



**FINANCIAL MONTHLY
REPORT
JULY 2023**

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I. Financial & Operating Highlights

A) Month

| Financial Summary | Actual | Budget | Var | % | 2022 | Var | % |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|
| <u>Values in US\$ '000</u> | | | | | | | |
| Revenues | 1,772 | 1,611 | 161 | 10% | 1,743 | 28 | 2% |
| Variable costs | - | - | - | 100% | - | - | 100% |
| Margin | 1,772 | 1,611 | 161 | 10% | 1,743 | 28 | 2% |
| EBITDA | 1,140 | 1,358 | (219) | -16% | 1,525 | (385) | -25% |
| Net Income (Loss) | (133) | 570 | (704) | -123% | 1,142 | (1,275) | -112% |
| Operational Data | Actual | Budget | Var | % | 2022 | Var | % |
| <u>Energy Balance (GWh)</u> | | | | | | | |
| Generation ¹ | 13.9 | 13.1 | 0.8 | 6% | 14.4 | (0.5) | -4% |
| <u>Prices (US\$/MWh)</u> | | | | | | | |
| Energy Price | 122.9 | 122.9 | (0.0) | 0% | 120.9 | 2.0 | 2% |
| Energy Margin | 127.4 | 122.9 | 4.5 | 4% | 120.9 | 6.6 | 5% |
| EBITDA Margin | 82.0 | 103.6 | (21.6) | -21% | 105.7 | (23.8) | -22% |

B) Year-to-date

| Financial Summary | Actual | Budget | Var | % | 2022 | Var | % |
|-----------------------------|--------------|--------------|--------------|-------------|--------------|----------------|-------------|
| <u>Values in US\$ '000</u> | | | | | | | |
| Revenues | 7,845 | 8,468 | (623) | -7% | 9,430 | (1,585) | -17% |
| Variable costs | - | - | - | 100% | - | - | 100% |
| Margin | 7,845 | 8,468 | (623) | -7% | 9,430 | (1,585) | -17% |
| EBITDA | 5,699 | 6,647 | (948) | -14% | 7,584 | (1,886) | -25% |
| Net Income (Loss) | 1,188 | 1,789 | (601) | -34% | 3,064 | (1,876) | -61% |
| Operational Data | Actual | Budget | Var | % | 2022 | Var | % |
| <u>Energy Balance (GWh)</u> | | | | | | | |
| Generation ¹ | 63.6 | 68.9 | (5.3) | -8% | 78.0 | (14.4) | -19% |
| <u>Prices (US\$/MWh)</u> | | | | | | | |
| Energy Price | 122.9 | 122.9 | 0.0 | 0% | 120.9 | 2.0 | 2% |
| Energy Margin | 123.4 | 122.9 | 0.5 | 0% | 120.9 | 2.5 | 2% |
| EBITDA Margin | 89.6 | 96.5 | (6.8) | -7% | 97.2 | (7.6) | -8% |

¹Energy generation reference scenarios YTD (GWh): P50 = 68.9, P75 = 63.9, P90 = 59.4.

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

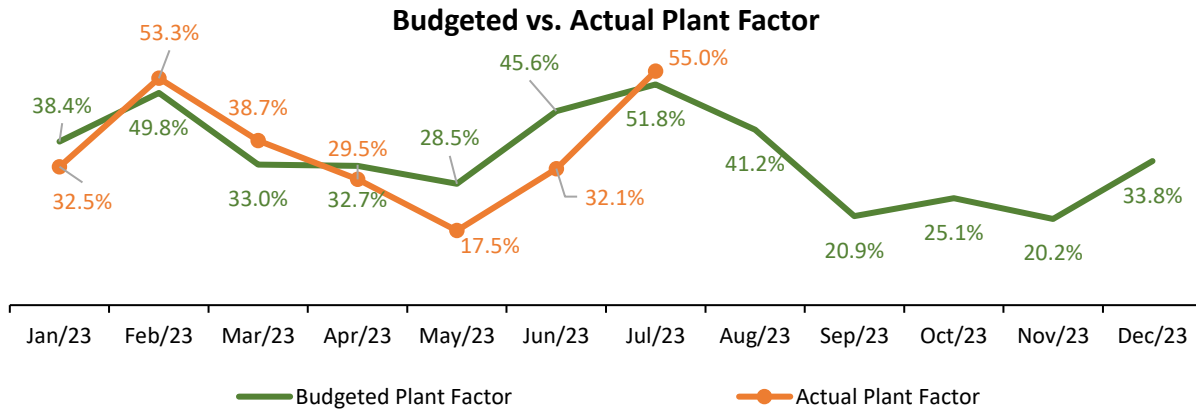
| Income Statement - US\$'000 | Actual | Budget | Var | % | 2022 | Var | % |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|
| Revenues | | | | | | | |
| PPA Energy Sales | 1,772 | 1,611 | 161 | 10% | 1,743 | 28 | 2% |
| Total revenues | 1,772 | 1,611 | 161 | 10% | 1,743 | 28 | 2% |
| Variable margin | 1,772 | 1,611 | 161 | 10% | 1,743 | 28 | 2% |
| Fixed costs | | | | | | | |
| O&M | (489) | (137) | (353) | 258% | (112) | (377) | 337% |
| Head office G&A | (102) | (63) | (39) | 61% | (58) | (45) | 77% |
| Labor | (28) | (32) | 4 | -14% | (29) | 1 | -2% |
| Other | (12) | (20) | 8 | -39% | (20) | 8 | -38% |
| Total fixed costs | (632) | (253) | (379) | 150% | (218) | (414) | 189% |
| EBITDA | 1,140 | 1,358 | (219) | -16% | 1,525 | (385) | -25% |
| D&A | (260) | (260) | (0) | 0% | (267) | 7 | -3% |
| Interests & Fees | (506) | (310) | (196) | 63% | (240) | (266) | 111% |
| Exchange difference | (10) | - | (10) | 100% | (4) | (6) | 147% |
| Other income (expense) | - | (7) | 7 | -100% | 1 | (1) | -100% |
| Income before taxes | 364 | 781 | (418) | -53% | 1,015 | (652) | -64% |
| Income tax | (497) | (211) | (286) | 135% | 126 | (623) | -493% |
| Net Income (Loss) | (133) | 570 | (704) | -123% | 1,142 | (1,275) | -112% |

III. YTD Income Statement vs. Budget and vs. Prior Year

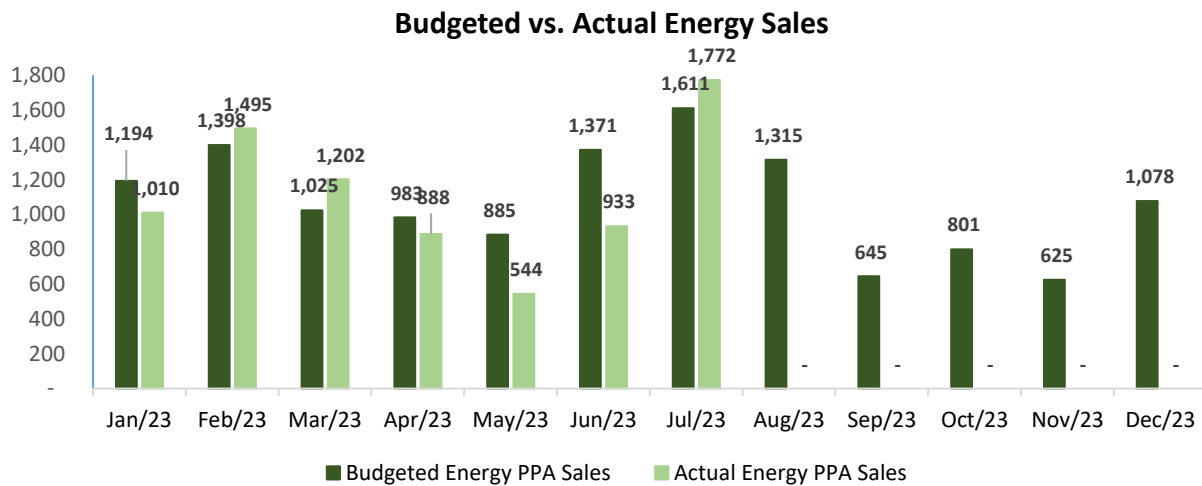
| Income Statement - US\$'000 | Actual | Budget | Var | % | 2022 | Var | % |
|-----------------------------|----------------|----------------|--------------|-------------|----------------|----------------|-------------|
| Revenues | | | | | | | |
| PPA Energy Sales | 7,845 | 8,468 | (623) | -7% | 9,430 | (1,585) | -17% |
| Total revenues | 7,845 | 8,468 | (623) | -7% | 9,430 | (1,585) | -17% |
| Variable margin | 7,845 | 8,468 | (623) | -7% | 9,430 | (1,585) | -17% |
| Fixed costs | | | | | | | |
| O&M | (1,262) | (1,058) | (204) | 19% | (896) | (366) | 41% |
| Head office G&A | (552) | (451) | (101) | 22% | (565) | 13 | -2% |
| Labor | (206) | (199) | (7) | 3% | (234) | 29 | -12% |
| Other | (126) | (113) | (14) | 12% | (150) | 24 | -16% |
| Total fixed costs | (2,146) | (1,821) | (325) | 18% | (1,845) | (301) | 16% |
| EBITDA | 5,699 | 6,647 | (948) | -14% | 7,584 | (1,886) | -25% |
| D&A | (1,747) | (1,820) | 72 | -4% | (1,813) | 66 | -4% |
| Interests & Fees | (2,294) | (2,091) | (203) | 10% | (1,460) | (835) | 57% |
| Exchange difference | (3) | - | (3) | 100% | (99) | 96 | -97% |
| Other income (expense) | 156 | (286) | 442 | -154% | 1 | 155 | 14783% |
| Income before taxes | 1,810 | 2,450 | (640) | -26% | 4,214 | (2,403) | -57% |
| Income tax | (622) | (662) | 39 | -6% | (1,149) | 527 | N/A |
| Net Income (Loss) | 1,188 | 1,789 | (601) | -34% | 3,064 | (1,876) | -61% |

IV. Chart Analysis

i) Plant Factor



ii) Energy Sales



V. MD&A

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

i. Month

- i) Higher PPA Energy Sales due to higher generation (0.8 GWh more).
- ii) Higher O&M expenses mainly explained by: a) US\$367 thousand higher related to the contract with Gamesa, as two indexation payments were executed pertaining to the year 2022 and the period from January to June 2023. Moreover, the bonus concerning 2022 was paid during this month; partially offset by: b) US\$4 thousand lower vehicle rent expenses; c) US\$3 thousand lower tools expenses; d) US\$2 thousand lower cleaning expenses.
- iii) Higher Head Office G&A expenses mainly explained by: a) US\$32 thousand higher management fee expenses; b) US\$5 thousand higher media campaigns' expenses; c) US\$2 thousand higher travel expenses.

ii. Year-to-date

- i) Lower PPA Energy Sales due to lower generation (5.3 GWh less).
- ii) Higher O&M expenses mainly explained by: a) US\$303 thousand higher related to the contract with Gamesa, as two indexation payments were executed pertaining to the year 2022 and the period from January to June 2023. Moreover, the bonus concerning 2022 was paid during July 2023; partially offset by: b) US\$41 thousand lower spare parts expenses; c) US\$25 thousand lower personal protection equipment expenses; d) US\$12 thousand lower vehicle rent expenses; e) US\$10 thousand lower outsourced services expenses; f) US\$6 thousand lower cleaning expenses.
- iii) Higher Head Office G&A expenses mainly explained by: a) US\$41 thousand higher legal expenses; b) US\$29 thousand higher management fee expenses; c) US\$23 thousand higher donations and contributions' expenses; d) US\$10 thousand higher radio communication expenses.
- iv) Higher other expenses mainly explained by: a) US\$37 thousand higher spot energy purchases; b) US\$9 thousand higher CNE, SENI and OC contribution expenses; partially offset by: c) US\$33 thousand lower regulatory body's tax expenses.

VI. Consolidated Balance Sheet

| Balance Sheet - Values in US\$000 | Jul-23 | Dec-22 |
|---|---------------|---------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 2,524 | 1,412 |
| Restricted Cash | 2,420 | 2,164 |
| Trade and other receivables ¹ | 4,308 | 2,757 |
| Inventories | 59 | - |
| Prepaid expenses and other assets | 10,410 | 367 |
| Total current assets | 19,720 | 6,699 |
| Non-current assets | | |
| Property, plant and equipment | 53,478 | 65,503 |
| Right of use assets | 429 | 409 |
| Intangible assets | 3 | 3 |
| Other non-current assets | 1 | 1 |
| Total non-current assets | 53,911 | 65,916 |
| Total assets | 73,631 | 72,615 |
| Liabilities and Shareholder's Equity | | |
| Current liabilities | | |
| Current portion of long-term debt | 1,973 | 1,973 |
| Trade and other payables | 3,119 | 1,081 |
| Lease liabilities short term | 13 | 13 |
| Other current liabilities and accrued expenses | 58 | 189 |
| Total current liabilities | 5,162 | 3,256 |
| Non-current liabilities | | |
| Long-term debt | 37,142 | 37,948 |
| Other Non current liabilities | 6,976 | 7,033 |
| Lease liabilities long term | 465 | 474 |
| Total non-current liabilities | 44,583 | 45,455 |
| Total liabilities | 49,745 | 48,711 |
| Equity attributable to the owner of the parent: | | |
| Capital contribution | 19,308 | 19,308 |
| Other reserves | 471 | 216 |
| Net Profit | 1,188 | 4,353 |
| Retained earnings | 2,919 | 27 |
| Total equity | 23,886 | 23,904 |
| Total equity and liabilities | 73,631 | 72,615 |

¹US\$3.2 million AR from CDEEE equivalent to 1.8 months based on current month's invoice.

Debt

| Type of Borrowing | Issuance Date | Maturity Date | Outstanding amount as of 07/31/2023 | Outstanding amount as of 12/31/2022 | Rate | Rate Type |
|-------------------|---------------|---------------|-------------------------------------|-------------------------------------|-------|-----------|
| Senior debt | 2017 | 2033 | 29,384 | 30,371 | 9.80% | Float |
| Subordinated loan | 2020 | 2033 | 10,000 | 10,000 | 7.25% | Fixed |

VII. Cash Flow

| Cash Flow - Values in US\$'000 | Q1 | Q2 | Jul-23 | Actual YTD 2023 | Bdgt YTD 2023 |
|---|--------------|----------------|--------------|-----------------|----------------|
| Cash flows from operating activities | | | | | |
| Profit before income tax | 798 | 649 | 364 | 1,810 | 2,450 |
| Adjustments to reconcile profit before income tax to net: | | | | | |
| Depreciation and amortization | 744 | 743 | (115) | 1,372 | 1,820 |
| Issuance costs | 8 | 6 | 166 | 180 | - |
| Finance costs | 1,303 | 474 | 340 | 2,117 | - |
| Other | 17 | (124) | (5) | (111) | 2,377 |
| Changes in working capital | (785) | 1,828 | (719) | 324 | (639) |
| Interests paid | (685) | (696) | - | (1,381) | (1,781) |
| Taxes paid | (155) | (220) | (60) | (434) | (500) |
| Net cash provided by operating activities | 1,245 | 2,660 | (29) | 3,877 | 3,727 |
| Cash flows from investing activities | | | | | |
| Additions of property, plant and equipment ¹ | (70) | (1,019) | (366) | (1,455) | (5,000) |
| Investment and cash restricted | (203) | (52) | (0) | (256) | 59 |
| Inventory | - | (60) | 1 | (59) | - |
| Net cash used in investing activities | (273) | (1,131) | (365) | (1,769) | (4,942) |
| Cash flows from financing activities | | | | | |
| Payments of short-term debt and long-term debt | (493) | (493) | - | (987) | 2,807 |
| Lease payments | (3) | (3) | (2) | (9) | - |
| Dividends | - | - | - | - | - |
| Net cash used in financing activities | (496) | (496) | (2) | (995) | 2,807 |
| (Decrease) increase in cash during the period | 476 | 1,033 | (396) | 1,112 | 1,593 |
| Cash at the beginning of the period | 1,412 | 1,887 | 2,920 | 1,412 | 508 |
| Cash at the end of the period | 1,887 | 2,920 | 2,524 | 2,524 | 2,100 |

¹Actuals figures include:

| CAPEX by project (US\$'000) | YTD 2023 |
|--------------------------------|--------------|
| Matafongo Autogeneration | 1,048 |
| 16MW Expansion | 201 |
| 50MW Project | 75 |
| Wind Park Granadillos | 67 |
| Los Cacaos Wind Park | 27 |
| Power Curve | 24 |
| FV3 Solar Project | 8 |
| BOP Spare Parts | 2 |
| Wind Turbine Camera Inspection | 1 |
| Warehouse | (0) |
| Total | 1,455 |