TecniSol

FINANCIAL MONTHLY REPORT
JUNE 2023

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I. Financial & Operating Highlights

i. Month

Financial Summary	Actual	Budget	Var	%	2022	Var	%
Values in US$ '000							
Revenues	1,177	1,209	(31)	-3%	911	266	29%
Variable costs	(720)	(546)	(174)	32%	(480)	(240)	50%
Margin	458	663	(205)	-31%	432	26	6%
EBITDA	362	571	(208)	-36%	320	43	13%
Net Income	(33)	147	(181)	-123%	(47)	14	30%

Operational Data	Actual	Budget	Var	%	2022	Var	%
Energy Balance (GWh)							
Generation	6.0	6.3	(0.3)	-5%	4.6	1.4	32%
Energy Purchase - UEPII	1.9	1.6	0.3	16%	0.6	1.3	220%
Energy Purchase - Hydro	2.7	5.2	(2.5)	-48%	4.9	(2.2)	-45%
Energy Purchase - Spot	3.1	0.3	2.8	1037%	0.5	2.7	570%
Sales through PPA	12.2	12.2	0.0	0%	14.0	(1.8)	-13%
Sales through Spot	1.2	2.6	(1.5)	-56%	1.2	(0.0)	0%
Compensation	0.3	0.2	0.1	42%	0.7	(0.4)	-54%
Prices (US$/MWh)							
PPA avg sales price	84.6	86.0	(1.4)	-2%	54.6	29.9	55%
Avg Spot Sales price	100.1	54.3	45.8	84%	78.8	21.3	27%
Avg Purchase price - Spot	111.5	138.2	(26.7)	-19%	86.8	24.6	28%
Avg Energy Compensation price	90.1	81.8	8.3	10%	78.9	11.2	14%
Energy Margin	33.4	49.4	(16.0)	-32%	40.9	(7.5)	-18%
EBITDA Margin	26.5	42.5	(16.1)	-38%	30.3	(3.8)	-13%

ii. Year to date

Financial Summary	Actual	Budget	Var	%	2022	Var	%
Values in US$ '000							
Revenues	7,771	7,816	(45)	-1%	7,434	337	5%
Variable costs	(3,782)	(2,950)	(832)	28%	(2,976)	(806)	27%
Margin	3,989	4,866	(877)	-18%	4,458	(470)	-11%
EBITDA	3,332	4,029	(697)	-17%	3,783	(451)	-12%
Net Income	794	1,347	(553)	-41%	1,126	(333)	-30%

Operational Data	Actual	Budget	Var	%	2022	Var	%
Energy Balance (GWh)							
Generation	45.1	46.0	(0.8)	-2%	40.6	4.6	11%
Energy Purchase - UEPII	28.0	29.0	(1.0)	-3%	17.0	11.0	65%
Energy Purchase - Hydro	4.3	10.4	(6.1)	-58%	10.0	(5.7)	-57%
Energy Purchase - Spot	9.6	0.6	9.0	1554%	4.5	5.1	114%
Sales through PPA	72.5	71.9	0.7	1%	82.0	(9.5)	-12%
Sales through Spot	12.8	14.4	(1.6)	-11%	17.1	(4.3)	-25%
Compensation	1.6	1.3	0.3	26%	2.2	(0.6)	-26%
Prices (US$/MWh)							
PPA avg sales price	84.7	86.0	(1.3)	-2%	56.4	28.3	50%
Avg Spot Sales price	111.4	105.1	6.3	6%	143.7	(32.3)	-22%
Avg Purchase price - Spot	132.8	130.0	2.7	2%	120.2	12.6	10%
Avg Energy Compensation price	93.9	81.8	12.2	15%	80.1	13.8	17%
Energy Margin	45.9	56.6	(10.8)	-19.0%	61.9	(16.0)	-26%
EBITDA Margin	38.3	46.9	(8.6)	-18.3%	52.5	(14.2)	-27%

**Energy Generation reference scenarios YTD: P50 =46.0 GWh(budget); P75= 44.0 GWh; P90= 42.2; GWh; P99= 41.1 GWh*

1. Financial PPA to non-regulated large clients, lifetime: 5-15 years maximum.
   Indexator: linked to the large client DisCos tariff, *floor: 83 US$/MWh, cap: 135 US$/MWh*
2. UEPII - Rosa de Los Vientos III windfarm has a backup contract of the exceed of energy to supply Ikakos Solar at 65.30 US$/MWh.

II. Current Month Consolidated Income Statement vs. Budget vs. Prior Year

Income Statements - US$'000	Actual	Budget	Var	%	2022	Var	%
Revenues							
PPA sales	1,033	1,047	(14)	-1.3%	764	270	35.3%
Spot sales	116	142	(26)	-18.4%	92	24	26.4%
Other revenues[1]	28	20	9	44.5%	56	(28)	-49.6%
Total revenues	**1,177**	**1,209**	**(31)**	**-2.6%**	**911**	**266**	**29.2%**
Variable costs							
Transmission tolls	(13)	(41)	28	-67.7%	(2)	(12)	759.0%
Energy purchases[1]	(699)	(499)	(200)	40.2%	(471)	(228)	48.4%
Regulatory payments	(7)	(6)	(1)	24.1%	(7)	(0)	1.4%
Variable margin	**458**	**663**	**(205)**	**-30.9%**	**432**	**26**	**6.0%**
Fixed costs							
O&M	(64)	(49)	(15)	31.4%	(72)	8	11.7%
Labor costs	(11)	(10)	(0)	3.8%	(9)	(2)	-18.7%
Head office G&A	(16)	(28)	13	-44.7%	(26)	10	39.4%
Management fee	(5)	(5)	-	0.0%	(5)	-	0.0%
Total fixed costs	**(95)**	**(92)**	**(3)**	**3.2%**	**(112)**	**17**	**15.1%**
EBITDA	**362**	**571**	**(208)**	**-36.5%**	**320**	**43**	**13.4%**
D&A	(255)	(250)	(5)	2.0%	(243)	(12)	4.9%
Interests & Fees	(126)	(124)	(2)	1.4%	(125)	(0)	100.0%
Other income (expense)	-	-	-	0.0%	12	(12)	-100.0%
Income before taxes	**(18)**	**197**	**(215)**	**-109.2%**	**(37)**	**19**	**51.0%**
Income tax	(15)	(49)	34	-69.3%	(10)	(5)	47.3%
Net Income	**(33)**	**147**	**(181)**	**-122.5%**	**(47)**	**14**	**29.7%**

[1]Other Revenues and Energy Purchases includes: i) energy sold and purchased respectively in the regional market and ii) energy revenues and purchased from previous periods due to DTE recalculations.

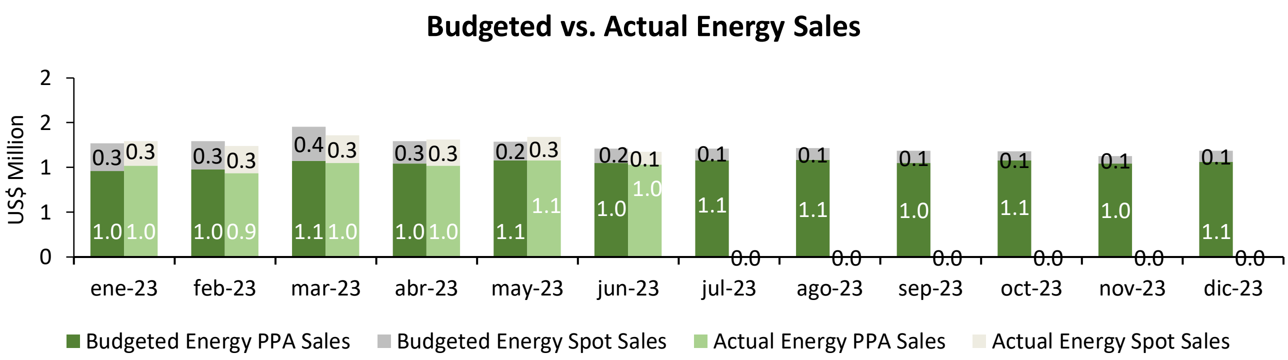
III. Year to date Consolidated Income Statement vs. Budget vs. Prior Year

Income Statements - US$'000	Actual	Budget	Var	%	2022	Var	%
Revenues							
PPA sales	6,145	6,183	(39)	-0.6%	4,625	1,520	32.9%
Spot sales	1,430	1,512	(83)	-5.5%	2,458	(1,028)	-41.8%
Other revenues[1]	196	120	76	63.2%	351	(155)	-44.1%
Total revenues	**7,771**	**7,816**	**(45)**	**-0.6%**	**7,434**	**337**	**4.5%**
Variables costs							
Transmission tolls	(41)	(236)	195	-82.5%	(14)	(28)	206.1%
Energy purchases[1]	(3,707)	(2,679)	(1,029)	38.4%	(2,919)	(788)	27.0%
Regulatory payments	(34)	(35)	2	-4.4%	(43)	9	-21.8%
Variable margin	**3,989**	**4,866**	**(877)**	**-18.0%**	**4,458**	**(470)**	**-10.5%**
Fixed costs							
O&M	(280)	(315)	35	-11.2%	(286)	6	-2.1%
Labor costs	(70)	(73)	3	-3.7%	(52)	(19)	36.4%
Head office G&A	(276)	(418)	142	-33.9%	(308)	32	-10.3%
Management fee	(30)	(30)	-	0.0%	(30)	-	0.0%
Total fixed costs	**(657)**	**(837)**	**180**	**-21.5%**	**(676)**	**19**	**-2.8%**
EBITDA	**3,332**	**4,029**	**(697)**	**-17.3%**	**3,783**	**(451)**	**-11.9%**
D&A	(1,470)	(1,482)	12	-0.8%	(1,456)	(14)	-0.9%
Interests & Fees	(744)	(751)	7	-1.0%	(772)	28	3.7%
Other income (expense)	-	-	-	100.0%	12	(12)	-100.0%
Income before taxes	**1,118**	**1,796**	**(678)**	**-37.8%**	**1,565**	**(448)**	**-28.6%**
Income tax	(324)	(449)	125	-27.9%	(439)	115	-26.2%
Net income	**794**	**1,347**	**(553)**	**-41.1%**	**1,126**	**(333)**	**-29.5%**

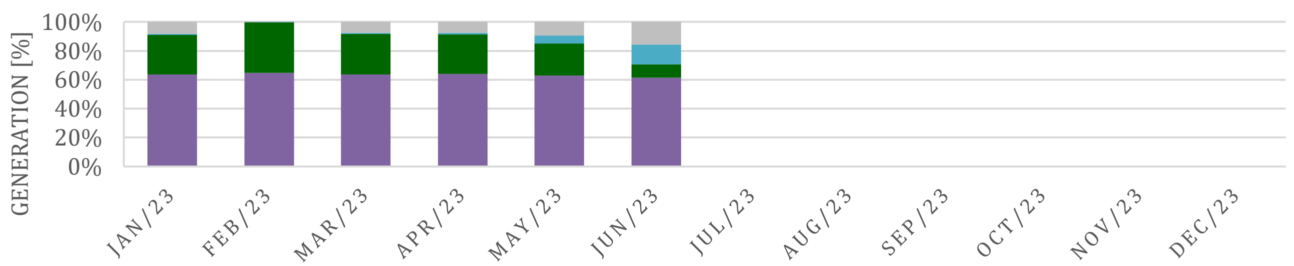
[1]Other Revenues and Energy Purchases includes: i) energy sold and purchased respectively in the regional market and ii) energy revenues and purchased from previous periods due to DTE recalculations.

IV. Chart Analysis

i) Energy sales

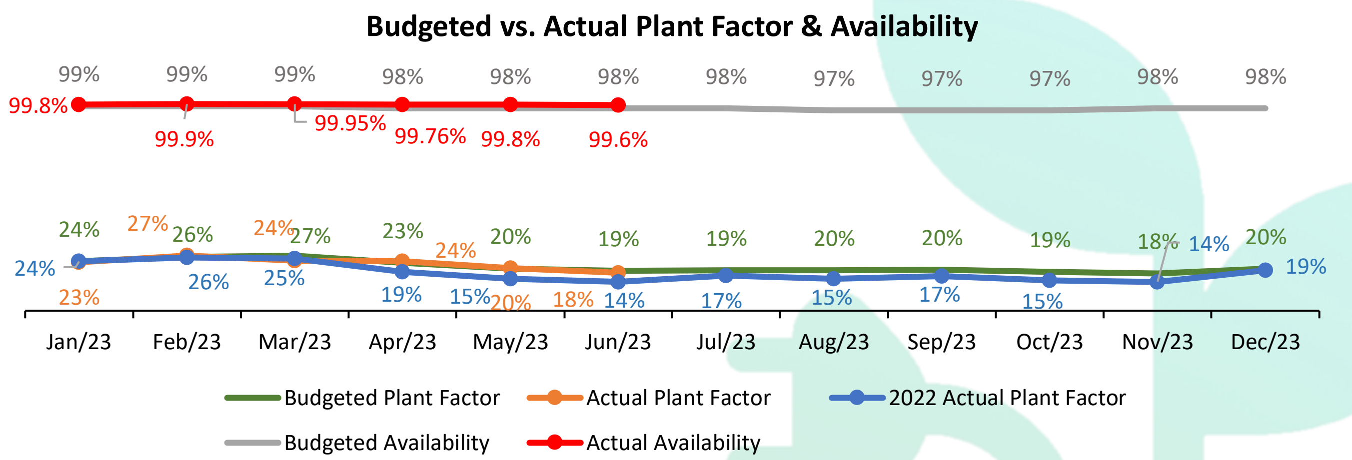


ii) energy supply by source



	Jan/23	Feb/23	Mar/23	Apr/23	May/23	Jun/23	Jul/23	Aug/23	Sep/23	Oct/23	Nov/23	Dec/23
Spot	8%	0%	8%	7%	9%	16%	0%	0%	0%	0%	0%	0%
Hydro	1%	0%	1%	1%	6%	14%	0%	0%	0%	0%	0%	0%
Wind	27%	35%	28%	27%	22%	9%	0%	0%	0%	0%	0%	0%
Solar	64%	65%	64%	64%	63%	61%	0%	0%	0%	0%	0%	0%

iii) Plant Factor and availability



V. MD&A

Key drivers for Income Statement variations vs Budget and other relevant discussions:

i. Month

i) There was a negative impact on revenues by US$31 thousand since the energy sold to spot was 56% or 1.5 GWh lower than budget and the average PPA price was lower than budget (US$84.6/MWh vs US$86.0/MWh).

ii) Differences in Transmission tolls costs attributed to the fact that connect toll price is calculated by ETESA on a monthly basis; budgeted price is estimated based on historic figures.

iii) Increase in energy purchases from spot as a result of lack hydro generation.

iv) Lower office G&A (US$13 thousand) due to timing impact mainly in audit fees (US$7 thousand), other consultants (US$3 thousand) and other costs (US$3 thousand).

v) Higher O&M expenses (US$15 thousand) as a result of timing impact in FV Maintenance (US$28 thousand); pest control costs (US$4 thousand), trackers maintenance (US$3 thousand); partially offset by lower US$18 thousand environmental activities.

ii. Year to date

i) There was a negative impact on revenues by US$45 thousand, mainly affected by lower energy sales to spot (1.6 GWh) and the average of the PPA price was lower than budget (US$84.7/MWh vs US$86.0/MWh).

ii) Differences in Transmission tolls costs attributed to the fact that connect toll price is calculated by ETESA on a monthly basis; budgeted price is estimated based on historic figures.

iii) Increase in energy purchases as a result of purchases to spot not budgeted.

iv) Lower office G&A (US$142 thousand) due to impact in franchise tax (US$86 thousand), audit fees (US$41 thousand), other consultants (US$11 thousand) and insurance costs (US$4 thousand).

v) Lower O&M expenses (US$35 thousand) as a result of timing impact in environmental activities (US$20 thousand), inverter maintenance (US$20 thousand) and SCADA maintenance (US$15 thousand); partially offset by higher trackers maintenance (US$16 thousand).

VI. Consolidated Balance Sheet

Balance Sheet - US$'000	06/30/2023	12/31/2022
Current Assets		
Cash & cash equivalent	2,888	1,274
Accounts receivable	2,159	1,899
Prepaid expenses	454	210
Inventory	22	14
Total Current Assets	**5,523**	**3,397**
Net PP&E	30,651	32,062
Right of use assets	960	996
Intangible assets	212	217
Deferred income tax ASSETS	54	46
Total Assets	**37,400**	**36,718**
Current Liabilities		
Related loan - current	1,065	997
Accounts payable	2,145	1,469
Interest payable	341	353
Tax liabilities	-	337
Total Current Liabilities	**3,551**	**3,157**
Related loan - non current	20,049	20,483
Provisions	319	307
Deferred income tax LIABILITIES	-	-
Other liabilities	1,180	1,194
Total non-current liabilities	**21,548**	**21,985**
Total Liabilities	**25,099**	**25,141**
Equity	9,709	9,709
Prepaid Tax	(187)	(118)
Retained earnings	2,779	1,985
Total Liabilities and Equity	**37,400**	**36,718**

VII. Cash Flow breakdown

Cash Flow (YTD) - US$'000	Q1	Apr/23	May/23	Jun/23	YTD 2023	Budget YTD 2023
Income (Loss) before income tax	837	278	20	(18)	1,118	1,796
Adjustments to reconcile profit before income tax to net cash						
Depreciation and amortization	731	242	242	255	1,470	1,482
Amortization of Finance Cost	368	120	124	98	709	751
Changes in Working Capital	(230)	(106)	(100)	(76)	(513)	(396)
Net cash provided (used) in operating activities	**1,706**	**534**	**286**	**258**	**2,784**	**3,633**
Additions of PP&E	-	-	-	-	-	(757)
Net cash provided (used) in investing activities	**-**	**-**	**-**	**-**	**-**	**(757)**
Repayment of related loan	(366)	-	-	-	(366)	(366)
Interest paid	(698)	-	-	-	(698)	(713)
Lease liability adjustment	(30)	(10)	(10)	13	(37)	(86)
Prepaid tax	-	-	-	(69)	(69)	-
Dividends paid	-	-	-	-	-	-
Net cash provided (used) in financing activities	**(1,093)**	**(10)**	**(10)**	**(57)**	**(1,170)**	(1,164)
Net increase (decrease) in cash	**613**	**524**	**276**	**201**	**1,614**	**1,711**
Cash at beginning of period	1,274	1,887	2,411	2,687	1,274	1,153
Cash at the end of period	**1,887**	**2,411**	**2,687**	**2,888**	**2,888**	**2,864**

- Related loan debt service

Debt Service - US$'000	Interest	Capital	Total
To be paid Oct 1st, 2023	686	631	1,317