Tecnisol Group

Report and Combined Financial Statements
December 31, 2020

"This document has been prepared with the knowledge that its content will be made available to the investing public and the general public"

Tecnisol Group

Index to the Combined Financial Statements
December 31, 2020

Independent Auditors' Report

To the Board of Directors and Shareholders of
Tecnisol Group

Our opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the entities set out in Note 1 to the combined financial statements as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The accompanying Group's combined financial statements set out in Note 1 to the combined financial statements (together 'the combined financial statement') comprise:

- the combined statement of financial position as at December 31, 2020;
- the combined statement of comprehensive income for the year then ended;
- the combined statement of changes in equity for the year then ended;
- the combined statement of cash flows for the year then ended; and
- the notes to the combined financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the combined financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and the requirements of the code of professional ethics for certified public accountants that are relevant to our audit of the combined financial statements in the Republic of Panama. We have fulfilled the other ethical responsibilities in accordance with the IESBA Code of Ethics and the ethics requirements of the Republic of Panama.

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Key Audit Matter

The key audit matters are those that, in our professional judgment, were the most significant in our audit of the combined financial statements for the current year. These matters were addressed in the context of our audit of the combined financial statements as a whole and to form our audit opinion thereon, and we did not express a separate opinion on them.

Analysis of impairment of plant and equipment	How our audit addressed the matter
As of December 31, 2020, the balance of plant and equipment amounts US$38,030,418, which comprise 89% of the Group´s total assets. For plant and equipment with useful lives, the Group is required to review these assets for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives. For the purpose of performing impairment assessments, plant and equipment have been allocated to groups of cash generating units (“CGUs”). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows. See Note 8 to these combined financial statements.	- We involved our internal specialists, analyzed the model of the value in use of the Cash Generating Units and analyzed it is in accordance with the requirements of IAS 36 - Impairment of Assets: - We verified the assumptions used to calculate the discount rates and recalculated these rates. - We analyzed the projected future cash flows included in the model taking into consideration the current macroeconomic climate and the expected future performance of the Cash Generating Units. - We compared projected cash flows, including assumptions related to revenue growth rates and operating margins, with the historical performance of Management's projections.

Other information

Management is responsible for the other information. The other information comprises the "Annual Report Update (INA, for its acronym in Spanish)" (but does not include the combined financial statements and our auditor’s report thereon).

Our opinion on the combined financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the combined financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter - Basis of accounting

We draw attention to the fact that, as described in Note 1 to the combined financial statements, the businesses included in the combined financial statements have not operated as a single entity. These combined financial statements are, therefore, not necessarily indicative of results that would have occurred if the businesses had operated as a single business during the year presented or of future results of the combined businesses.

The combined financial statements are prepared for the board of directors of Tecnisol Group to assist them in presenting the financial position and results of the entities set out in note 1, in connection with the transaction described in Note 1 to these combined financial statements. As a result, the combined financial statements may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Other matter

The combined financial statements at and for the year ended December 31, 2019 has not been reviewed or audited.

Responsibilities of the owner of the combined businesses

The owner is responsible for the preparation of the combined financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the owner is responsible for assessing the entities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entities set out in Note 1 to the combined financial statements or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the entities set out in Note 1 to the combined financial statements.

Auditor's responsibilities for the audit of the combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined 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 internal control of the entities set out in Note 1 to the combined financial statements.

- 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 ability to continue as a going concern of entities set out in Note 1 to the combined financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined 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 auditor's report. However, future events or conditions may cause the entities set out in Note 1 to the combined financial statements to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the corresponding safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the combined financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

The engagement partner on the audit resulting in this independent auditor's report is Edereth Barrios.

PricewaterhouseCoopers

March 31, 2021
Panama, Republic of Panama

Tecnisol Group

Combined Balance Sheets
December 31, 2020
(All amounts in US$ unless otherwise stated)

	Notes	2020	2019 (Unaudited)
Assets			
Current assets			
Cash and cash equivalents	2, 3, 5 and 6	2,171,998	2,968,453
Trade and other receivables	2, 7 and 14	1,366,018	1,442,360
Prepaid expenses and other assets		794,383	626,818
Total current assets		4,332,399	5,037,631
Non-current assets			
Plant and equipment, net	2, 8 and 9	38,030,418	40,633,323
Intangible assets	2 and 10	238,017	248,489
Total non-current assets		38,268,435	40,881,812
Total assets		42,600,834	45,919,443
Liabilities and Equity			
Current liabilities			
Lease liabilities short-term	2 and 9	18,672	31,342
Shareholder's loans	2 and 14	-	40,654,266
Current portion of related loan	2 and 14	886,000	-
Trade and other payables	2, 11 and 14	1,065,815	4,307,901
Total current liabilities		1,970,487	44,993,509
Non-current liability			
Lease liabilities long term	2 and 9	1,200,504	979,727
Long-term of related loan	2 and 14	22,379,045	-
Total non-current liability		23,579,549	979,727
Total liabilities		25,550,036	45,973,236
Equity			
Parent company investment	2 and 12	40,000	40,000
Capital contribution	2 and 12	16,678,883	-
Retained earnings (accumulated deficit)		390,901	(76,082)
Prepaid dividend tax		(58,986)	(17,711)
Total equity		17,050,798	(53,793)
Total liabilities and equity		42,600,834	45,919,443

The accompanying notes are an integral part of these combined financial statements.

Tecnisol Group

Combined Statements of Comprehensive Income
For the year ended December 31, 2020
(All amounts in US$ unless otherwise stated)

	Notes	2020	2019 (Unaudited)
Energy revenue		10,036,294	12,118,498
Costs of goods and services	2,8,9,13 and 18	(7,978,696)	(9,001,591)
Gross profit		2,057,598	3,116,907
Administrative expenses	13	(896,020)	(870,598)
Operating profit		1,161,578	2,246,309
Finance costs		(470,815)	(1,516,371)
Other income		46,820	-
Income before income tax		737,583	729,938
Income tax	15	(270,600)	(433,754)
Profit for the period		466,983	296,184

The accompanying notes are an integral part of these combined financial statements.

Tecnisol Group

Combined Statements of Changes in Equity
For the year ended December 31, 2020
(All amounts in US$ unless otherwise stated)

	Parent Company Investment	Capital Contribution	Retained Earnings (Accumulated Deficit)	Prepaid Dividend Tax	Total Equity
Balance at December 31, 2018 (Unaudited)	40,000	-	(372,266)	-	(332,266)
Comprehensive income					
Net income (Unaudited)	-	-	296,184	-	296,184
Transactions with owners					
Prepaid tax (Unaudited)	-	-	-	(17,711)	(17,711)
Balance at December 31, 2019 (Unaudited)	40,000	-	(76,082)	(17,711)	(53,793)
Comprehensive income					
Net income	-	-	466,983	-	466,983
Transactions with owners					
Capital contribution (Note 12)	-	16,678,883	-	-	16,678,883
Prepaid tax	-	-	-	(41,275)	(41,275)
Balance at December 31, 2020	40,000	16,678,883	390,901	(58,986)	17,050,798

The accompanying notes are an integral part of these combined financial statements.

Tecnisol Group

Combined Statements of Cash Flows
For the year ended December 31, 2020
(All amounts in US$ unless otherwise stated)

	Notes	2020	2019 (Unaudited)
Cash flows from operating activities			
Income before income tax		737,583	729,938
Adjustments to reconcile income before income tax to net cash provided by operating activities:			
Depreciation and amortization	8, 10 and 13	2,899,662	3,234,475
Interest on borrowings and lease liabilities, net	9	470,815	1,516,371
Changes in assets and liabilities:			
Trade and other receivables		76,342	747,060
Trade and other payables		(3,678,595)	410,973
Prepaid expenses and other assets		(167,565)	(624,818)
Interest paid	14	(304,906)	(1,516,371)
Income tax paid		-	(433,754)
Net cash provided by operating activities		33,336	4,063,874
Cash flows from investing activities			
Additions of plant and equipment	8	(79,128)	(176,342)
Additions of intangible assets	10		(16,000)
Reassessment right of use assets		(207,157)	-
Net cash used in investing activities		(286,285)	(192,342)
Cash flows from financing activities			
Repayment of shareholder´s loans		(23,975,383)	(7,158,230)
Related party loan	14	23,265,045	-
Prepaid dividend tax		(41,275)	(17,711)
Principal lease payments		(29,613)	(29,158)
Reassessment lease liability		237,720	-
Net cash used in financing activities		(543,506)	(7,205,099)
Net decrease in cash and cash equivalents		(796,455)	(3,333,567)
Cash and cash equivalents at the beginning of the year		2,968,453	6,302,020
Cash and cash equivalents at end of the year	5	2,171,998	2,968,453
Non-cash financing activities:			
Capital contribution	12	16,678,883	-

The accompanying notes are an integral part of these combined financial statements.

1. General Information

Tecnisol I, S. A.; Tecnisol II, S. A.; Tecnisol III, S. A. and Tecnisol IV, S. A. (the "Companies" and together as Tecnisol Group the "Group", for purposes of these special purpose report) were incorporated on February 20, 2014 under the laws of the Republic of Panama. The Companies are engaged in the production of electricity through its photovoltaic panel parks located in David, Province of Chiriqui, Republic of Panama.

The ultimate parent company of the Companies is Interenergy Partners, L. P., incorporated in Cayman Island.

The combined financial statements have been prepared for the purposes of including the combined financial information of the Companies as part of the required annual reporting requirements in which the Group are Guarantors (see Note 16). The combined business has not operated as a single entity and the combined financial statements are not necessarily indicative of results that would have occurred if the business had been a single entity during the periods presented or of future results of the businesses.

The Companies are located in Plaza 58 PwC, Obarrio, Republic of Panama, and the photovoltaic panels are in David, Republic of Panama. The local regulator, Autoridad Nacional de los Servicios Publicos (ASEP, by its acronym in Spanish), approved the Companies' electricity generation license to 40 MW capacity (Note 17).

These combined financial statements have been approved for issue by the Finance Manager on March 30, 2021.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these combined financial statements are set out below.

Basis of Preparation

The combined financial statements of the Companies for the year ended December 31, 2020 and 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations adopted by the International Accounting Standards Board (IASB). The combined financial statements have been prepared on the historical cost convention.

In the Group´s combined financial statements, the combined Statement of Other Comprehensive Income is not presented because there are no items that require a separate presentation of this statement.

2. Summary of Significant Accounting Policies (Continued)

Basis of Preparation (continued)
The preparation of combined financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group´s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the combined financial statements are disclosed in Note 4.

The combined financial statements include the following companies:

- Tecnisol I, S. A.
- Tecnisol II, S. A.
- Tecnisol III, S. A.
- Tecnisol IV, S. A.

The Companies prepared stand-alone financial statements that were audited for the year ended December 31, 2019. These are the first set of annual combined financial statements prepared by the Companies. Intercompany transactions and balances between the Companies included in the combined financial statements, which are related parties, are eliminated.

New Standards, Amendments and Interpretations Adopted by the Companies
The Companies have applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2020:

- Definition of material: amendments to IAS 1 and IAS 8
- Annual improvements to IFRS standards Cycle 2018 - 2020

The amendments listed above had no impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New Standards, Amendments and Interpretations not yet Adopted
Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2020 reporting periods and have not been early adopted by the Companies. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Monetary Unit and Functional Currency
The combined financial statements are expressed in U.S. Dollars (US$), monetary unit of the United States of America, which is at par with the Balboa (B/.), monetary unit of the Republic of Panama. The U.S. Dollar (US$) circulates and is freely exchangeable in the Republic of Panama and is the functional currency.

2. Summary of Significant Accounting Policies (Continued)

Segment Information
A business segment is an identifiable component of the Companies, in charge of supplying a single product or service, or a set of them that are related and characterized by being subject to risks and returns of a different nature than those corresponding to other business segments within the same companies.

A geographic segment is an identifiable component of the companies in charge of supplying products or services in a specific economic environment, and which is characterized by being subject to risks and returns of a specific nature, and which correspond to other operating components that carry out their activity in different environments.

The Companies business operations are organized and managed as a single business segment, which is to operate the generating plants within the economic environment of electricity generation. Additionally, the Companies' internal and reporting organization is predominantly based on a single business segment.

Financial Assets
The Companies classify their financial assets in the category of loans and receivables and assets at fair value through profit or loss, based on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables with maturities not greater than 12 months are included in current assets.

Cash and Cash Equivalents
For purposes of the combined statement of cash flows, cash and cash equivalents include cash in hand.

Trade and Other Receivables
The Companies maintain trade and other receivables in order to collect the contractual cash flows and, therefore, subsequently measures them at amortized cost using the effective interest method, less any estimate for impairment.

2. Summary of Significant Accounting Policies (Continued)

Plant and Equipment and Depreciation
Plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Costs of maintenance, repairs, minor refurbishments and improvements are charged to expense. Subsequent costs are capitalized only when it is probable that a future economic benefit associated with the item will flow to the Companies and the cost of the item can be measured reliably. The Companies has a maintenance program that includes inspecting, testing and repairing all operational power equipment based on the equivalent operating hours (EOH).

Expenditure on the construction, installation or completion of infrastructure facilities, such as construction, generators and electric power plants facilities, is capitalized within property, plant and equipment according to its nature. No depreciation or amortization is charged during the construction phase. The Companies begin depreciating an item of property, plant and equipment when it is available for use.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Companies are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Depreciation rates used are described as follows:

Buildings	2.50%
Generators and plant facilities	5% - 10%
Right of uses assets	5% - 5.5%
Tools and minor equipment	25%
Equipment of transportation	25%
Furniture and office equipment	25%

Impairment of Long-Lived Assets
Plant and equipment and other non-current assets which are non-financial assets that are subject to depreciation and amortization, are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2. Summary of Significant Accounting Policies (Continued)

Intangible Assets

Right of use
Represent the value attributable to the right of use of a high voltage transmission for a 25 years period, by virtue of a long-term contract with the landowners and the Companies. The intangible assets are recognized at cost and subsequently measured at cost less accumulated amortization, which is calculated using the straight-line method to allocate the cost of the intangible assets over its estimated useful life of 25 years.

Lease Liabilities
Lease liabilities include the following lease payments:

- Fixed payments, less any lease incentives receivable,
- Variable lease payment that are based on an index or a rate,
- Amounts expected to be payable by the companies under residual value guarantees,
- The exercise price of a purchase option if the companies are reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the companies exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, to the extent that this can be determined. Otherwise, the discount is the lessee’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- No restoration costs, and no payment were made at or before the lease commencement date as well as not initial direct cost.

Shareholder’s Loan
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost, using the effective interest method.

Trade and Other Payables
Trade and other payables are obligations to pay for goods or services that have been acquired in the normal course of the business from suppliers. Trade and other payables are classified as current liabilities as payments are due within one year or less.

2. Summary of Significant Accounting Policies (Continued)

Trade and Other Payables (continued)

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Parent Company Investment

Common shares of each of the Companies considered in the combined financial statements are classified as parent company investment. (See Note 12).

Energy Revenue Recognition

The Companies recognize energy revenue in the periods that it delivers electricity. Contracted prices are billed in accordance to provisions of applicable power sales agreements and spot sales are billed in accordance with prevailing market prices. The unit of measurement of the contract prices is megawatts (MW). The following criteria should be met in order to recognize revenue: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the price to the buyer is fixed or determinable; and (4) collection is reasonably assured. Revenues are measured at fair value of the consideration received or receivable for the sale of the energy.

In accordance of IFRS 15, the Companies recognized the revenue from contracts with great clients (customers) based on a five-step model detailed below:

Step 1. Identify contracts with large clients: A contract is defined as the agreement between two or more parties, which creates rights and obligations required and establishes criteria that must meet for each contract. The contracts that are handled are written and grouped in the same type of contracts because all of the are categorized in the same concept of energy sales.

Step 2. Identify the contract obligations: An obligation is a promise in a contract with a client for the transfer of a good or service.

Step 3. Determine the price of transaction: The transaction price is the amount of the payment that the Companies expects to have the right in exchange for the transfer of the promised goods or services to a client.

Step 4. Assignment of the transaction price: The Companies recognizes the price of the contract payable as specified in the contract, subject to the stipulated conditions and adjustments or proposed deductions, as applicable.

Step 5. Recognition of revenue according to the criteria established by IFRS 15, the Companies continues recognizing revenues over time instead of during a certain time.

2. Summary of Significant Accounting Policies (Continued)

Energy Revenue Recognition (continued)
The Companies mainly satisfy their performance obligations at over time, when, or as, a performance obligation is satisfied, the Companies recognize as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Companies expect to be entitled. The transaction price is allocated to the performance obligations in the contract based on standalone selling prices of the goods or services promised.

Finance Cost
Comprise interest expense on borrowings, interest expense related to lease liabilities and bank fees.

3. Financial Risk Management

Financial Risk Factors
The Companies' activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the General Manager and the Director of Financial Department under the supervision of the Board of Directors. They identify and evaluate financial risks in close co-operation with management of departments within the Companies.

Market Risk
Foreign exchange risk.

The Companies are not substantially exposed to the foreign exchange risk fluctuation, since its revenues and expenses are mainly expressed in U.S. dollars.

Interest Rate Risk
Interest rate risk is mainly originated from long-term debt with variable interest rates that expose the Companies to the cash flows risk.

Credit Risk
Credit risk arises mainly from cash and cash equivalents, restricted cash, trade and other receivables. The Companies work only with well-known foreign and local financial institutions and energy distribution companies.

3. Financial Risk Management (Continued)

Financial Risk Factors (continued)

Credit Risk (continued)
The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rating.

	2020	2019 (Unaudited)
Cash at banks and short-term bank deposits international credit rating:		
Fitch (A and AA-)	2,171,998	2,968,453

The Companies have a concentration of its revenues and accounts receivable with large clients and customers from the spot market in the Republic of Panama. Sales of energy made to these customers represent approximately 82% and 17% (2019: 76% and 24%), of total revenues and 78% (2019: 70%) of total accounts receivable at the end of the year. This concentration of risk is mitigated by the fact that demand for electricity in Panama continues to grow steadily and that the energy market is very well structured and regulated by government authorities. For each PPA a guarantee is required and the payment term of invoices originating in the electric market of Panama is averaged in a range of 30 days from the date of presentation of the invoice. The guarantee is a performance bond payable to the collection against any event of default for bad debts or bad debt. There were no default events for unpaid bills as of December 31, 2020.

Liquidity Risk
Liquidity risk is the risk that the Companies might not be able to comply with all their obligations. The Companies minimize this risk by maintaining adequate levels of cash on hand or in current accounts for fulfilling commitments with recurring suppliers and borrowers. Cash flow forecasting is performed by the Companies and aggregated by Group finance. The Companies finance monitors rolling forecasts of the Companies' liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Companies do not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Companies' debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements. Also, if there are any deficiencies on the working capital of the individual Companies such will be supported by the other companies of the Group.

The table below analyses the Companies' financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

3. Financial Risk Management (Continued)

Financial Risk Factors (continued)

Liquidity Risk (continued)

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
December 31, 2020				
Loans payable to related	2,068,372	12,154,608	23,775,117	37,998,097
Lease liabilities	18,672	175,004	1,025,500	1,219,176
Trade and other payables	1,065,815	-	-	1,065,815
	3,152,859	12,329,612	24,800,617	40,283,088

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
December 31, 2019 (Unaudited)				
Shareholder’s loan	40,654,266	-	-	40,654,266
Lease liabilities	31,342	195,707	784,020	1,011,069
Trade and other payables	4,307,901	-	-	4,307,901
	44,993,509	195,707	784,020	45,973,236

Capital Risk Management

The Companies’ objectives when managing capital are to safeguard the Companies’ ability to continue as a going concern in order to provide returns for the shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Companies may adjust the number of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt. The Companies monitor capital on the basis of the "liabilities to tangible net worth ratio", which is one of the ratios that the Companies should consider at the time of paying dividends or incurring debt. Capital is defined by Management as the Companies’ shareholders’ equity.

This ratio is calculated as liabilities divided by tangible net worth. For calculation purposes, the Group's Management determines the liabilities by discounting the subordinated debt and the lease liability from their total. Total tangible net worth is calculated as “equity” as detailed in the balance sheet, including subordinated debt and excluding intangible assets and their associated liabilities (if any).

This ratio basically measures the leverage of the Companies as a percent of the equity invested by the shareholder and provides the percentage of the funding of the Companies with borrowing versus shareholders’ equity.

3. Financial Risk Management (Continued)

Capital Risk Management (continued)
The liabilities to tangible net worth ratio were as follows:

	2020	2019 (Unaudited)
Liabilities w/o subordinated debt and lease liabilities	1,065,815	4,307,901
Total tangible net worth	40,176,708	40,380,617
Total liabilities to tangible net worth ratio	0.03	0.11

Fair Value Estimation
For disclosure purposes, the International Financial Reporting Standards specify a fair value hierarchy that categorizes into three levels based on the inputs used in valuation techniques to measure fair value: The hierarchy is based on the transparency of variables used in the valuation of an asset at the date of valuation. These three levels are:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates its fair value due to the short-term nature.

4. Critical Accounting Estimates and Judgement

Estimates and judgements are continually evaluated by Management and are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances, the results of which form the basis for making judgements.

Critical Accounting Estimates and Assumptions
The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4. Critical Accounting Estimates and Judgement (Continued)

Critical Accounting Estimates and Assumptions (continued)

Depreciation of Plant and Equipment
The Companies makes judgements in assessing its assets estimated useful lives and in determining estimated residual values, as applicable. Depreciation is calculated on the straight-line method, based on the estimated useful lives of the assets.

These estimates are based on analysis of the assets' lifecycles and potential value at the end of its useful life. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Current and Deferred Income Tax Estimation
The Companies are subject to income tax. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Companies recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. Cash and Cash Equivalents

Cash and cash equivalents are detailed as follows:

	2020	2019 (Unaudited)
Cash in U.S. currency	2,171,998	2,968,453

6. Trust Fund with Specific Use

This trust fund is part of the obligation acquired due to the issuance of corporate bonds carried out by UEP Penonome II, in which the Companies of Tecnisol Group participated as Guarantors. For more details see note 16.

6. Trust Fund with Specific Use (Continued)

The fund balances of trusts with specific use are presented below:

	2020	2019 (Unaudited)
Guarantor Execution Account		
Tecnisol I, S.A.	568	-
Tecnisol II, S.A.	568	-
Tecnisol III, S.A.	568	-
Tecnisol IV, S.A.	568	-
Guarantor Collection Account		
Tecnisol I, S.A.	568	-
Tecnisol II, S.A.	568	-
Tecnisol III, S.A.	568	-
Tecnisol IV, S.A.	568	-
Guarantor Spot Market Account		
Tecnisol I, S.A.	500	-
Tecnisol II, S.A.	500	-
Tecnisol III, S.A.	500	-
Tecnisol IV, S.A.	500	-
	6,544	-

Guarantor Execution Account: The Guarantors' collection accounts together with the Issuer Collection Account, shall be funded with all income of the Guarantors, including revenues from the Power Purchase Agreements entered by the Guarantors, insurance proceeds, expropriation and termination payments, and from funds deposited in the Guarantor Spot Market Accounts.

Guarantor Collection Account: The Execution Accounts shall be funded from any proceeds derived from foreclosing on the Collateral in respect of the Issuer and the Guarantors in accordance with the Intercreditor Agreement.

Guarantor Spot Market Accounts: The Guarantors' spot market accounts shall be funded, first, prior to each monthly clearing of the spot market payments, from the Guarantor Collection Accounts and, second, after each such monthly clearing, from proceeds of the monthly clearing of the spot market payments.

7. Trade and Other Receivables

Trade and other receivables are detailed as follows:

	2020	2019 (Unaudited)
Clients	1,328,332	1,403,185
Related parties (Note 14)	161	1,675
Others	37,525	37,500
	1,366,018	1,442,360

The large clients have received the PPAs from Tecnisol I and Tecnisol III, in the same proportion that they have received their income from their final customers for the months of June, July, August and September, as of December 31, 2020, have been received partial and the total accounts receivable retained for the months of June to December is US$241,715 (See Note 19).

At December 31, 2020, there were no past due receivables; therefore, the Companies have not recorded any provision for impairment.

8. Plant and Equipment, Net

Following is the movement of plant and equipment:

	Generators and Plant Facilities	Transmission Line	Vehicles	Tools, Minor Equipment and Other Assets	Right of Use Assets	Construction in Progress	Total
Cost at January 1, 2020	40,359,413	2,983,185	27,450	-	1,040,227	23,707	44,433,982
Additions	-	-	25,680	4,549	-	48,899	79,128
Adjustment of right of use assets	-	-	-	-	207,157	-	207,157
Cost at December 31, 2020	40,359,413	2,983,185	53,130	4,549	1,247,384	72,606	44,720,267
Accumulated depreciation at January 1, 2020	(3,579,160)	(159,104)	(4,606)	-	(57,789)	-	(3,800,659)
Depreciation charge	(2,690,630)	(119,329)	(9,536)	(396)	(69,299)	-	(2,889,190)
Accumulated depreciation at December 31, 2020	(6,269,790)	(278,433)	(14,142)	(396)	(127,088)	-	(6,689,849)
Net balance at December 31, 2020	34,089,623	2,704,752	38,988	4,153	1,120,296	72,606	38,030,418

8. Plant and Equipment, Net (Continued)

	Generators and Plant Facilities	Transmission Line	Vehicles	Tools, Minor Equipment and Other Assets	Right of Use Assets	Construction in Progress	Total
Cost at January 1, 2019 (Unaudited)	40,234,228	2,983,185	-	-	-	-	43,217,413
Additions	125,185	-	27,450	-	-	23,707	176,342
Adjustment for change in accounting policy, (Note 9)	-	-	-	-	1,040,227	-	1,040,227
Cost at December 31, 2019 (Unaudited)	40,359,413	2,983,185	27,450	-	1,040,227	23,707	44,433,982
Accumulated depreciation at January 1, 2019 (Unaudited)	536,455	39,776	-	-	-	-	576,231
Depreciation charge	3,042,705	119,328	4,606	-	57,789	-	3,224,428
Accumulated depreciation at December 31, 2020 (Unaudited)	3,579,160	159,104	4,606	-	57,789	-	3,800,659
Net balance at December 31, 2020	36,780,253	2,824,081	22,844	-	982,438	23,707	40,633,323

The plant and equipment guarantee the issuance of the corporate bonds issued by UEP Penonome II, S.A., where the Companies of Tecnisol Group are the guarantors.

9. Leases

As of December 31, 2020, property, plant and equipment include leases corresponding to the operating land lease located in David, Chiriquí province, Republic of Panama. The lease term is 20 years with a variable increase according to the consumer price index of the United States of America until expiration.

On November 20, 2020, through an addendum to the lease contracts, the way to calculate the annual increase was modified establishing a fixed rate of 3% per year. The Companies recognized the increase that this form of calculation presented in the right of use assets US$207,157 leaving the lease liability US$1,219,176. (Note 8).

9. Leases (Continued)

The leased properties are presented below:

	2020	2019 (Unaudited)
Right-of-use assets		
Cost	1,040,227	1,040,227
Reassessment right of use assets	207,157	-
Accumulated depreciation	(127,088)	(57,789)
Net balance	1,120,296	982,438
Lease liabilities		
Current	18,672	31,342
Non-current	1,200,504	979,727
	1,219,176	1,011,069

10. Intangible Assets

The movement of intangible assets is as follows:

	2020	2019 (Unaudited)
Cost		
At January 1	261,814	245,814
Additions	-	16,000
Balance at the end of the period	261,814	261,814
Accumulated amortization		
At January 1	(13,325)	(3,278)
Depreciation charge	(10,472)	(10,047)
Balance at the end of the period	(23,797)	(13,325)
Balance at the end of the period	238,017	248,489

Intangible assets correspond to contracts with landowners, these contracts correspond to the construction of a high voltage transmission line for a period of 25 years.

11. Trade and Other Payables

Trade and other payables are detailed as follows:

	2020	2019 (Unaudited)
Suppliers	444,533	3,610,222
Income tax payable	270,600	-
Related parties (Note 14)	264,035	309,577
Interest payable on related loans (Note 14)	54,608	-
Others	32,039	388,102
	1,065,815	4,307,901

12. Parent Company Investment

The authorized share capital of the Companies is made up of each parent company investment for a total amount of US$40,000 as of 2019. On December 23, 2020, by means of the minute of the board of directors it was authorized to capitalize the amount of US$16,678,883 corresponding to the loan with InterEnergy Renewables SLU without increasing the authorized common share, as follows:

Company	Common Shares	Value per Share	Parent Company Investment	Capital Contribution	Total
Tecnisol I, S. A.	100	100	10,000	9,925,335	9,935,335
Tecnisol II, S. A.	100	100	10,000	3,658,504	3,668,504
Tecnisol III, S. A.	100	100	10,000	98,153	108,153
Tecnisol IV, S. A.	100	100	10,000	2,996,891	3,006,891
			40,000	16,678,883	16,718,883

The Companies are wholly owned by InterEnergy Renewables SLU.

The parent company investment is part of the guarantees given in the issuance of corporate bonds issued by UEP Penonome II, S.A. where Tecnisol Group is the guarantor

13. Costs and Expenses

The Companies classify its expenses by nature, as follows:

	2020	2019 (Unaudited)
Costs of goods and services		
Energy purchases from reserve contracts (Note 14)	3,593,151	2,145,974
Depreciation and amortization (Notes 8, 9 and 10)	2,899,662	3,234,475
Energy purchases to the spot market	689,175	3,431,909
Repairs and maintenance	650,946	161,059
Security	73,571	-
Salaries and other benefits to employees	44,197	-
Fees transmission cost	27,994	28,174
	7,978,696	9,001,591
Administrative expenses		
Other expenses	382,735	553,430
Professional fees	199,233	91,317
Insurance costs	176,393	57,533
Regulator fees	72,290	23,351
Management services (Note 14)	55,000	-
Administrative management expenses	-	20,524
Office maintenance	4,848	11,273
Fuel	3,370	3,157
Office expenses	2,151	23,633
Donations	-	86,380
	896,020	870,598
	8,874,716	9,872,189

14. Balances and Transactions with Related Parties

The Companies are fully controlled by Interenergy Partners, L. P., their ultimate parent company. The Companies carried out transactions and maintained balances with related companies, as described below:

	2020	2019 (Unaudited)
Transactions		
Interest paid - shareholders' loan (a)	304,906	1,434,373
Interest expense - on related loans (f)	54,608	-
Professional fees expenses (b)	55,000	-
Energy sold in the spot market (d)	1,625	35,454
Energy purchases in the spot market (d)	14,585	39,499
Energy purchases under reserve contracts (e)	1,862,736	1,953,564
Balances		
Accounts receivable energy spot market (d)	161	1,675
Accounts receivable to services rendered (c)	-	-
Accounts payable energy spot market (d)	2,565	2,056
Accounts payable professional fees (b)	55,000	-
Accounts payable energy reserve contracts (e)	206,470	307,521
	264,035	309,577
Shareholders' loan payable (a)	-	40,654,266
Interest payable on shareholder's loans (a)	-	-
Loan intercompany payable (f)	23,265,045	-
Interest payable on related loan (f)	54,608	-
	23,319,653	-

(a) Shareholders' loan granted by a related party for the construction of the plants, with a maturity date on December 20, 2021 and annual interest rate of 3%. On December 23, 2020 by means of the minutes of the board of directors authorized the repayment to InterEnergy Renewables SLU.
(b) Administrative and asset management services rendered by related parties.
(c) Account receivable for services rendered to a related party.
(d) Sales and purchases of energy with related parties in the energy spot market.
(e) Energy Reserve Contracts described in Note 17.
(f) Loans payable to related UEP Penonome II, S. A. with semiannual amortizations and final maturity on October 1, 2038 with an interest rate of 6.5%.

15. Income Tax

The income tax is presented as follows:

	2020	2019 (Unaudited)
Income tax	270,600	433,754

Under current tax legislation in the Republic of Panama, the profits of the Companies from local operations are subject to income tax. Income tax is based on the higher of the following computations:

a. The rate of 25% on taxable income (traditional method).

b. The net taxable profit resulting from applying 4.67% to the total taxable income times the rate of 25% which represents 1.17% of taxable income (alternative minimum tax - "CAIR").

In certain circumstances, if the application of 1.17% of revenue results in the entity incurring losses for tax reasons, or the effective tax rate is higher than 25%, then the entity may choose to request not to apply minimum tax. In such cases, the Companies must file a petition with the Tax Administration, who may authorize the no application for a term of three years

According Tax Legislation of Panama, income tax returns for the last three (3) years are subject to review by fiscal authorities, including year ending December 31, 2020.

The income tax resultant by applying the in-force rates to the income before tax (Traditional Method) is reconciled with the income tax provision presented in the combined financial statements, as follows:

	2020	2019 (Unaudited)
Profit before income tax	737,583	729,938
Plus: Effect of non-taxable loss	216,231	480,069
Non-deductible expenses	128,587	144,209
Effect of taxable income	1,082,401	1,354,216
Income Tax – (traditional method)	270,600	338,554
Previous year income tax adjustment	-	95,200
Total income tax (traditional method)	270,600	433,754

15. Income Tax (Continued)

Management requested to the Tax Authority the non-application of the CAIR for the 2019 fiscal year of Tecnisol I, S. A. The request was accepted and approved for the fiscal years 2019, 2020 and 2021.

Transfer Pricing
Law No.52 of August 28, 2012 established the transfer pricing regime oriented to regulate tax purposes transactions between related parties, and applicable to the taxpayer to perform operations with related parties that are tax residents of other jurisdictions. The most important aspects of this regulation include:

- Taxpayers must submit annually an information return related operations with related parties, within six (6) months following the close of the relevant fiscal period. This obligation applies to transactions from fiscal year 2012.

- Failure to submit the report shall be punishable by a fine equivalent to 1% of the total amount of transactions with related parties.

- Persons required to submit the report referred to in the preceding paragraph, shall maintain a transfer pricing study, which shall contain the information and analysis to assess and document their transactions with related parties, in accordance by Law. The taxpayer must present study only at the request of the Department of Revenue of the Ministry of Economy and Finance within 45 days of your request.

16. Tecnisol Group Guarantor

Through resolution No. SMV 515-20, dated December 2, 2020, UEP Penonome II, S.A. issued on December 18, 2020, together with Tecnisol Group as joint guarantor, corporate bonds guaranteed for a total of US$262,664,000, issued under Regulation 144A and Regulation S of the United States, with semi-annual amortizations and final maturity on October 1, 2038 with an interest rate of 6.5%, registered in the stock exchanges of Panama and Singapore

Main Obligations as Guarantor:

Funds from the Guarantors must be deposited in the Panamanian Trust accounts as described in “Description of the Notes-Summary of Panamanian Trust Accounts Structure.”

The Guarantors agree that at all times they will keep the Mortgaged Assets in and will not mobilize the Mortgaged Assets outside the premises of the Project sites. All the obligations of the Guarantors assumed in the Mortgage Agreement established by virtue of it, as well as the rights of the Mortgage Creditor, are absolute and unconditional and will remain in full force and effect and will not be released.

The Guarantors are obliged to pay the contributions, taxes and charges applicable to the Mortgaged Assets.

It is the obligation of the Guarantor to fully comply with all the obligations established in the trust Agreement. As of December 31, 2020, the Tecnisol Group as Guarantor is in compliance with all its commitments.

17. Commitments

The Companies have eight Energy Supply Contracts (PPAs) for fifteen years. Beginning in 2018 and ending in 2033 with Large Clients. The signed contracts have as counterparties: Coca-Cola FEMSA, Industrias Lacteas (Estrella Azul and Jugos del Prado), Clinica Hospital San Fernando, Riba Smith, S. A., Delyris, S. A., Ice Gaming Corp. and Iron Tower, S. A. For Ice Gaming and Iron Tower the supply period started in 2019.

The price is indexed based on the regulated tariff to the end customer which is published by ASEP every six months. The newest tariff published is compared against the last applicable tariff to define a proportion that shall apply to the energy price in the PPA. The result of the operation will determine, according to the provisions in the PPA, the adjustment that shall apply to the energy price to set the new price applicable for the six months. Four large clients have a price threshold of a maximum of 125 US$ / MWh and three large clients have 135 US$ /MWH and a minimum of 83 US$ / MWh.

The Companies have five energy reserve contracts with the Companies UEP Penonome II (related company), Generadora del Istmo (GENISA), Saltos del Francoli, Hydro Caisan, Generadora Pedregalito, Generadora Alto Valle and Generadora Río Chico. In the event that the Companies are unable to fulfill its obligations under any of the contracts, the performance bonds that support the obligations may be drawn by the customers. The amounts of the performance bonds outstanding as at December 31, 2020 were US$1,639,136 (2019: US$360,000).

The supply period for the reserve contract with UEP Penonome II is until March 31, 2025 per Amendment No.1. The Contract Price is fixed but can be changed by the parties through mutual agreement.

17. Commitments (Continued)

The supply period for the reserve contracts with GENISA and Saltos del Francoli are one year, beginning on December 31, 2019 for GENISA and 14 months beginning on November 1, 2019 for Saltos del Francoli. The Contract Price is variable per month and period.

The supply period for the reserve contracts with Hydro Caisan, Generadora Pedregalito, Generadora Alto Valle and Generadora Río Chico is for 16 months beginning on May 1, 2020.

The supply period for the reserve contracts with Electron Investment is until December 31, 2020, beginning on July 17, 2020.

ASEP (the regulator) granted the Definitive Licenses for Tecnisol I, II, III and IV through Resolutions AN No. 8545-Elec from May 6, 2015, AN No.8547-Elec from May 6, 2015, Resolution AN No.8546-Elec from May 6, 2015 and AN No.8548-Elec from May 6, 2015 lasting for forty (40) years with the possibility of renewal for an equal period.

In December 2018, the Companies detected some insulation problems on the conduction cables. Once analyzed and detected the cables with problems, it was decided to change the circuits of the cable affected. The Contractor assume the full obligation of the issue. In April 2019, cable samples were taken to the CEIS laboratory in Spain to analyze the cable's insulation characteristics to see if it complied with the regulations. The Contractor proposed removing all the cables from the conduits and making the journey through trays. In August 2019, works began on the installation of the trays. Even though new strings were already detected in trays with problems insulation and they were replaced. The final works to complete the replacement will start tentatively in September 2020 once the replacement cables arrive on site. During 2020, a total of 10% of the cables have been substituted (233) but not all at the same time. This process started in February 2020 and ended in September 2020, the works have been continuous with the methodology of checking, opening, and replacing the cables of the affected circuits.

It is estimated that up to a 10% of the plant has been affected by this problem after the relocation of the cables. The total estimated loss is US$300,116 which is going to be claimed to the insurance company as a business interruption.

18. Reclassification

For comparison purposes, certain figures from 2019 were reclassified. This reclassification has no effect on the net income of the period, or on the accumulated deficit previously reported or in the combined statement of cash flows.

18. Reclassification (Continued)

This reclassification has the purpose to recognize the operating expenses as part of the cost of goods and services, as part of a policy choice applied by Company's management in the presentation of the financial statements.

	As Originally Presented in 2019	Reclassification	Reclassified
Combined Statement of Comprehensive Income			
Costs of goods and services	(8,918,722)	(82,869)	(9,001,591)
Operating expenses	(82,869)	82,869	-

19. Impact of Covid-19

On March 11, 2020, the World Health Organization declared the coronavirus strain (COVID-19) in the category of pandemic.

The COVID-19 pandemic has affected the Wholesale Electricity Market (The Market) in Panama, since March the Government decreed a total quarantine with movement restrictions, this caused many businesses and industries to remain closed or reduce their production

capacity, which in turn caused a wave of layoffs and work contract suspensions, this caused an economic crisis in the country and in the electricity sector since many people did not have the resources to pay for their electricity bills.

Since most of the businesses were closed or partially opened due to the pandemic, ASEP (The Regulator) sent letter DSAN No.0806 of April 7, 2020 to the CND (National Dispatch Center) in which has been established that, those Large Clients that do not meet the requirement of Minimum Monthly Demand of 100kW for four (4) consecutive months, will not be disengaged provided that the Large Client and the Generator have expressly and jointly decided to avail themselves of the fortuitous event clause or force majeure of their supply contract, whether they notify the CND prior to the breach, or so notify the CND once it contacts them regarding the fourth breach.

All Companies clients were affected in a way or another by the Government measures decreasing their consumption specially Ice Gaming Corp. and Iron Tower, S. A. (hereinafter "Hilton"), but this affectations were less than most of the industries since Companies' clients continues operating full or at least partially except for Hilton as mentioned before, this affected of the Companies revenues since the client's consumption was lower than budgeted.

19. Impact of Covid-19 (Continued)

To minimize the effect of the pandemic the Government approved the Decree No.291 of May 13, 2020 that established a moratorium for the months from March to September to establish a non-obligation of payment for the people affected by the pandemic. With great part of the regulated clients not paying, this decreased the cash flow of the Distribution Companies and these could not keep with their payments to the Generation Companies. The foregoing caused a domino effect in the Market since the lack of liquidity of the Distribution Companies prevented them from fulfilling the full payments of the PPAs with the Generation Companies and ASEP (The Regulator) through resolution AN No.16095-Ele of May 21, 2020 let the Distribution Companies to pay proportionally with their income the commitments with the Market and also allows the Generation Companies affected by the pandemic due to this lack of payment by the Distribution Companies to pay their DTE (Economic Transactions - Document) obligations proportionally without their payment guarantee being executed by the CND (National Dispatch Center).

The Companies continue to make its full payments to the DTE (Economic Transactions Document), but the payments received from March to December due to ASEP (The Regulator) resolution, have been partial since other generation companies have been making partial payments due to being affected by the partial payments of the Distribution Companies.