and Apoyo & Asociados, both with the highest credit ratings for bonds and shares.

The Company and Subsidiaries manage their capital structure and make the corresponding adjustments according to the economic condition changes. To keep or adjust their capital structure, the Company and Subsidiaries may modify the payments of dividends to shareholders, return capital to shareholders, or issue new shares.

There were no modifications to the objectives, policies, or processes related to capital management as of December 31, 2023, 2022 and 2021.

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Other financial liabilities	17	1,575,841	1,464,132	871,437
Total gross debt		1,575,841	1,464,132	871,437
Less: Cash and cash equivalents	7	(520,685)	(257,369)	(224,728)
Net debt		1,055,156	1,206,763	646,709
Total equity	23	3,306,205	3,275,960	3,461,914
Debt ratio (%)		0.32	0.37	0.19

(*) It does not include taxes, payments in advance – received or granted – nor labor liabilities.

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E. Financial instruments: fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value.

		Carrying amount				Fair value	
		Fair value - Hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total
<i>In thousands of soles</i>	<i>Note</i>						
As of December 31, 2023							
Financial assets measured at fair value							
Derivative financial instruments	10(a)	9,996	-	-	9,996	9,996	9,996
		9,996	-	-	9,996	9,996	9,996
Financial assets not measured at fair value							
Cash and cash equivalents	7	-	520,685	-	520,685	-	-
Trade accounts receivable	8	-	310,506	-	310,506	-	-
Accounts receivable from related entities	9.D	-	110,935	-	110,935	-	-
Other accounts receivable (*)	10	-	7,677	-	7,677	-	-
		-	949,803	-	949,803	-	-
Financial liabilities not measured at fair value							
Trade accounts payable	18	-	-	355,712	355,712	-	-
Accounts payable to related entities	9	-	-	121,202	121,202	-	-
Other accounts payable (**)	19	-	-	157,180	157,180	-	-
Other financial liabilities	17	-	-	1,575,841	1,575,841	1,648,599	1,648,599
		-	-	2,209,935	2,209,935	1,648,599	1,648,599

(*) It does not include taxes receivable, payments in advance.

(**) It does not include taxes payable, payments in advance, labor liabilities.

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		Fair value - Hedging instruments	Carrying amount		Fair value		
			Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total
<i>In thousands of soles</i>	<i>Note</i>						
As of December 31, 2022							
Financial assets measured at fair value							
Derivative financial instruments	10(a)	19,500	-	-	19,500	19,500	19,500
		19,500	-	-	19,500	19,500	19,500
Financial assets not measured at fair value							
Cash and cash equivalents	7	-	257,369	-	257,369	-	-
Trade accounts receivable	8	-	324,474	-	324,474	-	-
Accounts receivable from related entities	9.D	-	109,622	-	109,622	-	-
Other accounts receivable (*)	10	-	11,713	-	11,713	-	-
		-	703,178	-	703,178	-	-
Financial liabilities not measured at fair value							
Derivative financial instruments		66	-	-	66	66	66
		66	-	-	66	66	66
Trade accounts payable	18	-	-	562,001	562,001	-	-
Accounts payable to related entities	9.D	-	-	176,534	176,534	-	-
Other accounts payable (**)	19	-	-	27,465	27,465	-	-
Other financial liabilities	17	-	-	1,464,132	1,464,132	1,528,588	1,528,588
		-	-	2,230,132	2,230,132	1,528,588	1,528,588

(*) It does not include taxes receivable, payments in advance.

(**) It does not include taxes payable, payments in advance, labor liabilities.

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		Fair value - Hedging instruments	Carrying amount		Fair value			
			Financial assets at amortized cost	Other financial liabilities	Total	Level 2	Total	
<i>In thousands of soles</i>	<i>Note</i>							
As of December 31, 20221								
Financial assets measured at fair value								
Derivative financial instruments	10(a)	71	-	-	71	71		71
		71	-	-	71	71		71
Financial assets not measured at fair value								
Cash and cash equivalents	7	-	224,728	224,728	-	-		-
Trade accounts receivable	8	-	240,753	240,753	-	-		-
Accounts receivable from related entities	9.D	-	106,501	106,501	-	-		-
Other accounts receivable (*)	10	-	10,499	10,499	-	-		-
		-	582,481	582,481	-	-		-
Financial liabilities not measured at fair value								
Derivative financial instruments		38,861	-	-	38,861	38,861		38,861
		38,861	-	-	38,861	38,861		38,861
Trade accounts payable	18	-	-	348,401	-	-		-
Accounts payable to related entities	9.D	-	-	169,586	-	-		-
Other accounts payable (**)	19	-	-	39,621	-	-		-
Other financial liabilities	17	-	-	871,437	871,437	845,435		845,435
		-	-	1,429,045	871,437	845,435		845,435

i. Valuation techniques and significant unobservable inputs

Find below the valuation techniques used to measure Level 2 fair value as of December 31, 2023 and 2022, as well as the significant unobservable entry used. The corresponding valuation processes are described in note 4.E.iii.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable entry	Interrelation among significant unobservable entry and measurement at fair value
Forward contracts	<i>Forward pricing:</i> It is determined using forward exchange rates quoted as of the reporting date and present value calculations based on high-credit quality yield curves in the respective currencies.	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable entry	Interrelation among significant unobservable entry and measurement at fair value
Other financial liabilities	<i>Discounted cash flows:</i> It is determined by discounting the future contractual cash flows at the current market interest rate available to the Company and Subsidiaries for similar financial instruments.	Not applicable	Not applicable

7. Cash and Cash Equivalents

This caption comprises:

See accounting policies in notes 5.B and 5.C.

<i>In thousands of soles</i>	2023	2022	2021
Checking accounts (a)	520,656	173,127	224,725
Term deposits (b)	-	84,240	-
Fixed funds	29	2	3
	520,685	257,369	224,728

- (a) As of December 31, 2023, 2022 and 2021, the US dollar and soles checking accounts of the Company and Subsidiaries are held in local and foreign banks. They are unrestricted funds with high credit ratings and bear interest at market rates.
- (b) As of December 31, 2022, the term deposits were subject to an effective term lower than thirty (30) days at an interest rate of 7.70% for deposits in soles (S/ 23,000,000) and a rate of 3.85% for deposits in US dollars (US\$ 16,000,000).

Impairment of cash and cash equivalents has been measured on a twelve-month expected credit loss basis and reflects the short-term maturities of the exposures. The Company and Subsidiaries consider that their cash and cash equivalents have low credit risk based on the external credit ratings of the counterparts.

8. Trade Accounts Receivable

This caption comprises:

See accounting policies in notes 5.C and 5.D.

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Energy invoiced to customers (a)		101,536	95,903	71,104
Energy and power delivered but not invoiced	24.C	210,458	230,120	170,699
		311,994	326,023	241,803
Less: Estimate of expected credit loss (e)		(1,488)	(1,549)	(1,050)
		310,506	324,474	240,753

(a) Trade accounts receivable are mainly expressed in soles, have current maturity, and do not bear interest. The balance of accounts receivable as of December 31, 2023, 2022 and 2021 corresponds to 197, 150 and 130 customers, respectively.

(b) In April 2022, the Company entered into a framework agreement with a bank, whereby the Company agrees to transfer the irrevocable right to collect for the nominal value of its trade accounts receivable, which shall be fixed in each supplemental agreement based on the amount transferred, to which a discount rate will be applied.

As of December 31, 2023, the nominal value due to the application of the framework agreement amounted to S/ 110,227,000 of accounts receivable, with a discount rate of 8.80% and US\$ 2,988,000 (equivalent to S/ 11,115,000) with a discount rate of 8.73%. As of December 31, 2022, the framework agreement was not applied.

(c) The balance of the trade accounts receivable as of December 31, 2023, 2022 and 2021 includes an amount of S/ 4,814,000, mainly corresponding to energy and power withdrawals without back-to-back agreements made by supply companies from 2007 to 2008, allocated to the Company by the COES SINAC. Such withdrawals are valued at bar tariffs and invoicing is pending. In Management's opinion of the Company, such accounts receivable will be fully recovered.

(d) Aging of trade accounts receivable is as follows:

<i>In thousands of soles</i>	Current	Impaired	Total
As of December 31, 2023			
Undue	300,513	1,035	301,548
Due			
Up to 90 days	9,908	331	10,239
Over 90 days	85	122	207
	310,506	1,488	311,994
As of December 31, 2022			
Undue	320,461	1,493	321,954
Due			
Up to 90 days	4,013	56	4,069
	324,474	1,549	326,023
As of December 31, 2021			
Undue	229,145	1,007	230,152
Due			
Up to 90 days	6,474	24	6,498
Over 90 days	5,135	19	5,155

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<i>In thousands of soles</i>	Current	Impaired	Total
	240,754	1,050	241,805

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

<i>In thousands of soles</i>	Note	2023	2022	2021
Initial balance as of January 1		1,549	1,050	890
Increase	26	190	499	260
Recovery	26	(251)	-	(100)
		1,488	1,549	1,050

In Management's opinion of the Company and Subsidiaries, the estimate of expected credit loss of trade accounts receivable as of December 31, 2023, 2022 and 2021, adequately covers the credit risk of these items as of those dates.

9. Balances and Transactions with Related Entities

See accounting policies in notes 5.C and 5.D.

A. Controlling interest and final controlling interest

As of December 31, 2023, 2022 and 2021, there were no changes in the controlling interests, Enel Perú S.A.C., Enel Américas S.A. nor in the final controlling interest, Enel SPA (note 1).

B. Transactions with key Management personnel**i. Loans to Directors**

As of December 31, 2023, 2022 and 2021, no loans have been granted to Directors.

ii. Key Management remuneration

Directors and operating managements have been defined as key personnel by the Company. Remunerations paid to the key personnel amount to S/ 9,008,000, S/ 6,056,000 and S/ 6,660,000 as of December 31, 2023, 2022 and 2021, respectively.

These benefits are included in administrative expenses and costs of energy generation of the consolidated statement of profit or loss.

As of December 31, 2023, 2022 and 2021, loans to key personnel have not been granted by the Company.

In 2023, 2022 and 2021, dividends amounting to S/ 485,598,000, S/ 509,708,000 and S/ 502,604,000, respectively, corresponding to Enel Perú S.A.C., were declared. In 2023, dividends amounting to S/ 66,149,000 were paid to Enel Américas S.A.

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C. Transactions with related entities

		2023		2022		2021	
		Expenses/		Expenses/		Expenses/	
<i>In thousands of soles</i>	<i>Note</i>	Income	costs	Income	costs	Income	costs
Controlling interest							
Interest on loans obtained and granted	29	-	260	1,909	-	1,266	-
Related entities							
Income from energy and power generation	24 B.	694,736	-	672,356	-	500,998	236
Administration and operation services (income)	28	20,617	-	19,067	-	16,742	-
Interest on loans obtained and granted	29	3,509	-	4,108	276	1,945	67
Derivative financial instruments		6,501	-	-	-	-	-
Administration and operation services (expenses)		-	11,976	-	8,242		7,966
Administrative fees and expenses		-	17,001	-	30,466	27	31,428
Energy purchase		-	32,674	-	47,505	-	24,345
Information technology services		-	6,862	-	4,416	-	5,434
Others		766	283	594	16,437	617	17,604
		726,129	69,056	698,034	107,342	521,595	87,080

D. As a result of these transactions – among others – with related entities, the balance of accounts receivable and accounts payable is as follows.

<i>In thousands of soles</i>	2023	2022	2021
Trade accounts receivable			
Related entities			
Enel Distribución Perú S.A.A.	72,847	72,574	52,872
Enel Generación Piura S.A.	-	92	114
	72,847	72,666	52,986
Other accounts receivable			
Controlling interest			
Enel Perú S.A.C.	104	104	20,496
Related entities			
Proyectos y Soluciones Renovables S.A.C.	21,579	21,022	18,764
Enel Distribución Perú S.A.A.	10,093	8,995	7,914
Enel Generación Piura S.A.	5,617	6,227	-
Enel X Perú S.A.	248	-	5,931
Enel S.p.A.	166	136	244
Energía Nueva Energía Limpia México S.R.L. de C.V.	121	121	121
Enel X Way Perú S.A.C.	63	5	-
Enel Distribuicao Sao Paulo	56	16	4
Enel Américas S.A.	41	289	41
Enel Generación Chile	-	41	-
	38,088	36,956	53,515
	110,935	109,622	106,501

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<i>In thousands of soles</i>	2023	2022	2021
Trade accounts payable			
Related entities			
Enel Generación Piura S.A.	1,475	3,520	3,839
Enel Distribución Perú S.A.A.	-	8,548	8,074
Enel X Perú S.A.C.	-	206	-
	1,475	12,274	11,913
Other accounts payable			
Related entities			
Enel Green Power S.p.A.	69,475	53,592	50,806
Enel S.p.A.	17,178	53,929	22,021
Enel Distribución Perú S.A.A.	9,550	2,477	2,120
Enel Green Power Chile Ltda.	9,080	6,630	2,779
Enel Generación Chile S.A.	5,809	5,117	6,806
Proyectos y Soluciones Renovables S.A.C.	3,536	7,791	5,822
Enel Trade S.p.A.	1,901	10,256	8,913
Enel Generación Piura S.A.	1,279	254	436
Enel Brasil	900	865	860
Enel Italia	654	417	732
Enel X Perú S.A.C.	206	669	304
Enel Chile S.A.	159	651	634
Endesa España	-	977	1,177
Emgesa S.A. E.S.P.	-	733	860
Enel Global Service S.R.L.	-	570	4,486
Enel Iberia S.R.L.	-	122	136
Generación España	-	81	91
Enel Produzione Spa	-	41	2,323
Enel Global Thermal Generation S.R.L.	-	19,088	22,123
Enel Finance International B.V.	-	-	24,244
	119,727	164,260	157,673
	121,202	176,534	169,586

E. Terms and conditions of transactions with related entities

The transactions with related entities are carried out subject to market conditions, equivalent to those applied to transactions among independent parties.

The Company and Subsidiaries have a cash management system whereby, based on short-term loans among related entities subject to current legal provisions, the companies belonging to Enel Group in Peru optimize their cash surplus.

As of December 31, 2023, the Company and Subsidiaries obtained the following loans from their related entities, whose rates were fixed based on market conditions and paid in the following dates:

Obtained loans	Currency	Amount (in thousands)	Effective rate	Start date	Payment date
As of December 31, 2023					
Controlling interest					
Enel Perú S.A.C.	PEN	30,000	8.68%	05/23/2023	05/31/2023
Enel Perú S.A.C.	PEN	30,000	8.87%	06/19/2023	06/28/2023
Enel Perú S.A.C.	PEN	33,000	8.91%	07/13/2023	07/31/2023
	PEN	93,000	-		

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As of December 31, 2022, the Company and Subsidiaries obtained the following loans from their related entities, whose rates were fixed based on market conditions:

Obtained loans	Currency	Amount O.C.	Amount (in thousands)	Effective rate	Start date	Payment date
As of December 31, 2022						
Related entities						
Enel Generación Piura S.A.	PEN	15,000	15,000	7.36%	07/14/2022	08/31/2022
Enel Generación Piura S.A.	PEN	15,000	15,000	7.71%	10/20/2022	10/28/2022
Enel Finance International BV	US\$	10,000	37,010	1.12%	03/11/2022	04/13/2022
	PEN	-	67,010	-		

As of December 31, 2022, the loans of the Company and Subsidiaries totaling S/ 91,408,000 were paid.

As of December 31, 2021, the Company and Subsidiaries obtained the following loans from their related entities, whose rates were fixed based on market conditions:

Obtained loans	Currency	Amount O.C.	Amount (in thousands)	Effective rate	Start date	Payment date
As of December 31, 2021						
Related entities						
Enel Generación Piura S.A.	PEN	10,000	10,000	1.81%	09/13/2021	11/30/2021
Enel Generación Piura S.A.	PEN	3,000	3,000	2.15%	10/20/2021	11/30/2021
Enel Generación Piura S.A.	US\$	10,000	10,000	2.28%	11/30/2021	12 /30/2021
Enel Finance International BV	US\$	6,000	23,988	2.21%	12/31/2021	04/13/2022
	PEN	-	46,988	-		

As of December 31, 2023, the Company and Subsidiaries granted to their related entities the following loans, whose rates were fixed based on market conditions and were collected in the following dates:

Granted loans	Currency	Amount O.C.	Amount (in thousands)	Effective rate	Start date	Collection date
As of December 31, 2023						
Related entities						
Enel Distribución Perú S.A.A.	PEN	100,000	100,000	8.40%	03/01/2023	03/20/2023
Enel Generación Piura S.A.	PEN	20,000	20,000	8.77%	04/11/2023	05/31/2023
Enel Generación Piura S.A.	PEN	30,000	30,000	9.13%	08/01/2023	08/31/2023
Enel Generación Piura S.A.	PEN	10,000	10,000	9.38%	08/17/2023	08/31/2023
Enel Generación Piura S.A.	PEN	15,000	15,000	9.47%	09/18/2023	09/29/2023
Enel Generación Piura S.A.	PEN	20,000	20,000	8.82%	05/15/2023	07/31/2023
Enel Generación Piura S.A.	PEN	30,000	30,000	8.37%	11/13/2023	11/30/2023
Enel Generación Piura S.A.	PEN	10,000	10,000	8.55%	12/19/2023	12/29/2023
	PEN	-	235,000	-		

As of December 31, 2023, the collections of loans granted to related entities amounted to S/ 235,000,000.

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As of December 31, 2022, the Company and Subsidiaries granted to their related entities the following loans, whose rates were fixed based on market conditions and were collected in the following dates:

Granted loans	Currency	Amount O.C.	Amount (in thousands)	Effective rate	Start rate	Collection date
As of December 31, 2022						
Controlling interest						
Enel Perú S.A.C.	PEN	10,000	10,000	8.08%	09/16/2022	11/18/2022
Enel Perú S.A.C.	PEN	14,500	14,500	7.92%	08/18/2022	11/18/2022
Enel Perú S.A.C.	PEN	16,000	16,000	6.15%	05/17/2022	11/18/2022
Enel Perú S.A.C.	PEN	2,700	2,700	5.56%	04/21/2022	06/09/2022
Related entities						
Proyectos y Soluciones						
Renovables S.A.C.	US\$	350	1,347	3.01%	08/17/2022	03/05/2024
Proyectos y Soluciones						
Renovables S.A.C.	US\$	350	1,337	6.79%	12/06/2022	03/05/2024
	PEN	-	45,884			

As of December 31, 2022, the collections of loans granted to related entities amounted to S/ 64,137,000 corresponding to Enel Perú S.A.C.

As of December 31, 2021, the Company and Subsidiaries granted to their related entities the following loans:

Granted loans	Currency	Amount O.C.	Amount (in thousands)	Effective rate	Start rate	Collection date
As of December 31, 2021						
Controlling entity						
Enel Perú S.A.C.	PEN	14,520	14,520	2.63%	12/16/2021	03/09/2022
Enel Perú S.A.C.	PEN	6,000	6,000	1.28%	06/17/2021	09/09/2021
Enel Perú S.A.C.	US\$	1,490	5,957	1.53%	12/16/2021	03/09/2022
Related entities						
Enel Distribución Perú S.A.C.	PEN	40,000	40,000	1.35%	01/28/2021	03/19/2021
Enel Distribución Perú S.A.C.	PEN	60,000	60,000	1.21%	04/05/2021	04/19/2021
Enel Distribución Perú S.A.C.	PEN	30,000	30,000	1.35%	04/30/2021	05/31/2021
Enel Distribución Perú S.A.C.	PEN	50,000	50,000	1.40%	05/28/2021	06/18/2021
Energética Monzón S.A.C.	US\$	6,000	23,988	1.53%	12/20/2021	-
Proyectos y Soluciones						
Renovables S.A.C.	US\$	200	800	1.63%	12/13/2021	-
		-	231,265			

As of December 31, 2021, the collections of loans granted to related entities amounted to S/ 333,769,000 corresponding to Enel Distribución Perú S.A.A. for S/ 180,000,000, to Enel Perú S.A.C. for US\$ 31,961,000 (equivalent to S/ 127,339,000) and S/ 6,000,000, and to Compañía Energética Veracruz S.A.C. for US\$ 1,482,000 (equivalent to S/ 5,924,000) and S/ 14,506,000.

The trade accounts receivable from and payable to related entities bear interest and do not have maturity nor specific guarantees, except for the trade accounts receivable corresponding to the sale of energy and power, whose maturity is ten (10) days (average) and the loans among related entities, whose maturity is determined per operation.

In Management's opinion of the Company and Subsidiaries, the current accounts receivable and payable as of December 31, 2023 shall be collected and paid this year.

10. Other Accounts Receivable

This caption comprises:

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See accounting policies in notes 5.C and 5.D.

<i>In thousands of soles</i>	2023		20 2		2021	
	Current	Non-current	Current	Non-current	Current	Non-current
Prepayments from suppliers	26,830	-	2,979	-	79,109	-
Restricted funds	3,507	-	3,174	-	1,818	-
Loans to personnel	1,981	-	1,395	-	1,545	-
Negotiable instruments	1,864	-	1,931	-	-	-
Claims from third parties	864	-	864	-	864	-
Derivative financial instrument (a)	562	9,434	5,388	14,046	71	-
Minority interest accounts	189	-	248	-	-	-
Default interest from suppliers	-	-	637	-	3,099	-
Penalties to be paid by third parties	-	-	448	-	448	-
Taxes in favor	-	-	706	-	-	-
Various	1,283	-	3,735	-	4,199	-
	37,080	9,434	21,505	14,046	91,153	-
Less: Estimate of expected credit loss						
(b)	(30)	-	(30)	-	(37)	-
	37,050	9,434	21,475	14,046	91,116	-

- (a) As of December 31, 2023, the Company and Subsidiaries has an interest rate swap contract with the related entity Enel SpA, at an agreed upon rate of 3.116%, with a notional amount of US\$ 72,000,000 (US\$ 80,000,000 as of December 31, 2022). This contract was designated as a cash flow hedge (note 6.A.i).

As of December 31, 2023 and 2022, the Subsidiary Chinango S.A.C. has non-delivery forward contracts with two (2) local banks, with a total notional amount of US\$ 3,000,000 (equivalent to S/ 11,139,000) and US\$ 6,500,000 (equivalent to S/ 24,830,000), respectively. These contracts have agreed upon forward exchange rates ranging from 3.8580 to 4.01840, with maturities from January 2023 to December 2024. These contracts were designated as cash flow hedges (note 6.A.ii).

As of December 31, 2022, the Company and Subsidiaries had non-delivery forward contracts with three (3) local banks, with a total notional amount of US\$ 39,000,000 (equivalent to S/ 148,980,000), with agreed upon forward exchange rates ranging from 3.916 to 4.171, with maturities from January to December 2023. These contracts were designated as cash flow hedges (note 6.A.ii). As of December 31, 2023, these contracts have been settled.

- (b) In Management's opinion of the Company and Subsidiaries, the estimate of expected credit loss on other accounts receivable as of December 31, 2023, 2022 and 2021 adequately covers the credit risk of these items as of those dates.

11. Inventories

This caption comprises:

See accounting policies in note 5.E.

<i>In thousands of soles</i>	2023	2022	2021
Maintenance materials (a)	77,959	65,593	64,502
Oil	17,772	13,229	13,641
Materials in transit	454	226	2,219
	96,185	79,048	80,362
Less: Estimate of inventory obsolescence (b)	(7,582)	(7,519)	(7,643)
	88,603	71,529	72,719

(a) Inventories mainly correspond to materials used for maintenance of existing power plants.

(b) The movement of estimate of inventory obsolescence was as follows:

<i>In thousands of soles</i>	2023	2022	2021
Balance as of January 1	7,519	7,643	7,643
Addition	63	-	-
Write-off	-	(124)	-
Balance as of December 31	7,582	7,519	7,643

Estimate of inventory obsolescence has been determined based on technical studies. In Management's opinion, this estimate appropriately covers the risk of inventory obsolescence as of December 31, 2023, 2022 and 2021.

12. Prepaid Insurances

This caption comprises:

See accounting policies in note 5.F.

<i>In thousands of soles</i>	2023	2022	2021
Other prepaid expenses	4,359	4,216	1,803
Corporate all risk insurance (a)	-	30,413	-
Other insurances	134	126	128
	4,493	34,755	1,931

(a) As of December 31, 2023, the Company and Subsidiaries hired all risk insurances, effective from November 2023 to October 2024, which will be paid in the first quarter of 2024.

As of December 31, 2022, the Company and Subsidiaries hired and paid all risk insurances, effective from November 2022 to October 2023.

As of December 31, 2021, the Company and Subsidiaries hired all risk insurances, which cover the period from November 2021 to October 2022 and were cancelled in March 2022.

13. Investment Projects

This caption comprises:

See accounting policies in notes 5.J

<i>In thousands of soles</i>	2023	2022	2021
Pampa Mórrope	10,702	11,704	12,646
Marcona	4,482	4,919	5,296
	15,184	16,663	17,942

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14. Property, Plant, and Equipment

See accounting policies in notes 5.D, 5.G, and 5.H.

The movement in cost and accumulated depreciation is detailed below:

<i>In thousands of soles</i>	Lands	Buildings and other constructions	Power plants	Vehicles	Furniture and fixtures	Various equipment	Works in progress (b)	Total
Cost								
Balance as of January 1, 2021	40,230	715,060	7,164,551	10,051	18,502	54,285	239,215	8,241,894
Additions	-	703	2,433	1,627	-	-	216,294	221,057
Transfers	84	8,428	156,171	-	7	6,047	(171,712)	(975)
Decommissioning cost update	-	-	120,605	-	-	-	-	120,605
Disposal	-	-	-	-	-	(18)	-	(18)
Exchange difference	106	7,914	123,243	46	22	80	7,673	139,084
Balance as of December 31, 2021	40,420	732,105	7,567,003	11,724	18,531	60,394	291,470	8,721,647
Cost								
Balance as of January 1, 2022	40,420	732,105	7,567,003	11,724	18,531	60,394	291,470	8,721,647
Reclassifications (c)	-	(58,015)	94,442	(6,844)	-	(32,613)	3,030	-
Additions	-	101	521	5,331	-	198	852,882	859,033
Transfers	575	29,470	115,275	-	6,043	4,909	(156,272)	-
Decommissioning cost update	-	-	(98,681)	-	-	-	-	(98,681)
Disposal	-	(2)	(12)	-	-	-	-	(14)
Exchange difference	(50)	(3,687)	(58,916)	(86)	(11)	(38)	(22,966)	(85,754)
Balance as of December 31, 2022	40,945	699,972	7,619,632	10,125	24,563	32,850	968,144	9,396,231
Additions	-	-	162	905	-	184	325,988	327,239
Transfers	-	5,395	140,925	-	90	246	(146,656)	-
Decommissioning cost update	-	-	(7,402)	-	-	-	-	(7,402)
Disposal	(188)	(1,844)	(55)	(592)	-	-	-	(2,679)
Exchange difference	(58)	(4,153)	(68,356)	(155)	(12)	(33)	(48,506)	(121,273)
Balance as of December 31, 2023	40,699	699,370	7,684,906	10,283	24,641	33,247	1,098,970	9,592,116
Accumulated depreciation								
Balance as of January 1, 2021	-	303,700	3,482,486	5,274	15,161	39,597	-	3,846,218
Depreciation for the fiscal year (a)	-	16,864	169,588	779	470	3,788	-	191,489
Disposal	-	-	-	-	-	(7)	-	(7)
Exchange difference	-	783	14,340	19	16	44	-	15,202
Balance as of December 31, 2021	-	321,347	3,666,414	6,072	15,647	43,422	-	4,052,902

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		Buildings and other constructions	Power plants	Vehicles	Furniture and fixtures	Various equipment	Works in progress (b)	Total
<i>In thousands of soles</i>	Lands							
Balance as of January 1, 2022	-	321,347	3,666,414	6,072	15,647	43,422	-	4,052,902
Reclassifications (c)	-	(13,573)	36,507	(2,821)	-	(20,113)	-	-
Depreciation for the fiscal year (a)	-	20,480	162,622	1,938	611	1,735	-	187,386
Disposal	-	(2)	(12)	-	-	-	-	(14)
Exchange difference	-	(452)	(8,756)	(37)	(8)	(23)	-	(9,276)
Balance as of December 31, 2022	-	327,800	3,856,775	5,152	16,250	25,021	-	4,230,998
Depreciation for the fiscal year (a)	-	18,741	162,864	2,094	1046	1,766	-	186,511
Disposal	-	(189)	(54)	(592)	-	-	-	(835)
Exchange difference	-	(601)	(11,940)	(87)	(11)	(28)	-	(12,667)
Balance as of December 31, 2023	-	345,751	4,007,645	6,567	17,285	26,759	-	4,404,007
Estimate of impairment								
Balance as of January 1, 2021	-	5,031	1,065	-	-	-	-	6,096
Additions	-	1,124	1,176	-	-	-	2,772	5,072
Exchange difference	-	69	-	-	-	-	136	205
Balance as of December 31, 2021	-	6,224	2,241	-	-	-	2,908	11,373
Balance as of January 1, 2022	-	6,224	2,241	-	-	-	2,908	11,373
Additions	-	-	7,818	-	-	-	5,786	13,604
Exchange difference	-	(33)	-	-	-	-	(240)	(273)
Balance as of December 31, 2022	-	6,191	10,059	-	-	-	8,454	24,704
Additions	-	-	15,072	-	-	-	-	15,072
Exchange difference	-	(38)	-	-	-	-	(406)	(444)
Balance as of December 31, 2023	-	6,153	25,131	-	-	-	8,048	39,332
Net carrying amount								
As of December 31, 2021	40,420	404,534	3,898,348	5,652	2,884	16,972	288,562	4,657,372
As of December 31, 2022	40,945	365,981	3,752,798	4,973	8,313	7,829	959,690	5,140,529
As of December 31, 2023	40,699	347,466	3,652,130	3,716	7,356	6,488	1,090,922	5,148,777

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- (a) The distribution of depreciation was as follows:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Cost of energy generation	25	181,451	182,310	188,058
Administrative expenses	26	5,060	5,076	3,431
		186,511	187,386	191,489

- (b) As of December 31, 2023 and 2022, work in progress relates mainly to solar and eolian equipment for the Clemesí and Wayra Extension projects, which will be used exclusively in renewable energy plants and restoration and improvements being carried out at Yanango and Chimay hydroelectric plants, amounting to S/ 979,431,000 and S/ 845,054,000, respectively.

As of December 31, 2021, work in progress relates mainly to diverse equipment and critical spare parts for thermal and hydroelectric plants, to solar and eolian equipment for the Clemesí and Wayra Extension projects, which will be used exclusively in renewable energy plants and restoration and improvements being carried out at Yanango and Chimay hydroelectric plants, amounting to S/ 91,443,000, S/ 93,376,000 and S/ 5,865,000, respectively.

- (c) As of December 31, 2022, the Company and Subsidiaries reclassified mainly various equipment and buildings and constructions to power plants, as these assets correspond to this item.
- (d) The Company and Subsidiaries recognizes certain right-of-use assets, whose details and movements are shown below:

<i>In thousands of soles</i>	Leases with third parties		
	Buildings and other constructions	Vehicles	Total
Balance as of January 1, 2021	25,647	65	25,712
Additions	-	1,627	1,627
Charges for depreciation for the fiscal year	-	(419)	(419)
Exchange difference	-	28	28
Balance as of December 31, 2021	25,647	1,301	26,948
Additions	101	4,968	5,069
Charges for depreciation for the fiscal year	(2,990)	(1,483)	(4,473)
Exchange difference	-	(48)	(48)
Balance as of December 31, 2022	22,758	4,738	27,496
Additions	-	905	905
Charges for depreciation for the fiscal year	(2,626)	(2,005)	(4,631)
Disposal	(1,655)	-	(1,655)
Exchange difference	-	(68)	(68)
Balance as of December 31, 2023	18,477	3,570	22,047

- (e) Management and Subsidiaries have assessed the recoverable value of properties, plant, and equipment of the Company and have not identified any impairment loss on these assets as of December 31, 2023, 2022 and 2021, except for some unused and impaired fixed assets for S/ 15,072,000, S/ 13,604,000 and S/ 5,767,000, respectively (note 25).

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- (f) Property, plant, and equipment includes direct expenses related to the construction of works in progress. The methodology applied to capitalize direct personnel expenses is based on the identification of every area of the Company fully committed to planning, execution, and management of works, and the determination of percentages of time for areas with partial dedication. It is applicable to the benefit costs in favor of the employees of these areas. The direct expenses capitalized as of December 31, 2023, amounted to approximately S/ 11,535,000 (approximately S/ 10,262,000 and S/ 4,750,000 as of December 31, 2022 and 2021, respectively) (note 27).
- (g) Property, plant, and equipment includes financing costs related to the construction of works in progress. As of December 31, 2023, the Company and Subsidiaries have capitalized interest for approximately S/ 36,932,000 using an average rate of 7.69% (S/ 6,284,000 with an average rate of 3.57% as of December 31, 2022, and S/ 108,000 with an average rate of 2.46% as of December 31, 2021) (note 29).

15. Intangible Assets

See accounting policies in notes 5.D and 5.I.

Find below the movement in cost and accumulated depreciation:

<i>In thousands of soles</i>	Concessions and rights (a)	Software (c)	Other intangible assets	Intangible assets in progress	Total
Cost					
Balance as of January 1, 2021	50,434	48,320	1,392	52,899	153,045
Additions (e)	-	-	-	26,091	26,091
Transfers (f)	-	25,927	-	(25,927)	-
Disposals	-	(725)	-	-	(725)
Return for unused rights (b)	(15,152)	-	-	-	(15,152)
Exchange difference	-	150	-	1,817	1,967
Balance as of December 31, 2021	35,282	73,672	1,392	54,880	165,226
Additions (e)	-	3,875	-	22,250	26,215
Transfers (f)	-	21,857	-	(21,857)	-
Impairment (g)	-	-	-	(4,217)	(4,217)
Disposals	-	(99)	-	-	(99)
Exchange difference	-	(175)	-	(1,253)	(1,428)
Balance as of December 31, 2022	35,282	99,130	1,392	49,803	185,607
Additions (e)	-	445	-	13,515	13,960
Transfers (f)	-	9,902	-	(9,902)	-
Exchange difference	-	(278)	-	(1,700)	(1,978)
Balance as of December 31, 2023	35,282	109,199	1,392	51,716	197,589
Accumulated amortization					
Balance as of January 1, 2021	14,223	29,626	1,033	-	44,882
Additions (d)	64	11,151	127	-	11,342
Disposals	-	(725)	-	-	(725)
Exchange difference	-	115	-	-	115
Balance as of December 31, 2021	14,287	40,167	1,160	-	55,614
Additions (d)	64	13,322	127	-	13,513
Disposals	-	(99)	-	-	(99)
Exchange difference	-	(97)	-	-	(97)
Balance as of December 31, 2022	14,351	53,293	1,287	-	68,931
Additions (d)	64	13,540	11	-	13,615

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<i>In thousands of soles</i>	Concessions and rights (a)	Software (c)	Other intangible assets	Intangible assets in progress	Total
Exchange difference	-	(168)	-	-	(168)
Balance as of December 31, 2023	14,415	66,665	1,298	-	82,378
Net carrying amount					
As of December 31, 2021	20,995	33,505	232	54,880	106,612
As of December 31, 2022	20,931	45,837	105	49,803	116,676
As of December 31, 2023	20,867	42,534	94	51,716	115,211

- (a) 'Concessions and rights' include the rights to use the water from Lagunas de Huascacocha, which allows the Company to have a greater flow of water for the development of its electricity energy generation activities. The useful life is thirty (30) years.
- (b) Corresponds to the refund of the payment made for the rights to use the water releases from the Huascacocha reservoir that will not be provided by the supplier.
- (c) It mainly corresponds to information technology software, technological developers, among others.
- (d) The distribution of amortization was as follows:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Cost of energy generation	25	9,672	7,204	5,884
Administrative expenses	26	3,943	6,309	5,458
		13,615	13,513	11,342

- (e) As of December 31, 2023, 'additions' mainly corresponds to engineering studies of renewable energy projects and development and improvement of information technology software. As of December 31, 2022 and 2021, 'additions' mainly corresponds engineering studies of renewable energy projects and development and implementation of Energy Transformation software (Thermal and Renewable).
- (f) As of December 31, 2023, 'transfers' mainly corresponds to the development of Digitalization Projects at Santa Rosa Power Plant, Cybersecurity, and improvement of information technology software for S/ 6,951,000. As of December 31, 2022, 'transfers' mainly corresponds to the development of Digitalization Projects for Contract Management, Industrial Risks, and other software for S/ 10,908,000. As of December 31, 2021, 'transfers' mainly corresponds to the development of Digital Transformation Projects of Operations and Cybersecurity for S/ 12,707,000.
- (g) As of December 31, 2022, the impairment corresponds mainly to the write-off of projects that are not viable for execution for S/ 4,217,000.

Management has assessed the recoverable value of its intangible assets and no impairment losses have been identified for these assets as of December 31, 2023, 2022 and 2021.

16. Other Non-financial Assets

See accounting policies in note 5.Q.

As of December 31, 2023, 2022 and 2021, it corresponds to the accounting for the modification to the energy contracts resulting from the application of Resolution 216-2018-OS/CD, dated December 28, 2018, and Executive Order 022-2018-EM, dated September 5, 2018.

In accordance with Paragraph 21(a) of IFRS 15 'Revenue from Contracts with Customers,' the Company and Subsidiaries account for the modification to these contracts as if it were a termination of the existing contract and the creation of a new one. For these modifications, the revenue recognized under the original contract (the amount associated with the performance obligations completed) is not adjusted. The remaining portion of the original contract and the modification are accounted for prospectively, allocating the amount of the new contract to the performance obligations to be fulfilled, including those added in the modification.

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17. Other Financial Liabilities

This caption comprises:

See accounting policies in notes 5.C, 5.H, and 5.L.

<i>In thousands of soles</i>	Current portion (*)			Non-current portion			Total current debt as of		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Creditor									
Corporate bonds									
Third Program (a)	1,021	1,051	26,143	37,130	38,200	39,980	38,151	39,251	66,123
	1,021	1,051	26,143	37,130	38,200	39,980	38,151	39,251	66,123
Bank loans									
Banco de Crédito del Perú (f)	465,753	573,137	-	-	-	-	465,753	573,137	-
Banco Continental BBVA	-	-	184,601	-	-	-	-	-	184,601
Banco Europeo de Inversiones (b)	30,137	31,018	32,083	237,632	275,040	319,839	267,769	306,058	351,922
Banco Europeo de Inversiones (b)	19,192	18,332	16,744	133,668	152,800	175,912	152,860	171,132	192,656
Banco Europeo de Inversiones (c)	571	535	-	148,520	152,800	-	149,091	153,335	-
Banco Europeo de Inversiones (c)	149	140	-	37,130	38,200	-	37,279	38,340	-
Banco Interamericano de Desarrollo (d)	26,621	14,046	-	36,064	63,301	-	62,685	77,347	-
Banco Interamericano de Desarrollo (d)	279	191	-	14,852	15,280	-	15,131	15,471	-
Banco Interamericano de Desarrollo (d)	1,117	754	-	59,408	61,120	-	60,525	61,874	-
Banco Europeo de Inversiones (c)	6,234	-	-	237,632	-	-	243,866	-	-
Banco Europeo de Inversiones (c)	1,588	-	-	59,408	-	-	60,996	-	-
	551,641	638,153	233,428	964,314	758,541	495,751	1,515,955	1,396,694	729,179
Lease liabilities									
Lease liabilities	4,788	4,717	11,655	16,947	23,470	25,619	21,735	28,187	37,274
	4,788	4,717	11,655	16,947	23,470	25,619	21,735	28,187	37,274
Derivatives									
Exchange rate forwards	-	-	8,136	-	-	-	-	-	8,136
Interest rate swap	-	-	-	-	-	30,725	-	-	30,725
	-	-	8,136	-	-	30,725	-	-	38,861
	557,450	643,921	279,362	1,018,391	820,211	592,075	1,575,841	1,464,132	871,437

(*) Current portion of long-term liabilities includes the interest on accumulated and unpaid debt as of the date of the consolidated statement of financial position.

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(a) Debt per Corporate Bonds is composed as follows:

In thousands of soles	Origin currency	Amount issued	Issuance date	Annual interest (%)	Interest payment	Maturity date	Current portion (*)			Non-current portion			Total current debt as of		
							2023	2022	2021	2023	2022	2021	2023	2022	2021
Description of Corporate Bonds															
Bonds															
Third program of Corporate Bonds															
First issuance, Series A	S/	25,000,000	Jun. 2007	6.313	Biannual	Jun. 2022	-	-	25,044	-	-	-	-	-	25,044
Eighth issuance, Series A	US\$	10,000,000	Jan. 2008	6.344	Biannual	Jan. 2028	1,021	1,051	1,099	37,130	38,200	39,980	38,151	39,251	41,079
							1,021	1,051	26,143	37,130	38,200	39,980	38,151	39,251	66,123

(*) The current portion of the debt for Corporate Bonds includes accumulated and unpaid interest as the date of the consolidated statement of financial position.

(b) In November 2017, the Company and European Investment Bank came into a financing agreement for US\$ 150,000,000 for a fifteen-year term, including a three-year grace period with biannual amortizations at a LIBOR 6m plus margin.

The disbursement of funds was made in two parts:

- (i) In December 2017, a disbursement of US\$ 100,000,000, at a LIBOR a rate + 0.810%, maturing in December 2032. The repayment period started in December 2020.
- (ii) In July 2018, a disbursement of US\$ 50,000,000, at a LIBOR a rate + 0.734%, maturing in July 2033. The repayment period started in July 2021.

These funds were mainly used for the construction of Wary and Rubí energy and power plants, under operation.

In June 28, 2023, the Company and European Investment Bank signed an amendment letter to this agreement in which changed the LIBOR rate, due to its discontinuation, by a Term SOFR rate.

(c) In December 2021, the Company and European Investment Bank came into a financing agreement for US\$ 130,000,000 for a fifteen-year term, including a three-year grace period with biannual amortizations at a LIBOR 6m rate plus margin.

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In April 2022, the following disbursements were made:

- (i) A disbursement of US\$ 40,000,000, at a LIBOR a rate + 0.277%, maturing in December 2036.
- (ii) A disbursement of US\$ 10,000,000, at a LIBOR a rate + 0.53%, maturing in December 2036.

As of December 31, 2023, the following disbursements were made:

- (i) In February 2023, a disbursement of US\$ 64,000,000, at a SOFR 6m rate + 1.37426%, maturing in August 2036.
- (ii) In February 2023, a disbursement of US\$ 16,000,000, at a LIBOR a rate + 1.50126%, maturing in August 2036.

The main obligations upon the loan agreements are the following:

- (i) Change of control and its impact on the financial obligations of the Company shall be reported.
- (ii) Decrease in risk ratings of Enel S.p.A (the guarantor of liabilities and the impact on financial obligations of the Company) shall be reported.
- (iii) Loss of concession of the Company and the impact on its businesses shall be reported.
- (iv) The Company shall not have guarantees over 7.5% on its total assets.

In June 28th 2023, the Company and European Investment Bank signed an amendment letter to this agreement in which changed the LIBOR rate, due to its discontinuation, by a Term SOFR rate.

- (d) In December 2021, the Company and Inter-American Development Bank came into a financing agreement for US\$ 85,000,000 for a fifteen-year term, including a twenty-one-month grace period (average) and biannual amortizations at a SOFR 6m rate + margin.

In July 2022, three (3) disbursements with the following characteristic were made:

- (i) A disbursement of US\$ 20,000,000, at a SOFR 6m rate + 0.97%, maturing in March 2026.
- (ii) A disbursement of US\$ 4,000,000, at a SOFR 6m rate + 0.97%, maturing in September 2026.
- (iii) A disbursement of US\$ 16,000,000, at a SOFR 6m rate + 0.97%, maturing in September 2031.

The main liabilities upon the loan agreements are the following:

- (i) Change of control and its impact on the financial obligations of the Company shall be reported.
- (ii) Decrease in risk ratings of Enel S.p.A (the guarantor of liabilities and the impact on financial obligations of the Company) shall be reported.
- (iii) Loss of concession of the Company and the impact on its businesses shall be reported.
- (e) As of December 31, 2023, 2022 and, the main obligation of the Company during the effective term of the issued bonds in the framework of its Third and Fourth Program of Corporate Bonds is to keep a debt ratio not higher than 1.5. This debt ratio is calculated as the ratio of consolidated financial debt (net of cash up to US\$ 50,000,000) to equity. In June 2022, the Company cancelled the bond for S/ 25,000,000 corresponding to the Third Program, First Issuance, Series A.

In Management's opinion, this obligation does not limit or affect the Company's operations and the debt ratio is being satisfactorily met.

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(f) In 2023, 2022 and 2021, the Company obtained and amortized loans with the following banks:

Bank loans – 2023		Obtainment of loans			Loan amortization		
Bank	Start date	Rate %	Thousands of US dollars	Thousands of soles	Payment date	Thousands of US dollars	Thousands of soles
Banco Europeo de Inversiones	Dec. 2017	LIBOR a + 0.810%	-	-	Jun. 2023	4,000	14,532
Banco Europeo de Inversiones	Dec. 2017	LIBOR a + 0.810%	-	-	Dec. 2023	4,000	14,852
Banco Europeo de Inversiones	Jul. 2018	LIBOR a + 0.734%	-	-	Jan. 2023	2,000	7,702
Banco Europeo de Inversiones	Feb. 2023	SOFR 6m + 1.37426%	64,000	243,840	Aug. 2036	-	-
Banco Europeo de Inversiones	Feb. 2023	SOFR 6m + 1.50126%	16,000	60,960	Aug. 2036	-	-
Banco Interamericano de Desarrollo	Jul. 2022	SOFR 6m + 0.97%	-	-	Sep. 2023	3,429	13,020
Banco de Crédito del Perú	Jul. 2022	3.37%	-	-	Jul. 2023	150,000	542,100
Banco de Crédito del Perú	Jul. 2023	6.34%	125,000	451,750	Jul. 2024	-	-
Scotiabank	Jan. 2023	5.07%	8,000	30,808	Feb. 2023	8,000	30,480
Scotiabank	Apr. 2023	5.68%	16,000	59,504	Apr. 2023	16,000	59,504
BBVA	May 2023	6.68%	30,000	110,460	May 2023	30,000	110,460
Scotiabank	May 2023	5.81%	16,000	58,912	Jun. 2023	16,000	58,128
Banco de Crédito del Perú	Jun. 2023	6.70%	10,000	36,330	Jun. 2023	10,000	36,330
Banco de Crédito del Perú	Jul. 2023	6.70%	10,000	36,140	Aug. 2023	10,000	36,990
BBVA	Jul. 2023	7.11%	24,000	86,736	Sep. 2023	24,000	89,952
Banco de Crédito del Perú	Aug. 2023	6.79%	20,000	73,980	Aug. 2023	20,000	73,980
Banco de Crédito del Perú	Sep. 2023	6.81%	20,000	75,940	Sep. 2023	20,000	75,940
BBVA	Sep. 2023	7.13%	12,000	45,564	Sep. 2023	12,000	45,564
			371,000	1,370,924		329,429	1,209,534

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Bank loans - 2022		Obtainment of loans			Loan amortization		
Bank	Start date	Rate %	Thousands of US dollars	Thousands of soles	Payment date	Thousands of US dollars	Thousands of soles
Banco Europeo de Inversiones	Dec. 2017	LIBOR a + 0.810%	-	-	Jun. 2022	4,000	15,320
Banco Europeo de Inversiones	Dec. 2017	LIBOR a + 0.810%	-	-	Dec. 2022	4,000	15,280
Banco Europeo de Inversiones	Jul. 2018	LIBOR a + 0.734%	-	-	Jan. 2022	2,000	7,692
Banco Europeo de Inversiones	Jul. 2018	LIBOR a + 0.734%	-	-	Jul. 2022	2,000	7,850
Banco Europeo de Inversiones	Apr. 2022	LIBOR a + 0.277%	40,000	153,520	Dec. 2036	-	-
Banco Europeo de Inversiones	Apr. 2022	LIBOR a + 0.53%	10,000	38,380	Dec. 2036	-	-
Banco Interamericano de Desarrollo	Jul. 2022	SOFR 6m + 0.97%	20,000	78,500	Mar. 2026	-	-
Banco Interamericano de Desarrollo	Jul. 2022	SOFR 6m + 0.97%	4,000	15,700	Sep. 2026	-	-
Banco Interamericano de Desarrollo	Jul. 2022	SOFR 6m + 0.97%	16,000	62,800	Sep. 2031	-	-
Banco de Crédito del Perú	Jul. 2022	3.37%	150,000	588,750	Jul. 2023	-	-
BBVA	Aug. 2021	-	-	-	Aug. 2022	46,000	176,962
Scotiabank	Aug. 2022	3.08%	8,000	30,776	Sep. 2022	8,000	31,872
Scotiabank	Aug. 2022	3.08%	8,000	30,776	Sep. 2022	8,000	31,872
BBVA	Aug. 2022	4.28%	30,000	115,410	Sep. and Nov. 2022	30,000	117,700
Scotiabank	Sep. 2022	3.52%	8,000	31,872	Oct. 2022	8,000	31,944
Scotiabank	Sep. 2022	3.52%	8,000	31,872	Oct. 2022	8,000	31,944
Scotiabank	Oct. 2022	3.41%	8,000	31,944	Nov. 2022	8,000	30,832
Scotiabank	Oct. 2022	3.41%	8,000	31,944	Nov. 2022	8,000	30,832
BBVA	Nov. 2022	5.98%	37,000	142,598	Dec. 2022	37,000	141,340
Scotiabank	Nov. 2022	4.59%	8,000	30,832	Dec. 2022	8,000	30,560
			363,000	1,415,674		181,000	702,000

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Bank loans - 2021		Obtainment of loans			Loan amortization		
Bank	Start date	Rate %	Thousands of US dollars	Thousands of soles	Payment date	Thousands of US dollars	Thousands of soles
Banco Europeo de Inversiones	Dic. 2017	LIBOR a + 0.810%	-	-	Jun. 2021	4,000	15,464
Banco Europeo de Inversiones	Dic. 2017	LIBOR a + 0.810%	-	-	Dic. 2021	4,000	15,992
Banco Europeo de Inversiones	Jul. 2018	LIBOR a + 0.734%	-	-	Jul. 2021	2,000	8,088
Scotiabank	Jul. 2021	0.789%	8,000	32,352	Ago. 2021	8,000	32,688
Scotiabank	Jul. 2021	0.789%	8,000	32,352	Ago. 2021	8,000	32,688
BBVA	Jul. 2021	1.590%	30,000	121,320	Ago. 2021	30,000	122,580
BBVA	Ago. 2021	0.880%	46,000	187,956	Vigente	-	-
Scotiabank	Sep. 2021	0.784%	8,000	33,088	Sep. 2021	8,000	33,088
Scotiabank	Sep. 2021	0.784%	8,000	33,088	Sep. 2021	8,000	33,088
Scotiabank	Nov. 2021	0.790%	8,000	32,528	Nov. 2021	8,000	32,528
Scotiabank	Nov.2021	0.790%	8,000	32,528	Nov.2021	8,000	32,528
			124,000	505,212		80,000	326,204

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- (g) In July 2023, the Company and Banco de Crédito del Perú came into a short-term loan agreement for US\$ 125,000,000 (equivalent to S/ 451,750,000), maturing in July 2024, at a floating rate of SOFR 3M + 0.93, for working capital.

In July 2022, the Company and Banco de Crédito del Perú came into a short-term loan agreement for US\$ 150,000,000 (equivalent to S/ 588,750,000), maturing in July 2023, at a floating rate of SOFR 3M + 1.07, for working capital.

The current value of future minimum payments for lease liabilities is as follows:

<i>In thousands of soles</i>	2023
Up to 1 year	5,320
From 2 to 6 years	18,290
Total amount payable including financial charges	23,610
Less - Financial charges applicable to profit or loss of future fiscal years	(1,875)
Current value	21,735

<i>In thousands of soles</i>	2022
Up to 1 year	4,720
From 2 to 6 years	24,941
Total amount payable including financial charges	29,661
Less - Financial charges applicable to profit or loss of future fiscal years	(1,474)
Current value	28,187

<i>In thousands of soles</i>	2021
Up to 1 year	11,658
From 2 to 6 years	28,060
Total amount payable including financial charges	39,718
Less - Financial charges applicable to profit or loss of future fiscal years	(2,444)
Current value	37,274

- (h) As of December 31, 2023, 2022 and 2021, the amortization schedule of the non-current portion of long-term debt is as follows:

<i>In thousands of soles</i>	2023	2022	2021
2023	-	-	48,176
2024	-	76,474	47,847
2025 and over	1,018,391	743,737	465,328
Final balances	1,018,391	820,211	561,351

- (i) Debt used for hedging
As of December 31, 2023, the Company's debt in US dollars amounting to US\$ 403,571,000 (equivalent to S/ 1,498,459,000) is related to the future cash flows hedge from the Company's business revenue related to the US dollar. As of December 31, 2022, the amount of debt in US dollar amounted to US\$ 160,298,000 (equivalent to S/ 612,338,000). As of December 31, 2021, the amount of debt in US dollar amounted to US\$ 10,411,000 (equivalent to S/ 41,623,000).

The exchange difference resulting from this debt, net of its tax effect, is recorded in the consolidated statement of changes in equity under 'Cash flow hedges.'

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Find below a reconciliation of the hedging reserve in the consolidated statement of other comprehensive income, net of taxes, resulting from the cash flows hedge accounting for foreign exchange risk with non-derivative financial instruments:

<i>In thousands of soles</i>	2023	2022	2021
Cash flow hedge reserve			
Initial balance	(10,038)	(46,590)	(50,618)
Effective portion of changes in fair value	(6,996)	22,480	(6,451)
Amount reclassified to 'Sale of energy and power' of the consolidated statement of profit or loss	13,248	14,072	10,479
Final balance	(3,786)	(10,038)	(46,590)
Deferred income tax			
Initial balance	2,962	13,745	14,933
Movement for the year	(1,844)	(10,783)	(1,188)
Final balance	1,118	2,962	13,745
Balance of net change reserves for cash flow hedges at the end of the period	(2,668)	(7,076)	(32,845)

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(j) Reconciliation of changes in liabilities with cash flows from financing activities:

<i>In thousands of soles</i>	Financial liabilities	Lease liabilities	Loans from related entities	Accumulated results	Non - controlling	Total
Balance as of January 1, 2023	1,435,945	28,187	-	102,861	79,432	1,646,425
Changes in cash flows from financing activities						
Cash received for banks loans	1,370,924	-	-	-	-	1,370,924
Cash received for loans to related entities	-	-	93,000	-	-	93,000
Other cash proceeds (payments) from financing activities	16,498	-	-	-	-	16,498
Payments						
Cash paid for bank loans	(1,209,534)	-	-	-	-	(1,209,534)
Cash paid for loans to related entities	-	-	(93,000)	-	-	(93,000)
Cash paid for loans to lease liabilities	-	(7,551)	-	-	-	(7,551)
Payment of dividends	-	-	-	(647,020)	-	(647,020)
Payment of dividends (non-controlling interests)	-	-	-	-	(18,099)	(18,099)
Paid interest	(116,186)	-	-	-	-	(116,186)
Cash paid of bonds	-	-	-	-	-	-
Total changes from financing cash flows	61,702	(7,551)	-	(647,020)	(18,099)	(610,968)
Total profit for the period	-	-	-	797,432	16,901	814,333
Transactions that do not represent cash flow and cash equivalents	56,459	1,099	-	(140,163)	409	(82,196)
Total changes in financing cash flows as of December 31, 2023	1,554,106	21,735	-	113,110	78,643	1,767,594

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<i>In thousands of soles</i>	Financial liabilities	Lease liabilities	Loans from related entities	Additional/ Reduced allocated capital	Accumulated results	Non - Controlling	Total
Balance as of January 1, 2022	795,304	37,272	24,398		156,144	81,165	1,094,283
Changes in cash flows from financing activities							
Cash received for banks loans	1,415,674	-	-	-	-	-	1,415,674
Cash received for loans to related entities	-	-	67,010	-	-	-	67,010
Capital increase	-	-	-	318,160	-	-	318,160
Payments							
Cash paid for bank loans	(702,000)	-	-	-	-	-	(702,000)
Cash paid for loans to related entities	-	-	(91,408)	-	-	-	(91,408)
Cash paid for loans to lease liabilities	-	(15,265)	-	-	-	-	(15,265)
Payment of dividends	-	-	-	-	(652,682)	-	(652,682)
Payment of dividends (non-controlling interests)	-	-	-	-	-	(22,388)	(22,388)
Paid interest	(45,657)	-	-	-	-	-	(45,657)
Cash paid of bonds	(25,000)	-	-	-	-	-	(25,000)
Accounts payable to shareholders	-	-	-	(570,000)	-	-	(570,000)
Other cash proceeds (payments) from financing activities	(772)	-	-	-	-	-	(772)
Total changes from financing cash flows	642,245	(15,265)	(24,398)	(251,840)	(652,682)	(22,388)	(324,328)
Total profit for the period					788,825	20,220	809,045
Transactions that do not represent cash flow and cash equivalents	(1,604)	6,180	-	251,840	(189,426)	435	67,425
Total changes in financing cash flows as of December 31, 2022	1,435,945	28,187	-	-	102,861	79,432	1,646,425

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<i>In thousands of soles</i>	Financial liabilities	Lease liabilities	Loans from related entities	Additional/ Reduced allocated capital	Accumulated results	Non-Controlling	Total
Balance as of January 1, 2021	592,333	100,874	-	-	176,242	77,377	869,449
Changes in cash flows from financing activities							
Cash received for banks loans	505,212	-	-	-	-	-	505,212
Cash received for loans to related entities	-	-	46,988	-	-	-	46,988
Increase in capital	-	-	-	-	-	-	-
Payments							
Cash paid for bank loans	(358,732)	-	-	-	-	-	(358,732)
Cash paid for loans to related entities	-	-	(23,000)	-	-	-	(23,000)
Cash paid for loans to lease liabilities	-	(31,651)	-	-	-	-	(31,651)
Payment of dividends	-	-	-	-	(601,224)	-	(601,224)
Payment of dividends (non-controlling interests)	-	-	-	-	-	(15,211)	(15,211)
Paid interest	(22,982)	-	-	-	-	-	(22,982)
Accounts payable to shareholders	-	-	-	(390,000)	-	-	(390,000)
Other cash payments related to financing activities	(7,884)	-	-	-	-	-	(7,884)
Total changes from financing cash flows	115,614	(31,651)	23,988	(390,000)	(601,224)	(15,211)	(898,484)
Total profit for the period					500,433	18,678	519,111
Transactions that do not represent cash flow and cash equivalents	126,216	(31,949)	410	390,000	80,693	321	565,691
Total changes in financing cash flows as of December 31, 2021	834,163	37,274	24,398	-	156,144	81,165	1,055,767

- (k) The carrying amounts of lease liabilities and movements during the period are detailed below:

<i>In thousands of soles</i>	2023	2022	2021
Balance as of January 1	28,187	37,223	52,029
Additions	480	5,828	12,963
Accrued interest	702	869	829
Payment of lease liabilities	(7,551)	(15,265)	(31,651)
Exchange difference	(83)	(468)	3,104
	21,735	28,187	37,274
Current	4,788	4,717	11,655
Non-current	16,947	23,470	25,619
	21,735	28,187	37,274

18. Trade Accounts Payable

See accounting policies in note 5.C.

This caption comprises:

<i>In thousands of soles</i>	2023	2022	2022
Suppliers of works in progress	136,867	353,481	184,779
Provisions for energy and power (b)	77,773	113,630	69,464
Provisions for gas supply, transportation, and distribution (c)	38,679	50,488	31,953
Power plant maintenance agreements	15,227	3,096	12,827
Others	87,166	41,306	49,378
	355,712	562,001	348,401

- (a) Trade accounts payable are mainly denominated in soles, have current maturity, do not bear interest, and have no specific collaterals.
- (b) As of December 31, 2023, 2022 and 2021, provisions for energy and power relate to purchases from suppliers in December 2023, 2022 and 2021, whose invoices were received mainly in January 2024, 2023 and 2022, respectively.
- (c) As of December 31, 2023, 2022 and 2021, provisions for gas supply, transportation, and distribution relate to the purchases from suppliers in December 2023, 2022 and 2021, whose invoices were received mainly in January 2024, 2023 and 2022, respectively.

19. Other Accounts Payable

See accounting policies in note 5.C and 5.P

This caption comprises:

<i>In thousand of soles</i>	2023		2022		2021	
	Current	Non-current	Current	Non-current	Current	Non-current
Accounts payable for early collection COES (b)	173,281	-	49,885	-	-	-
Collections by third parties to be settled	121,342	-	-	-	-	-
Employees' profit sharing	33,100	-	27,712	-	14,385	-
Electricity social compensation fund	15,382	-	5,121	-	-	-
Energy social inclusion fund	11,492	-	7,956	-	6,482	-
Remunerations and other benefits payable	6,415	-	6,418	-	5,995	-
Contributions to regulating bodies	4,382	-	7,973	-	6,853	-
Exceptional voluntary retirement program (c)	2,995	-	5,299	-	6,237	-
Taxes	1,016	-	3,940	-	6,046	-
Derivative financial instrument	-	-	-	-	11,230	-
Seniority bonus granted employees (d)	-	6,704	-	5,300	-	5,606
Others	4,582	-	6,415	-	515	67
	373,987	6,704	120,719	5,300	57,743	5,673

- (a) Accounts payable are mainly denominated in soles and do not bear interest.
- (b) It corresponds to the excess payment made by the COES as a result of the application of higher marginal costs as of December 2023 and 2022 on the income from contracts with the Peruvian State (note 3.A.i), which will be settled in 2024 tariff period.
- (c) The amount corresponds to the provision for the Exceptional Voluntary Retirement Program presented by the Company to all personnel hired for an indefinite term, with the objective of motivating the generational renewal of the Company, offering an economic incentive plan based on the age, salary, and time of service of the employee.
- (d) The Company has an agreement to grant employees an extraordinary bonus for time of service when the employee accumulates a period equivalent to five (5) years of effective work.

20. Deferred Income

See accounting policies in note 5.Q.

As of December 31, 2023, 2022 and 2021, the balance corresponds to the non-accrued portion of the invoices made by the Company for the service to use part of the water facilities owned by the Company, which has an effective term of thirty (30) years.

The accrued income amounted to S/ 3,289,000 in 2023, 2022 and 2021; it was recognized in 'Other income' (note 28).

21. Other Provisions

See accounting policies in notes 5.K, 5.N and 5.O.

This caption comprises:

<i>In thousands of soles</i>	2023	2022	2021
Decommissioning of power plants (a)	109,803	115,866	202,016
Contingencies (b)	8,791	9,072	10,271
	118,594	124,938	212,287
By maturity			
Current portion	8,791	9,072	10,271
Non-current portion	109,803	115,866	202,016
	118,594	124,938	212,287

- (a) The decommissioning costs corresponds to the projected expenses related with the safe removal and deactivation of infrastructure and equipment at the end of its useful life of the power plants operated by the Company. As of December 31, 2023, 2022 and 2021, the Company updated the decommissioning costs, due to the significant variation in the macro-economic variables used to determine the provision.
- (b) The movement in the provision for tax, labor and legal contingencies as of December 31, 2023, 2022 and 2021 is shown below:

<i>In thousands of soles</i>	Initial balances	Addition	Reversal	Payments	Final balances
As of December 31, 2023					
Tax contingencies (b.1)	6,139	208	(723)	-	5,624
Labor contingencies (b.2)	2,897	42	-	-	2,939
Legal contingencies (b.3)	36	200	-	(8)	228
	9,072	450	(723)	(8)	8,791
As of December 31, 2022					
Tax contingencies (b.1)	5,906	233	-	-	6,139
Labor contingencies (b.2)	4,073	-	(1,163)	(13)	2,897
Legal contingencies (b.3)	292	47	(292)	(11)	36
	10,271	280	(1,455)	(24)	9,072
As of December 31, 2021					
Tax contingencies (b.1)	7,921	221	(2,236)	-	5,906
Labor contingencies (b.2)	2,785	1,345	(57)	-	4,073
Legal contingencies (b.3)	165,812	13,154	(23,525)	(155,149)	292
	176,518	14,720	(25,818)	(155,149)	10,271

- (b.1) Tax contingencies primarily include claims from municipal governments related to property tax amounting to S/ 3,336 (S/ 3,228 in 2022 and S/ 3,120 in 2021) and litigations with the tax authority amounting to S/ 2,288 (S/ 2,911 in 2022 and S/2,786 in 2021) which include tax, penalties, and interest).
- (b.2) Labor contingencies mainly include civil and administrative processes with former personnel.
- (b.3) Legal contingencies mainly include compensation for administrative process with regulatory entities.

The amounts recognized correspond to provisions made by the Company in accordance with the

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accounting policy described in the footnote 5.K, 5.N and 5.O, are based on its best estimate of the disbursement that would be required to settle obligations as of the date of the consolidated statement of financial position. Management and its internal and external legal advisors consider that the provisions recognized are sufficient to cover the risks that affect the Company's business as of December 31, 2023, 2022 and 2021.

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Nota a los Estados Financieros Consolidados

31 de diciembre de 2023 y de 2022

22. Deferred Income Tax Liabilities

See accounting policies in note 5.M.

The movement in deferred income tax and details of the temporary differences giving rise to it are as follows:

	Credit to				Credit to				Credit to			
	(debit from) the	Debit from			(debit from) the	Debit from			(debit from) the	Debit from		
	consolidated	the consolidated		As of December	consolidated	the consolidated		As of December	consolidated	the consolidated		As of December
<i>In thousands of soles</i>	statement of	statement of	Exchange	31,	statement of	statement of	Exchange	31,	statement of	statement of	Exchange	31,
	January 1, 2021	profit or loss	difference	2021	profit or loss	hanges in equity	difference	2022	profit or loss	hanges in equity	difference	2023
Assets												
Provision for inventory obsolescence	2,255	-	-	2,255	(37)	-	-	2,218	19	-	-	2,237
Other assets	7,215	(507)	-	7,428	(7,428)	-	-	-	-	-	-	-
Cash flow hedge	-	-	1,719	1,803	-	(1,803)	-	-	-	-	-	-
Provision for decommissioning of power												
plants	19,904	34,603	-	54,507	(22,911)	-	-	31,596	796	-	-	32,392
Other provisions	27,564	2,947	-	30,511	14,072	-	-	44,583	(3,349)	-	-	41,234
Liabilities												
Difference in depreciation rates	(748,172)	(61,680)	-	(830,503)	34,694	-	6,143	(789,666)	34,997	-	5,476	(749,193)
Cash flow hedge	(540)	(1,805)	1,856	-	15,350	(15,985)	-	(635)	1,141	(672)	-	(166)
Other non-financial assets	(14,901)	(64,131)	-	(78,188)	(14,244)	-	-	(92,432)	9,444	-	-	(82,988)
Deferred liabilities, net	(706,675)	(90,573)	3,575	(812,187)	19,496	(17,788)	6,143	(804,336)	43,048	(672)	5,476	(756,484)

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23. Equity*See accounting policies in notes 5.S, 5.T, and 5.U.***A. Issued share capital**

As of December 31, 2023, the issued share capital of the Company is represented by 3,134,886,677 voting common shares – fully subscribed and paid – with a nominal value of S/ 1.00 each. As of December 31, 2022, the issued share capital of the Company was represented by 1,747,842,348 voting common shares – fully subscribed and paid – with a nominal value of S/ 0.88 each. All shares confer equal rights and obligations to the respective holders.

As of December 31, 2023, 2022 and 2021, the interest structure in the capital of the Company is as follows:

	2023		2022		2021	
	Number of shares (thousands)	Total interest (%)	Number of shares (thousands)	Total interest (%)	Number of shares (thousands)	Total interest (%)
<i>In thousands of soles</i>						
Enel Perú S.A.C.	2,084,498	66.49	1,461,144	83.60	2,002,625	83.60
Enel Américas S.A.	641,378	20.46	-	-	-	-
AFP Integra S.A.	130,495	4.16	91,734	5.25	108,960	4.55
AFP Prima S.A. – Funds 1, 2, and 3	117,283	3.74	82,299	4.71	149,602	6.24
Other shareholders	161,233	5.15	112,665	6.44	134,383	5.61
	3,134,887	100.00	1,747,842	100.00	2,395,570	100.00

The share value as of December 31, 2023 was S/ 2.29 and 257 monthly transactions were traded on average (as of December 31, 2022, the share value was S/ 3.60 and 283 monthly transactions were traded on average and as of December 31, 2021, the share value was S/ 2.07 and 117 monthly transactions were traded on average).

i. Corporate Reorganization

As indicated in note 1.B, the Company merged with its related entities EGP, Egepisa, and Egelmarsa. This merger came into effect on August 1, 2023. As a result of this merger, the issued share capital of the Company was increased by S/ 1,291,373,506.76 and the nominal value of the shares was changed from S/ 0.88 to S/ 1.00 each. Therefore, at the effective time of the merger, the number of issued shares of the Company increased in 1,081,632,425 and consequently, the issued share capital of the Company consisted of 2,829,474,773 shares with a face value of S/. 1.00 each.

ii. Capital reduction

On March 25, 2022, the Annual Mandatory General Shareholders' Meeting decided to reduce the share capital by S/ 570,000,000 through return of contributions. The issued share capital was reduced from S/ 2,108,101,266 to S/ 1,538,101,266. The number of shares was reduced from 2,395,569,621 to 1,747,842,348 and was maintained at a nominal value of S/ 0.88. This reduction became effective on June 20, 2022, after the corresponding publication deadlines established by the General Companies Act expired.

On March 26, 2021, the Annual Mandatory General Shareholders' Meeting decided to reduce the share capital by S/ 390,000,000 through return of contributions. The issued share capital was reduced from S/ 2,498,101,267.20 to S/ 2,108,101,266.48. The number of shares was reduced from 2,838,751,440 to 2,395,569,621 and was maintained at a nominal value of S/ 0.88.

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iii. Capital increase

On October 2, 2023, the General Shareholders' Meeting approved to increase the share capital by partial capitalization of the legal reserve in the amount of S/ 305,411,904. The issued share capital increased from S/ 2,829,474,773 to S/ 3,134,886,677. The number of shares increased from 2,829,474,773 to 3,134,886,667.

On October 17, 2022, the General Shareholders' Meeting agreed to approve the share capital increase of US\$ 80,000,000 (equivalent to S/ 318,160,000 shares), whose monetary contribution was made on October 6, 2022.

iv. Calculation of outstanding equivalent shares:

As indicated in note 1B 'Corporate Reorganization,' the Company merged with its related entities Enel Green Power Peru S.A.C., EGEPISAC, and EGELMARSA on August 1, 2023. The merger was carried out among companies under common control and was registered using the 'Unification of Interest' method. The consolidated financial statements for comparative purposes were prepared assuming that EGP, EGELMARSA, and EGEPISAC were merged in every fiscal year presented; consequently, the calculation of the equivalent shares (for comparative purposes) is presented as if the merger had taken place on January 1, 2021, considering a nominal value of the shares of S/ 1.00 each.

	Number of shares	Outstanding period	Equivalent
Shares as of 12.31.2022	2,829,474,773	360 days	2,829,474,773
Increase - October 2023	305,411,904	90 days	76,352,976
Shares as of 12.31.2023	3,134,886,677		2,905,827,749

	Number of shares	Outstanding period	Equivalent
Shares as of 12.31.2021	3,081,314,773	360 days	3,081,314,773
Reduction - March 2022	(570,000,000)	270 days	(427,500,000)
Increase - October 2022	318,160,000	90 days	79,540,000
Shares as of 12.31.2022	2,829,474,773		2,733,354,773

	Number of shares	Outstanding period	Equivalent
Shares as of 01.01.2021	3,524,496,592	360 days	3,524,496,592
Reduction - 2021	(443,181,819)	270 days	(332,386,364)
Shares as of 12.31.2021	3,081,314,773		3,192,110,228

B. Declared and paid dividends

Dividends declared and paid in 2023, 2022 and 2021 are shown below:

<i>In thousands of soles</i>	Type of dividend	Date of agreement	Declared dividends	Dividend per share
Dividends - 2023				
Annual Mandatory General Shareholders' Meeting	Final - 2022 fiscal year	March 28	141,712	0.081078
Board of Directors' Meeting	On account - 2023 fiscal year	April 25	181,986	0.104120
Board of Directors' Meeting	On account - 2023 fiscal year	August 29	147,433	0.052106
Board of Directors' Meeting	On account - 2023 fiscal year	October 30	175,889	0.062163
			647,020	

Dividends - 2022

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<i>In thousands of soles</i>	Type of dividend	Date of agreement	Declared dividends	Dividend per share
Annual Mandatory General Shareholders' Meeting	Final - 2021 fiscal year	March 25	100,516	0.041959
Board of Directors' Meeting	On account - 2022 fiscal year	April 26	188,579	0.078720
Board of Directors' Meeting	On account - 2022 fiscal year	July 26	176,890	0.101205
Board of Directors' Meeting	On account - 2022 fiscal year	October 26	186,697	0.106816
			652,682	
Dividends - 2021				
Annual Mandatory General Shareholders' Meeting	Final - 2020 fiscal year	March 26	185,402	0.065311
Board of Directors' Meeting	On account - 2021 fiscal year	April 29	145,063	0.051101
Board of Directors' Meeting	On account - 2021 fiscal year	July 27	137,390	0.048398
Board of Directors' Meeting	On account - 2021 fiscal year	October 26	133,369	0.055673
			601,224	

Dividends distributed in 2023 were paid in April, May, September, and November 2023. In 2022 and 2021 they were paid in April, May, August, and November 2023 and 2022, respectively.

C. Legal reserve

According to the Business Companies Act, the Company is required to allocate at least 10% of its annual net profit to a legal reserve. This allocation is required until the reserve equals 20% of paid-in capital. The legal reserve may be applied to offset losses or may be capitalized.

At the Annual Mandatory General Shareholders' Meeting, held on March 28, 2023, it was approved to allocate the necessary amount of the statutory profit for the period 2022 to reach the limit of the Legal Reserve equivalent to 20% of the share capital. This amount was S/ 21,516,000. At the General Shareholders' Meeting, held on October 2, 2023, the partial capitalization of the legal reserve in the amount of S/ 305,411,904 was approved.

At the Annual Mandatory General Shareholders' Meeting, held on March 25, 2022, it was approved to allocate 10% of the available profit for the fiscal year 2021 amounting to S/ 57,371,000 to increase the legal reserve.

At the Annual Mandatory General Shareholders' Meeting, held on March 26, 2021, it was approved to allocate 10% of the available profit for the fiscal year 2021 amounting to S/ 46,160,000 to increase the legal reserve.

24. Revenue from Energy and Power Generation

See accounting policies in note 5.Q.

A. Revenue flows

The Company and Subsidiaries generate flows from their activities distributed among their performance obligations.

<i>In thousands of soles</i>	2023	2022	2021
Revenue from ordinary activities	2,622,561	2,375,074	1,936,805
	2,622,561	2,375,074	1,936,805

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B. Disaggregation of revenue from ordinary activities

The Company and Subsidiaries have defined a single reportable segment which is energy and power generation. All of the Company and subsidiaries' revenue is derived from customers that are geographically located in Peru. Also, all non-current assets of the Company and Subsidiaries are located in Peru.

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Sale of energy and power				
Third parties		1,883,426	1,625,392	1,359,088
Related entities	9.C	692,502	670,095	500,024
Compensations				
Third parties		43,051	93,838	98,298
Related entities	9.C	2,234	2,261	974
Other revenue (expenses)		1,348	(16,512)	(21,579)
		2,622,561	2,375,074	1,936,805

During 2023, 2022 and 2021, customers that represent more than 60% of the Company and Subsidiaries' total revenues were:

<i>In thousands of soles</i>	2023	2022	2021
Enel Distribución Perú S.A.A.	766,754	722,636	495,663
Luz del Sur S.A.A.	368,180	348,542	267,047
Minera Las Bambas S.A.	331,200	262,024	216,882
Minera Chinalco Perú S.A.	235,049	236,613	212,142
Empresa Siderúrgica del Perú S.A.A.	54,001	57,037	60,282
	1,755,184	1,626,852	1,252,016

C. Energy delivered not invoiced

The following table contains information on assets from contracts with customers:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Accounts receivable included in 'Trade accounts receivable'	8	210,458	230,120	170,699

25. Cost of Energy Generation

See accounting policies in note 5.R.

This caption comprises:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Natural gas supply, transportation, and distribution		609,812	478,348	382,836
Purchase of energy		297,933	276,641	151,189
Depreciation	14(a)	181,451	182,310	188,058
Personnel expenses	27(a)	101,424	90,950	75,928
Services provided by third parties		86,905	89,864	84,356
Tolls and charges		-	14,353	-
Various management charges and others		42,953	42,480	47,039
Canon of water taxation and electricity sector taxes		39,718	33,255	27,728
Consumption of various supplies		20,900	16,806	13,906
Impairment of property, plant, and equipment	14(e)	15,072	13,604	5,767
Amortization	15(d)	9,672	7,204	5,884
Taxes		7,556	7,626	4,679
Oil consumption		39,122	1,565	1,819
Personnel expenses directly related to works in progress	14(f)	(11,535)	(10,262)	(4,750)
		1,440,983	1,244,744	984,439

26. Administrative Expenses

See accounting policies in note 5.R.

This caption comprises:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Services provided by third parties		45,462	44,497	46,076
Personnel expenses	27(a)	40,619	31,907	28,551
Taxes		6,431	1,232	2,012
Depreciation	14(a)	5,060	5,076	3,431
Amortization	15(d)	3,943	6,309	5,458
Various management charges and others		3,361	3,171	6,328
(Recovery) estimate of expected credit loss third parties	8(e)	(61)	499	160
Estimate of expected credit loss related parties	(a)	-	-	20,352
Others		2,219	5,005	243
		107,034	97,696	112,611

(a) In 2021 comprises the expected credit loss from the related parties Energética Monzon.

27. Personnel Expenses

See accounting policies in note 5.R.

This caption comprises:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Remunerations		60,149	49,716	43,880
Employees' profit sharing		55,996	49,229	33,848
Social security contributions		11,927	6,800	5,755
Vacations		5,396	4,272	3,269
Personnel expenses directly related to works in progress	14(f)	(11,535)	(10,262)	(4,750)
Others		8,575	12,840	17,754
		130,508	112,595	99,756

(a) Personnel expenses are distributed as follows:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Cost of energy generation	25	101,424	90,950	75,928
Administrative expenses	26	40,619	31,907	28,551
Personnel expenses directly related to works in progress	14(g)	(11,535)	(10,262)	(4,723)
		130,508	112,595	99,756

28. Other Income

See accounting policies in note 5.Q.

This caption comprises:

<i>In thousands of</i>	<i>Note</i>	2023	2022	2021
Administration and operation services provided to related entities	9.C	20,617	19,067	16,742
Fines to suppliers		4,023	-	-
Consideration for the use of water facilities	20	3,289	3,289	3,289
Compensation for material damage and loss of profit		2,562	12,020	3,980
Sale of waste		284	-	-
Out-of-court settlement with suppliers (a)		139	23,450	23,754
Others		6,881	4,446	2,637
		37,795	62,272	50,402

(a) It refers to an out-of-court settlement with a supplier of the Company.

29. Finance Income and Costs

See accounting policies in note 5.Q and 5.S.

This caption comprises:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Finance income				
Exchange difference, net	6.A.ii	58,077	45,226	-
Interest on bank deposits		22,143	9,865	2,889
Profit or loss for derivative financial instruments		6,482	-	-
Decommissioning update		-	-	3,899
Interest on loans to related entities	9.C	3,509	6,017	3,211
Late payment interest		-	-	2,223
Interest on tax refund		-	22,598	1,729
Other finance income		3,772	168	108
		93,983	83,874	14,059
Finance costs				
Exchange difference, net	6.A.ii	-	-	52,469
Interest on bank loans		100,127	35,917	5,534
Collateral commissions		5,895	9,049	-
Interest on bonds		2,409	3,288	4,104
Decommissioning update		2,277	13,306	-
Interest on loans to related entities	9.C.	260	276	67
Provisions and contingencies update		208	232	407
Interest capitalization	14(g)	(36,932)	(6,284)	(108)
Profit or loss for derivative financial instruments		-	6,168	10,835
Debt structure		-	3,819	-
Others		3,926	4,870	9,222
		78,170	70,641	82,530

30. Tax Situation

See accounting policies in note 5.M.

Tax rates

- A. The Company and Subsidiaries are subject to Peruvian tax regime. As of December 31, 2023, 2022 and 2021, the corporate income tax rate is calculated on the basis of the net taxable income determined by the Company and Subsidiaries at a rate of 29.5%.

For fiscal years 2023, 2022 and 2021, the income tax rate applicable to dividend distribution and any other form of profit distribution applicable to legal entities not domiciled in Peru and individuals is 5%.

Income tax calculation

- B. In calculating its taxable base for the years ended December 31, 2023, 2022 and 2021, the Company and Subsidiaries have determined an income tax of S/ 313,819,000, S/ 294,877,000 and S/ 302,575,000, respectively.

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Income tax expenses include:

<i>In thousands of soles</i>	<i>Note</i>	2023	2022	2021
Current		356,867	314,373	212,002
Deferred	22	(43,048)	(19,496)	90,573
		313,819	294,877	302,575

The reconciliation of the effective income tax rate with the tax rate is as follows:

<i>In thousands of soles</i>	2023		2022		2021	
Profit before tax	1,128,152	100.00%	1,103,922	100.00%	821,686	100.00%
Theoretical income tax	332,805	29.50%	325,657	29.50%	242,397	29.50%
Tax effect of non-taxable income and non-deductible expenses						
Translation effect from income tax of absorbed entity in a different functional currency	(32,005)	(2.84%)	(30,683)	(2.78%)	55,806	6.79%
Other non-deductible expenses (non-taxable income)	13,019	1.16%	(97)	(0.01%)	4,372	0.53%
Income tax expenses	313,819	27.82%	294,877	26.71%	302,575	36.82%

Temporary Tax on Net Assets (ITAN)

- C. The tax rate is 0.4% for fiscal years 2023 and 2022 and is applied to the amount of net assets exceeding S/ 1,000,000. It may be paid in cash or in nine (9) consecutive monthly installments. The paid amount may be used as a credit against payments on account subject to the General Income Tax Regime.

The Company and Subsidiaries have determined that the Temporary Tax on Net Assets in 2023 amounts to S/ 14,662,000 (S/ 18,099,000 in 2022 and S/ 23,806,000 in 2021).

Transfer pricing

- D. For Income Tax determination purposes, transfer pricing for transactions carried out with related entities and with companies domiciled in territories with low or null taxation, shall be supported with documentation and information about the valuation methods used, and the criteria considered for pricing.

Based on the analysis of operations of the Company and Subsidiaries, the Management and its legal advisors consider that, as a consequence of the application of these provisions, no material contingencies will arise as of December 31, 2023, 2022 and 2021.

Tax assessment

- E. The Peruvian Tax Authority is entitled to review and, if applicable, to correct the income tax calculated by the Company and Subsidiaries' in the four (4) years following the year of filing the corresponding income tax return. The Company and Subsidiaries' income tax returns for 2018 and 2020 to 2023 are open for review by the Tax Authority. The SUNAT has initiated a definitive audit for income tax for the period 1999, with respect to the operations of Enel Green Power Perú S.A.C., that was taken over by the Company through a merger process (note 1.B).

Company and Subsidiaries' sales tax returns corresponding to December 2018 to December 2023 are open to review by the Tax Authority.

Due to possible interpretations of the current legal regulations by the Tax Authority, it is not possible to determine, to date, whether future tax audits will result or not in liabilities for the Company and Subsidiaries; therefore, any difference that might arise from eventual tax audits would be applied to profit or loss for the period in which it is determined.

In Management's opinion of the Company and Subsidiaries and legal advisors, any possible additional tax assessment would not be material to the consolidated financial statements as of December 31, 2023, 2022 and 2021.

Tax regime applicable to Sales Tax

F. In 2023, 2022 and 2021, the sales tax rate in force was 18% (including Municipal Promotion Tax).

31. Contingencies

See accounting policies in note 5.N.

The Company and Subsidiaries have different legal actions against them, which have been assessed by the Management and their legal advisors as possible. Such actions include labor and court contingencies, which amounted to S/ 62,766,000 as of December 31, 2023 (S/ 96,906,000 as of December 31, 2022 and S/ 113,221,000 as of December 31, 2021).

In Management's opinion of the Company and Subsidiaries and the legal advisors, these court actions will not result in significant additional liabilities (note 21) to the consolidated financial statements as of December 31, 2023, 2022 and 2021.

A brief description of the main contingency of the Company is explained below:

Cross-referencing for income tax for fiscal years 2000 and 2001

In December 2005, the Company was served with (i) determination and fine resolutions equal to S/ 75,892,000 (including, taxes, fines, and interests calculated as of that date) for income tax of fiscal year 2000 and (ii) determination resolutions equal to S/ 6,842,000, related to default interest referred to payments on account of income tax for fiscal year 2001.

In January 2006, the Company partially claimed the referred resolutions by paying the non-contested debt. In September 2008, the SUNAT declared such claim partially well-founded.

i. Suit Related to an Administrative Dispute Filed by the Company against Resolution of Tax Court No. 15281-8-2014

Simultaneously, in February 2016, the Company filed a suit related to an administrative dispute against the Resolution of Tax Court requesting to declare partial nullity thereof in the issues where (i) the relief related to including 15% for "interest during the construction" in the factor to determine the New Similar Value of the reassessed assets and (ii) the collection of default interest for omitting the payments on account of the Income Tax from March to December, 2021 by amending the applicable coefficient are revoked.

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In March 2018, the Company was served with Order No. 12, whereby the Court issued a judgment and declared unfounded the suit related to the main claim to be declared the partial nullity of such Resolution of the Tax Court, and declared partially well-founded only the subordinated claim to not be applied the default interest for omitting the payments on account of the income tax for periods from March to December 2001, and such Resolution was appealed.

In December 2018, the Company was served with Order No. 31, whereby the Court of Appeals declared void the judgment of first instance and ordered the Court to issue a new order taking into account the stated arguments.

In May 2020, the Company was aware that the Court had issued a judgment, by means of Order No. 38, in which the suit of the Company in the issue related to collection of default interest for omitting the payments on account for the periods from March to December 2001 was declared partially well-founded, which was one part of the request in the main claim of the suit. In this regard, the Court ordered the Tax Court and the SUNAT to void the collection of the referred interest. Furthermore, the suit in the issues related to: (i) the relief for including 15% for “interest during the construction” in the factor to determine the New Similar Value of the reassessed assets related to Income Tax for fiscal years 2000 and 2001; and (ii) the subordinated claim, related to the non-applicability of default interest accrued by the excessive delay in processing the administrative motions filed by the Company, was declared unfounded.

In August 2020, the Company filed an appeal against Order No. 38.

In September 2020, the Company was physically served with Order No. 38.

In December 2020, the Company was served with Order No. 39, whereby the Court granted the appeal with a stay of execution. In the same month, the file was submitted to the Court of Appeals.

In April 2021, the Company was served with Order No. 48, whereby the Court of Appeals issued a judgment, and ruled against the Company, except for the subordinated claim of the suit referred to the default interest during the tax proceeding, which was declared well-founded. The Tax Court and the SUNAT filed a petition for cassation against the stated judgment in April and May 2021, respectively. In June 2021, the Company filed a writ of entry of appearance before the Supreme Court.

In July 2022, the Company was served with the Order granting the Petition for Cassation No. 8717-2021-LIMA, whereby the Fifth Transitory Court of Appeals of Constitutional and Social Law declared the lack of merit of the petitions for cassation filed by the SUNAT and the Ministry of Economics and Finance (MEF for its acronyms in Spanish) on behalf of the Tax Court.

In September 2022, by means of Order No. 52, the Nineteenth Court related to an Administrative Dispute, subspecialized in Tax and Customs of Lima ordered to comply with the judgment and ordered the SUNAT to return the accrued default interest for the excessive delay in processing the filed administrative motions, as well as issue the settlements to calculate and refund the referred default interest, and for this, a term of thirty (30) business days is granted for the SUNAT to inform the Court on the performance of the judgment.

In September 2022, the SUNAT requested twenty (20) additional business days to comply with the Court Order No. 52. In the same month, the Court granted the additional term requested by the SUNAT through Order No. 54.

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In December 2022, by means of Resolution No. 4070160000007, the SUNAT complied with Order No. 48, issued by the Sixth Court of Appeals Specialized in Administrative Dispute, subspecialized in Tax and Customs Matters, by recognizing the right of the Company to obtain the refund of payments of S/ 458,519 and S/ 2,298,360, plus the corresponding interest for refunding undue payments and/or the excess in payments made by the payments on account of the Income Tax from March to December 2001, and of the fine for infringement stated in Section 178(1) of the Tax Code for fiscal year 2000.

In the same month, the SUNAT notified the Company with Intendency Resolutions:

No. 0121800029787 and No. 0121800029788, whereby the refund requests were processed at its own initiative by updating the amounts recognized as payments in excess in Resolution

No. 4070160000007, with the corresponding interest, by issuing the respective non-negotiable checks.

Furthermore, the SUNAT filed a writ to the Court with a summary stating that it complied with the order.

Furthermore, in December 2022, the Company filed an appeal against the Resolution

No. 4070160000007 and against Intendency Resolutions No. 0121800029787 and

No. 0121800029788 since the SUNAT did not comply correctly with the order stated by The Judiciary, which was processed under File No. 4070350000112.

In April 2023, the SUNAT notified the Company with Intendency Resolutions No. 012-180-030775/SUNAT and No. 012-180-0030776/SUNAT, whereby additional refunds of S/ 3,688,836 and

S/ 973,956 were granted corresponding to interest paid in excess related to the fine for the annual income tax for fiscal year 2000, and payments on account of the stated tax for the periods from March to December 2001, respectively.

In May 2023, the Company filed writs of voluntary dismissal against the dispute of tax assessment and appeal. The judgment having been enforced, the proceeding was terminated, and the case was ordered to be closed.

In Management's opinion and the legal advisors, the foregoing issue will not result in significant liabilities or obligations to be recognized in the consolidated financial statements as of December 31, 2023, 2022 and 2021.

32. Non- Controlling Interest

The following tables summarize the information relating to each of Enel's subsidiaries that has non-controlling interest.

<i>In thousands of soles</i>	Chinango S.A.C.	Intragroup	
	(a)	eliminations	Total
2023			
NCI percentage	20%		
Current assets	55,392	-	55,392
Non-current assets	489,747	2,470	492,217
Current liabilities	(31,329)	-	(31,329)
Non-current liabilities	(123,065)	-	(123,065)
Net assets	390,745	2,470	393,215
Carrying amount of NCI	78,149	494	78,643
Revenues	262,589	-	262,589
Profit	84,093	412	84,505
OCI	2,042	-	2,042
Net income attributable to NCI	16,818	83	16,901
OCI attributable to NCI	409	-	409
Cash flows from operating activities	86,700	-	86,700
Cash flows from investing activities	(16,328)	-	(16,328)
Dividends paid to NCI	(18,099)	18,099	-

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Consolidated Financial Statements

December 31, 2023, 2022 and 2021

<i>In thousands of soles</i>	Chinango S.A.C. (a)	Intragroup eliminations	Total
Cash flows from financing activities	(72,476)	-	(72,476)
Effect of changes in the exchange rate	(11)	-	(11)
Net increase (decrease) in cash equivalents	(20,214)	18,099	(2,115)

<i>In thousands of soles</i>	Chinango S.A.C. (a)	Intragroup eliminations	Total
2022			
NCI percentage	20%		
Current assets	66,312	-	66,312
Non-current assets	496,943	2,050	498,993
Current liabilities	(45,344)	-	(45,344)
Non-current liabilities	(122,804)	-	(122,804)
Net assets	395,107	2,050	397,157
Carrying amount of NCI	79,021	410	79,431
Revenues	148,148	-	148,148
Profit	100,691	410	101,101
OCI	2,175	-	2,175
Net income attributable to NCI	20,138	82	20,220
OCI attributable to NCI	435	-	435
Cash flows from operating activities	142,727	-	142,727
Cash flows from investing activities	(10,019)	-	(10,019)
Dividends paid to NCI	(22,388)	22,388	-
Cash flows from financing activities	(89,847)	-	(89,847)
Effect of changes in the exchange rate	(126)	-	(126)
Net increase (decrease) in cash equivalents	20,347	22,388	42,735

<i>In thousands of soles</i>	Chinango S.A.C. (a)	Intragroup eliminations	Total
2021			
NCI percentage	20%		
Current assets	43,983	-	43,983
Non-current assets	526,038	1,645	527,683
Current liabilities	(20,887)	-	(20,887)
Non-current liabilities	(144,955)	-	(144,955)
Net assets	404,179	1,645	405,824
Carrying amount of NCI	80,836	329	81,165
Revenues	134,675	-	134,675
Profit	92,980	410	93,390
OCI	1,604	-	1,604
Net income attributable to NCI	18,596	82	18,678
OCI attributable to NCI	321	-	321
Cash flows from operating activities	90,877	-	90,877
Cash flows from investing activities	(8,244)	-	(8,244)
Dividends paid to NCI	(15,211)	15,211	-
Cash flows from financing activities	(61,951)	-	(61,951)
Effect of changes in the exchange rate	43	-	43
Net increase (decrease) in cash equivalents	5,514	15,211	20,725

As of December 31, 2023, 2022 and 2021 there are no outstanding balance of dividend payable.

33. Subsequent Events

Orygen Perú S.A.A. and Subsidiaries (formerly Enel Generación Perú S.A.A. and Subsidiaries)

Notes to the Consolidated Financial Statements

December 31, 2023, 2022 and 2021

See accounting policies in note 5.X.

From January 1, 2024 to the date of this report, the following important facts not affecting the consolidated financial statements and requiring disclosures as of December 31, 2023 have occurred:

On March 5, 2024, the Company's Board of Directors approved a financing of US\$ 400,000,000. This financing was used to refinance the Company's debt except for the bonds, at the time of execution of the purchase agreement between Enel Perú S.A.C. and Niagara Energy S.A.C. (note 1). The share purchase transaction was conducted on May 9, 2024 and financing became effective on that date. The terms of the financing are detailed:

- Amount: US\$ 400,000,000.
- Start date: May 9, 2024.
- Term: five (5) years – Non-amortizing (March 1, 2029)
- Interest rate: Daily Compounded SOFR + applicable margin. The margin shall be increased during the effectiveness of the loan in 2.50% for the two (2) first years, 2.75% for the two (2) following years, and 3.00% for the last year.
- Pre-payments: Optional, free of fees or penalties.

With the loan obtained, the company made payments to the European Investment Bank (EIB), Inter-American Development Bank (AIDB) and Banco de Crédito del Perú (BCP) related to the loans outstanding at the transaction date.

The financing enforcement shall be subject to the condition that Niagara Energy S.A.C. acquires the shares of the Company pursuant to the share purchase agreement (note 1).

On March 27, 2024, the Mandatory Shareholders' Meeting of the Subsidiary Chinango S.A.C. agreed to distribute dividends related to period 2023 for S/ 26,147,000.

On March 27, 2024, the Annual Mandatory General Shareholders' Meeting of the Company agreed to distribute dividends related to period 2023 for S/ 127,148,000.

In April 2024, Enel Américas S.A. sold to Enel Perú S.A.C. all of its shares equivalent to 20.46 percent of the capital share of Orygen Perú S.A.A.

On May 7, 2024, as a result of the public offering, Niagara Energy S.A.C. was awarded by BVL, 92.35% of Orygen Perú S.A.A.'s share capital. The sale was conducted on May 9, 2024.

On May 9, 2024, the Board approved the distribution of dividends related to period 2024 for S/ 215,041,000. The distribution will become effective on June 3, 2024.

At General Shareholders' Meeting, held on June 24, 2024, an agreement was reached to change the corporate name of Enel Generación Perú S.A.A. to Orygen Perú S.A.A.

ISSUER

Niagara Energy S.A.C.
Jr. Paseo del Bosque 500
San Borja, Lima
Perú

TRUSTEE, REGISTRAR, PAYING AGENT AND TRANSFER AGENT

The Bank of New York Mellon
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New York, New York 10286
Attention: Corporate Trust Administration
United States

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United States

To the Initial Purchasers as to U.S. law
Paul Hastings LLP
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United States

To the Issuer as to Peruvian law
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KPMG Auditores Independientes
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Perú

SINGAPORE LISTING AGENT

Allen & Gledhill LLP
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Singapore 018989



NIAGARA ENERGY S.A.C.

US\$1,200,000,000 5.746% Senior Notes due 2034

OFFERING MEMORANDUM

Joint Book-Running Managers

BBVA BNP PARIBAS Citigroup Goldman Sachs & Co. LLC J.P. Morgan Natixis Santander

September 26, 2024