

UEP Penonome II, S. A.

Report and Financial Statements December 31, 2024

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

UEP Penonome II, S. A.

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Independent Auditors' Report

To the Board of Directors and Shareholders of
UEP Penonome II, S. A.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of UEP Penonome II, S. A. (the "Company") as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at December 31, 2024;
- the statement of income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information 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 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 Company 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 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.

Key audit matters

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



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Impairment testing of plant and equipment and goodwill

As of December 31, 2024, the balances of plant and equipment and of goodwill amounts US\$180,311,071 and US\$20,000,000, respectively, which in the aggregate comprise 87% of the Company's total assets.

The Company is required to, at least annually, test goodwill for impairment. For plant and equipment, the Company 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 and goodwill have been allocated to groups of cash generating units ("CGUs"), which are the smallest group of assets that generate cash inflows that are largely independent of each other. The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows. This area was important to our audit because the impairment testing is complex, judgmental and based on assumptions that are affected by unexpected future market or economic conditions, particularly those relating to the cash forecast and the applied discount rate.

See Notes 8 and 11 to these financial statements.

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 financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

How our audit addressed the matter

We involved our internal valuation experts, analyzed the methodology and model of the value in use of the cash generating units.

We compared the assumptions used to calculate the discount rates with external information.

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.

We performed a sensitivity analysis around the key assumptions above mentioned to ascertain the extent of change in those assumptions that either individually or collectively would be required for the plant and equipment and for the goodwill to be impaired.



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In connection with our audit of the 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 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.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the 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 and 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.



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- 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 auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 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.



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Report on other legal and regulatory requirements

In compliance with Law 280 of December 30, 2021, which regulates the profession of certified public accountants in the Republic of Panama, we declare the following:

- The direction, execution and supervision of this audit work has been carried out physically in Panamanian territory.
- The audit partner in charge who has prepared this report of the independent auditors is Edereth Barrios, with certified public accountant license No.0304-2004.
- The engagement team that has participated in the audit referred to this report is constituted by Edereth Barrios, Partner and Renaldo Melendez, Manager.

PricewaterhouseCoopers
February 28, 2025
Panama, Republic of Panama

E. Barrios B.
Edereth Barrios
CPA 0304-2004

UEP Penonome II, S. A.

Balance Sheet

December 31, 2024

(All amounts in US\$ unless otherwise stated)

		2024	2023
	Notes		
Assets			
Current assets			
Cash and cash equivalents	2, 5 and 6	4,118,908	17,396,949
Trade and other receivables	2, 7 and 16	3,904,545	7,127,866
Related party debt receivable	16	1,239,674	1,138,080
Prepaid expenses		1,963,129	1,291,507
Inventory		<u>71,702</u>	<u>51,726</u>
Total current assets		<u>11,297,958</u>	<u>27,006,128</u>
Non-current assets			
Plant and equipment, net	2, 8 and 9	180,311,071	193,996,920
Goodwill	2 and 11	20,000,000	20,000,000
Related party debt receivable	16	18,105,378	19,345,052
Intangible assets, net	10	96,435	100,851
Seniority premium		<u>21,782</u>	<u>17,359</u>
Total non-current assets		<u>218,534,666</u>	<u>233,460,182</u>
Total assets		<u>229,832,624</u>	<u>260,466,310</u>
Liabilities and Equity			
Liabilities			
Current liabilities			
Bonds payable	13	17,584,115	16,627,445
Trade and other payables	2, 12 and 16	1,419,947	2,536,737
Lease liabilities	9	<u>271,410</u>	<u>229,888</u>
Total current liabilities		<u>19,275,472</u>	<u>19,394,070</u>
Non-current liabilities			
Lease liabilities	9	7,539,044	7,810,454
Deferred income tax	18	2,107,128	1,425,861
Provisions		402,067	374,016
Bonds payable	13	<u>198,290,030</u>	<u>211,820,687</u>
Total non-current liabilities		<u>208,338,269</u>	<u>221,431,018</u>
Total liabilities		<u>227,613,741</u>	<u>240,825,088</u>
Equity			
Common shares with US\$1 par value each; authorized and issued: 1,050 shares	2 and 14	1,050	1,050
Capital contribution	2 and 14	48,518,792	55,974,250
Accumulated deficit		(46,166,955)	(36,200,074)
Prepaid dividend tax		<u>(134,004)</u>	<u>(134,004)</u>
Total equity		<u>2,218,883</u>	<u>19,641,222</u>
Total liabilities and equity		<u>229,832,624</u>	<u>260,466,310</u>

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

UEP Penonome II, S. A.

Statement of Income

For the year ended December 31, 2024

(All amounts in US\$ unless otherwise stated)

		2024	2023
	Notes		
Energy revenues	16	42,653,811	54,587,421
Costs of goods and services	8, 10, 15 and 16	<u>(25,736,347)</u>	<u>(25,573,871)</u>
Gross profit		16,917,464	29,013,550
Administrative expenses	15 and 16	<u>(3,436,087)</u>	<u>(4,482,435)</u>
Operating profit		13,481,377	24,531,115
Finance cost, net	16 and 17	(15,193,459)	(16,142,876)
Other income		<u>1,010</u>	<u>6,770</u>
(Loss) profit before income tax		(1,711,072)	8,395,009
Income tax	18	<u>(681,267)</u>	<u>(820,467)</u>
(Loss) profit for the year		<u><u>(2,392,339)</u></u>	<u><u>7,574,542</u></u>

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

UEP Penonome II, S. A.

Statement of Changes in Equity For the year ended December 31, 2024 (All amounts in US\$ unless otherwise stated)

	Notes	Common Shares	Capital Contribution	Accumulated Deficit	Prepaid Dividend Tax	Total Equity
Balance at December 31, 2022		1,050	55,974,250	(43,774,616)	(134,004)	12,066,680
Profit for the year		-	-	7,574,542	-	7,574,542
Balance at December 31, 2023		1,050	55,974,250	(36,200,074)	(134,004)	19,641,222
Loss for the year		-	-	(2,392,339)	-	(2,392,339)
Transactions with shareholders:						
Dividends payment	14	-	-	(7,574,542)	-	(7,574,542)
Capital reduction	14	-	(7,455,458)	-	-	(7,455,458)
Balance at December 31, 2024		1,050	48,518,792	(46,166,955)	(134,004)	2,218,883

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

UEP Penonome II, S. A.

Statements of Cash Flows For the year ended December 31, 2024 (All amounts in US\$ unless otherwise stated)

	Notes	2024	2023
Cash flows from operating activities			
(Loss) profit before income tax		(1,711,072)	8,395,009
Adjustments to reconcile (loss) profit before income tax to net cash provided by operating activities:			
Depreciation and amortization	8, 9, 10 and 15	13,994,812	13,947,153
Finance cost amortization	17	465,343	488,115
Interest on bonds and lease liabilities	17	15,277,290	16,034,326
Interest income	17	(1,300,441)	(1,366,104)
Net changes in assets and liabilities:			
Trade and other receivables		3,206,463	(156,919)
Trade, other payables and provision		(1,088,704)	1,301,174
Prepaid expenses and seniority premium		(676,045)	3,696,876
Inventory		(19,976)	(11,041)
Net cash provided by operating activities		<u>28,147,670</u>	<u>42,328,589</u>
Cash flows from investing activities			
Additions of plant and equipment	8	(282,082)	(5,097,893)
Additions of intangible assets	10	(22,500)	(17,143)
Loan receivable - intercompany collection	16	1,138,080	996,981
Interest received - intercompany	16	1,317,299	1,384,321
Net cash provided by (used in) investing activities		<u>2,150,797</u>	<u>(2,733,734)</u>
Cash flows from financing activities			
Payment of issued bonds	13	(12,849,000)	(11,256,000)
Interest paid bonds	13	(14,872,390)	(15,629,088)
Dividends paid	14	(7,574,542)	-
Capital reduction	14	(7,455,458)	-
Principal lease payments	9	(229,888)	(192,094)
Interest paid lease	9	(595,230)	(610,919)
Net cash used in financing activities		<u>(43,576,508)</u>	<u>(27,688,101)</u>
Net (decrease) increase in cash and cash equivalents		<u>(13,278,041)</u>	<u>11,906,754</u>
Cash and cash equivalents at the beginning of year		<u>17,396,949</u>	<u>5,490,195</u>
Cash and cash equivalents at the end of year	5	<u>4,118,908</u>	<u>17,396,949</u>

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

UEP Penonome II, S. A.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

1. General Information

UEP Penonome II, S. A. (the “Company”) is incorporated on January 18, 2013 under the laws of the Republic of Panama. The Company is engaged in the production of electricity through its five wind parks located in Penonome, Province of Cocle, Republic of Panama.

The ultimate parent company of UEP Penonome II, S. A. is Basic Energy Ltd., incorporated in Bahamas.

The local regulator, Autoridad Nacional de los Servicios Publicos (ASEP, by its acronym in Spanish), approved the Company’s electricity generation license to 215 MW capacity (Note 19).

The Company is located at Plaza 58 Building, 9th floor, 58E Street, Obarrio, Republic of Panama, and the wind turbines are located in Penonome, Province of Cocle, Republic of Panama.

These financial statements have been approved for issue by the Finance Manager on February 28, 2025.

2. Summary of Material Accounting Policies

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

Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board (IASB) (IFRS Accounting Standards). The financial statements have been prepared on the historical cost convention.

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

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

Basis of Preparation (continued)

New Standards and Amendments Adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (effective for annual periods starting on January 1, 2024): Amendments made to IAS 1 Presentation of Financial Statements, clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

Basis of Preparation (continued)

New Standards and Amendments Adopted by the Company (continued)

- Lease liability in sale and leaseback - Amendments to IFRS 16: In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- Supplier finance arrangements - Amendments to IAS 7 and IFRS 7 (effective for annual periods starting on January 1, 2024): The IASB has issued new disclosure requirements about supplier financing arrangements ('SFAs'), after feedback to an IFRS Interpretations Committee agenda decision highlighted that the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures falls short of meeting user information needs.

The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity's liabilities, cash flows and the exposure to liquidity risk. The new disclosures include information about the following:

- a) The terms and conditions of SFAs
- b) The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
- c) The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
- d) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- e) Non-cash changes in the carrying amounts of financial liabilities in (b).
- f) Access to SFA facilities and concentration of liquidity risk with finance providers.

The amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

New Standards and Amendments not Adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after January 1, 2026): On May 30, 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
 - (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
 - (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027): IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

Management is currently assessing the detailed implications of applying these new standards on the Company's financial statements.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

Monetary Unit and Functional Currency

The 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.

Segment Information

A business segment is an identifiable component of the Company, 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 company.

A geographic segment is an identifiable component of the Company 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 Company's 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 Company's internal and reporting organization is predominantly based on a single business segment.

Financial Assets

The Company classifies its financial assets in the category of loans and receivables assets, 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 statement of cash flows, cash and cash equivalents include cash in hand and other short-term highly liquid investments with original maturities of three months or less.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

The statement of cash flows shows the Company's cash flows for the year for operating, investing and financing activities and the change in cash and cash equivalents during the year.

Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment of receivables. They are classified as current assets as collection is expected in one year or less.

A provision for impairment of trade receivables is established by applying the simplified approach of IFRS 9 to measure expected credit losses using a provision of expected losses over the life of the trade receivables.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Prepaid Expenses

Prepaid expenses are mainly related to advances to suppliers, prepaid insurance and letters of credit. These are recognized when the Company incurred in payments for goods or services to be received in the future. Prepaid expenses and other assets are initially recorded as assets, but their value is recognized over time on the income statement.

Plant and Equipment

Plant and equipment are stated at cost, less accumulated depreciation, amortization and impairment losses. Depreciation and amortization are 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 Company and the cost of the item can be measured reliably. The Company 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 constructions, generators and electric power plants facilities, is capitalized within plant and equipment according to its nature. No depreciation or amortization is charged during the construction phase. The Company begins depreciating an item of plant and equipment when it is available for use.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

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 payments were made at or before the lease commencement date as well as not initial direct costs.

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

Depreciation and amortization rates used are described as follows:

Transportation equipment	25%
Buildings	2.50%
Tools, minor equipment and other assets	25%
Furniture and office equipment	25%
Generators and plant facilities	5% - 10%
Leasehold	5%

Plant and Equipment (continued)

Major spare parts and stand-by equipment qualify as plant and equipment when the Company expects to use them during more than one period; and if spare parts and servicing equipment can be used only in connection with an item of plant and equipment, they are accounted for as plant and equipment. Depreciation of spares that are capitalized commences when the asset has been installed and is capable of being used. The depreciation charge is based on the expected useful life of the spare while it is being used, which may be shorter than the useful life of the asset to which it relates. When the spare is itself replaced, the asset is derecognized.

Plant and equipment include interest on borrowings that are directly attributed to the construction of the assets.

Inventory

Consist of consumable spare parts that are expected to be used for replacement or improvement on existing assets. Inventory is stated at the lower of cost or net realizable value. The cost of inventories includes expenditure incurred in purchases and other necessary costs to bring them to their existing location and condition.

Cost is determined using the weighted average cost method. An allowance for obsolete inventory of spare parts is established based on management's analysis of such items to be used as intended and the consideration of potential obsolescence due to technological changes and consumption patterns.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

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.

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

In both cases, the recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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 Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company 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.

Intangible Assets

Easement right of way

Represent the value attributable to the right of way of a high voltage transmission line for a 25 years period, by virtue of a long-term contract with the landowner and the Company. The intangible assets are recognised 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.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

Goodwill

Goodwill arises and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired.

Goodwill is not amortized, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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. (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Provision - Asset Retirement Obligation

The Asset Retirement Obligation Provision (ARO) is valued at the present value of the disbursements that are expected to be necessary to settle the obligation using the best estimate of the Company. The discount rate used to determine the present value reflects current market assessments, at the date of the statement of financial position, of the time value of money, as well as the specific risk related to the particular liability, if applicable. The Company has recognized non-current obligations for the dismantling and retirement of its assets at the end of their lives.

Bonds Payable

Bonds payable are initially recognized at fair value, net of transaction costs incurred. Bonds payable are subsequently carried at amortized cost, using the effective interest method; are classified as current liabilities unless the Company maintains the unconditional right to defer the liability for at least twelve months after the reporting date.

Finance Costs

General and specific finance costs directly attributed to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until the assets are substantially ready for their intended use or sale any difference between the net product of transaction costs and the redemption value is recognized in the income statement during the financing period using the effective interest method. All finance costs are recognized in the income statement in the period in which they are incurred.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

Current and Deferred Income Tax

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the income statement. The current income tax charge is calculated based on the tax laws enacted at the balance sheet date over the taxable income.

Deferred income tax is provided in full, using the liability method, where temporary differences arise between the fiscal bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability, in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available, and the temporary differences can be utilized against it.

Employee Benefits

Defined Benefit Plan for Employees (Seniority Premium and Indemnification)

The Panamanian Labor Law established a service seniority premium. For this purpose, a provision has been established, which is calculated on the basis of one week of each year of work, equal to 1.92% of salaries paid in the year. In addition, employees dismissed under certain circumstances are entitled to receive compensation based on years of services.

Law N° 44 dated August 12, 1995, established, from the effective date of the law, the employer's obligation to set up a severance fund to pay employees the seniority premium and indemnity for unjustified dismissal established by the Labor Law. This fund is constituted based on seniority premium and the quote of the monthly severance.

Defined Contribution Plan

According to Law No.51 of December 27, 2005, the companies must realize monthly contributions to the Panama Social Security (i.e., Caja de Seguro Social de Panama in Spanish), based on a percentage of the total wages paid to their employees. A portion of these contributions is used by the Panamanian State for the payment of the future retirements of the employees. The contribution for the year amounted to US\$36,529 (2023: US\$26,288).

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

Equity

Equity comprises the following:

- Common shares: representing the nominal value of equity shares issued to the shareholders. Share capital is represented by ordinary nominative non-endorsable shares of US\$1 nominal value each.
- Capital contribution: representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issuance.
- Accumulated deficit: representing accumulated earnings and losses.

Provision for dividends is made for the amount of any dividend declared, being appropriately authorized by the Board of Directors, on or before the end of the reporting period but not distributed at the end of the reporting period.

Energy Revenue Recognition

The Company recognizes 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 dollar per megawatt hour (\$/MWh). Revenues are measured at fair value of the consideration received or receivable for the sale of the energy.

In accordance with IFRS 15, the Company recognized the revenue from contracts with customers based on a five-step model detailed below:

- Step 1: Identify contracts with customers: A contract is defined as the agreement between two or more parties, which creates rights and obligations required and establishes criteria that must be met for each contract. The contracts that are handled are written and grouped in the same type of contracts because all of them 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 Company expects to have the right in exchange for the transfer of the promised goods or services to a client.

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

2. Summary of Material Accounting Policies (Continued)

Energy Revenue Recognition (continued)

- Step 4: Assignment of the transaction price: The Company 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 Company continues recognizing revenues over time instead of during a certain time.

The Company principally satisfies its performance obligations over time, when, or as, a performance obligation is satisfied, the Company recognizes 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 Company expects 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

Comprises interest expense on bonds, unwinding of the discount of provision and deferred consideration.

3. Financial Risk Management

Financial Risk Factors

The Company's 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 Company.

Market Risk

Foreign Exchange Risk

The Company is not substantially exposed to the foreign exchange risk fluctuation, since its revenues, expenses and balances are mainly expressed in U. S. Dollars (US\$).

Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

3. Financial Risk Management (Continued)

Interest Rate Risk

Interest rate risk is mainly originated from long-term bonds with fixed interest rates.

Interest Rate Sensitivity

The Company has issued bonds which have fixed rate (Note 13).

Credit Risk

Credit risk arises mainly from cash and cash equivalents and trade and other receivables. The Company works only with well-known foreign and local financial institutions and energy distribution companies.

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

	2024	2023
Cash at banks and trustee fund accounts:		
A+/AA- (2023: A+/AA-)	4,022,162	2,237,142
BB/BBB- (2023: BBB-/BB+)	<u>95,346</u>	<u>15,158,407</u>
	<u><u>4,117,508</u></u>	<u><u>17,395,549</u></u>

The Company has a concentration of its revenues and accounts receivable with the three off takers companies and with affiliated companies operating in the Republic of Panama. Sales of energy made to these customers represent approximately 84% (2023: 85%) of total revenues and 89% (2023: 91%) of total accounts receivable at the end of the period. 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 power purchase agreement (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 presentation date 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, 2024 and 2023.

Liquidity Risk

Liquidity risk is the risk that the Company might not be able to comply with all its obligations. The Company minimizes this risk by maintaining adequate levels of cash on hand or in current accounts for fulfilling commitments with recurring suppliers and borrowers. The current liabilities are covered by the cash flow generated by operations.

Notes to the Financial Statements**December 31, 2024***(All amounts in US\$ unless otherwise stated)***3. Financial Risk Management (Continued)****Financial Risk Factors (continued)*****Liquidity Risk (continued)***

The Company finance monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed bonds facilities at all times so that the Company does not breach bonds limits or covenants on any of its bonds facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

The table below analyses the Company's non-derivative 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.

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
December 31, 2024					
Bonds payable	28,018,320	28,143,108	84,043,095	184,380,335	324,584,858
Lease liabilities	847,990	871,662	2,765,507	7,971,188	12,456,347
Trade and other payable	1,419,947	-	-	-	1,419,947
	<u>30,286,257</u>	<u>29,014,770</u>	<u>86,808,602</u>	<u>192,351,523</u>	<u>338,461,152</u>
December 31, 2023					
Bonds payable	27,721,390	28,018,320	84,269,735	212,296,803	352,306,248
Lease liabilities	825,118	847,990	2,689,361	8,918,996	13,281,465
Trade and other payable	2,536,737	-	-	-	2,536,737
	<u>31,083,245</u>	<u>28,866,310</u>	<u>86,959,096</u>	<u>221,215,799</u>	<u>368,124,450</u>

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Notes to the Financial Statements

December 31, 2024

(All amounts in US\$ unless otherwise stated)

3. Financial Risk Management (Continued)

Financial Risk Factors (continued)

Liquidity Risk (continued)

Cash Flows Information - Net Debt Reconciliation

The combined analysis of net debt and the movements in the net debt for each of the periods presented is detailed below:

	2024	2023
Cash and cash equivalents	4,118,908	17,396,949
Bonds payable	(218,407,000)	(231,256,000)
Lease liabilities	<u>(7,810,454)</u>	<u>(8,040,342)</u>
Net debt	<u>(222,098,546)</u>	<u>(221,899,393)</u>

	Leases Liabilities	Bonds Payable	Sub-total	Cash and Equivalents	Total
Net debt as December 31, 2022	<u>(8,232,436)</u>	<u>(242,512,000)</u>	<u>(250,744,436)</u>	5,490,195	<u>(245,254,241)</u>
Payment	192,094	11,256,000	11,448,094	-	11,448,094
Cash flows	-	-	-	11,906,754	11,906,754
Net debt as December 31, 2023	<u>(8,040,342)</u>	<u>(231,256,000)</u>	<u>(239,296,342)</u>	17,396,949	<u>(221,899,393)</u>
Payment	229,888	12,849,000	13,078,888	-	13,078,888
Cash flows	-	-	-	<u>(13,278,041)</u>	<u>(13,278,041)</u>
December 31, 2024	<u>(7,810,454)</u>	<u>(218,407,000)</u>	<u>(226,217,454)</u>	4,118,908	<u>(222,098,546)</u>

Notes to the Financial Statements

December 31, 2024

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3. Financial Risk Management (Continued)

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's 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 Company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debt.

Capital is monitored by the debt (bonds payable) to EBITDA ratio. This ratio measures the income generated and available to pay down debt from cash flows generated by the operations.

The debt to EBITDA ratio were as follows:

	2024	2023
Corporate bonds, excluding interest payable and deferred finance costs	218,407,000	231,256,000
EBITDA	27,477,199	38,485,038
(Loss) profit for the year	(2,392,339)	7,574,542
Depreciation and amortization (Notes 8, 9, 10 and 15)	13,994,812	13,947,153
Finance cost, net (Note 17)	15,193,459	16,142,876
Income tax (Note 18)	681,267	820,467
Total EBITDA ratio	7.95	6.01

Fair Value Estimation

For disclosure purposes, the IFRS Accounting 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 or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Notes to the Financial Statements

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(All amounts in US\$ unless otherwise stated)

3. Financial Risk Management (Continued)

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.

The fair value of bonds payables is disclosed in Note 13.

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.

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.

Asset Retirement Obligation

The Company makes estimates to determine the dismantling values associated with the termination of the lease contracts, this estimate is recorded at its present value in the financial statements of the Company.

Depreciation and Amortization of Plant and Equipment

The Company makes judgements in assessing its assets estimated useful lives and in determining estimated residual values, as applicable. Depreciation and amortization are 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.

Notes to the Financial Statements

December 31, 2024

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4. Critical Accounting Estimates and Judgement (Continued)

Current and Deferred Income Tax Estimation

The Company is 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 Company 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.

Impairment of Goodwill

The Company tests annually whether goodwill has suffered any impairment, in accordance with the corresponding accounting policy disclosed herein. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 11).

Impairment of Non-financial Long-lived Assets

Non-financial long-lived assets, including identifiable intangible assets and right-of-use assets, are reviewed for impairment at the lowest level for which there are separately identifiable cash flows (CGU). For this purpose, each asset group with independent cash flows has been considered a single CGU, as all of their assets jointly contribute to the generation of cash inflows, which are derived from a single service or product; this cash inflows cannot be attributed to individual assets. In order to evaluate if there is evidence that a CGU could be affected, both external and internal sources of information are analyzed. The value in use of each CGU is estimated based on the present value of future net cash flows expected throughout its remaining useful life. Management uses approved long-term models cash flow projections then discounted at the appropriate rates. The discount rates used to discount future net cash flows is the WACC, for each asset or CGU a specific WACC was determined which considered the country conditions where the operations are performed.

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4. Critical Accounting Estimates and Judgement (Continued)

Impairment of Non-financial Long-lived Assets (continued)

In order to calculate the fair value less the costs of disposal, Management uses the estimated value of the future cash flows that a market participant could generate from the appropriate CGU, less the necessary costs to carry out the sale of the corresponding CGU. Management is required to make judgments at the moment of the future cash flows estimation. The actual cash flows and the values may differ significantly from the expected future cash flows and the related values obtained through discount techniques.

5. Cash and Cash Equivalents for Statement of Cash Flows

The cash and cash equivalents for statement of cash flows purposes are detailed as follows:

Trust funds balances are considered as part of the cash and cash equivalents considering that these funds are used as part of the operational process described in Note 6.

	2024	2023
Trustee fund accounts (Note 6)	2,907,937	2,252,455
Cash in U. S. currency	1,207,475	15,142,289
Collection account of trustee fund at 0.25% (2023: 0.35%) (Note 6)	2,096	805
Petty cash	1,400	1,400
	<u>4,118,908</u>	<u>17,396,949</u>

6. Trust Fund with Specific Use

The trust fund balances with specific use are presented below:

	2024	2023
Debt service accrual account	2,877,373	2,169,838
Spot market account	27,564	79,617
Collection account	2,096	805
Debt reserve account	600	600
Reserve O&M account	600	600
UEP II execution account	600	600
SWAP account	600	600
LC loan account	600	600
	<u>2,910,033</u>	<u>2,253,260</u>

Notes to the Financial Statements

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6. Trust Fund with Specific Use (Continued)

Debt Reserve Account: The debt service reserve account shall be funded from the amounts received from the collection account or letters of credit or a combination of the two in an amount at least equal to the then applicable debt service reserve requirement (other than in respect of amounts of principal or any cash collateralization obligation or reimbursement obligation due under the letter of credit documents); provided that funds held in the debt service reserve account may be withdrawn to make payments of any amounts (including interest expense, principal, fees, premiums or other amounts other than amounts of principal due under the letter of credit documents (except as provided below)) due on the notes and any other secured debt if and to the extent that the amounts held in the account are insufficient to make such payments. The amounts deposited in the debt service reserve account may be used to reimburse or repay draws upon a related letter of credit to the extent such reimbursement or repayment restores dollar for dollar the ability of the collateral trustee to draw upon such letter of credit for such purposes in the future.

Debt Service Accrual Account: The debt service accrual account shall be funded from the amounts received from the collection account pursuant to the accounts' waterfall established under the Panamanian trust.

O&M Reserve Account: The trust O&M reserve account shall be funded from the amounts received from the collection account or letters of credit, or a combination of the two. Funds from the trust O&M reserve account may be withdrawn as instructed by the issuer or the intercreditor agent, as applicable, to fund the issuer working capital account or any of the guarantor working capital accounts, if and to the extent that (i) the amounts held in the collection accounts and the issuer working capital account or the guarantor working capital account, as applicable, are insufficient to pay operating and maintenance expenses, or (ii) the amount in the relevant issuer distribution account or the guarantor distribution accounts is insufficient to pay unscheduled operating and maintenance expenses. The O&M reserve account shall be funded up to an amount equal to US\$1 million or such greater amount as the issuer at its option may decide.

UEP II Execution 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.

SWAP Account: The SWAP account shall be funded from amounts received from in the issuer collection account pursuant to the accounts waterfall up to an amount sufficient to cover any swap settlement payments or swap termination payments, as applicable, due and payable during the transfer period by the issuer under the Citi swap; provided, that amounts will only be transferred to the swap position account upon satisfaction by the issuer of the conditions set out under "limitation on restricted payments".

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Notes to the Financial Statements

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6. Trust Fund with Specific Use (Continued)

LC Loan Account: The letter of credit account shall be funded from amounts received in the issuer collection account pursuant to the accounts waterfall to fund amounts payable under the letter of credit documents, other than commitment and letter of credit fees and accrued and unpaid interest.

Issuer Collection Account: The issuer's collection account shall be funded with all income of the issuer, including revenues from the power purchase agreements entered into by the issuer, payments under the intercompany loans, wake effect payments, insurance proceeds, expropriation and termination payments, any other sources of revenue (including any related party payments), construction guaranty payments and liquidated damages payable under the SMA and related agreements, if any, and funds deposited in the issuer spot market account after netting any spot market payments owing to third parties.

Issuer's Spot Market Account: The issuer's spot market account shall be funded, first, prior to each monthly clearing of the spot market payments, from the collection account and, second, after each such monthly clearing, from net proceeds of the monthly clearing of the spot market payments.

7. Trade and Other Receivables

Trade and other receivables are detailed as follows:

	2024	2023
Clients	3,227,690	6,343,999
Related parties (Note 16)	359,043	448,935
Interest receivable related parties (Note 16)	317,812	334,670
Others	-	262
	<u>3,904,545</u>	<u>7,127,866</u>

At December 31, 2024 and 2023, there were no past due receivables, therefore, the Company has not recorded any provision for impairment.

As per ASEP resolution AN No-16095-Ele of May 21, 2021, due to COVID -19, the Distribution companies have paid the PPAs to UEP II in the same proportion that they have been received their revenues from their final clients corresponding to the billings for the months of March, April, May and June 2020. Total accounts receivable on hold as of December 2024 is US\$0.00 (2023: US\$92 thousands). As of December 31, 2024, the outstanding balances have already been cancelled.

Trade and other receivables are parts of the pledged assets, which guarantee the issuance of corporate bonds. (See Note 13).

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8. Plant and Equipment, Net

Following is the movement of plant and equipment:

	Transportation Equipment	Building	Tools, minor equipment and other assets	Generators and Plant Facilities	Right of Use Assets	Dismantling	Blades Project Inventory	Fixed Assets Inventory	Construction in Progress	Total
Cost at January 1, 2024	423,461	926,330	704,228	318,834,736	8,687,492	323,648	4,621,557	-	563,909	335,085,361
Additions	-	10,861	49,968	-	-	-	147,955	28,918	44,380	282,082
Reclassifications and disposals	-	160,930	76,919	-	-	-	-	-	(237,884)	(35)
Cost at December 31, 2024	423,461	1,098,121	831,115	318,834,736	8,687,492	323,648	4,769,512	28,918	370,405	335,367,408
Accumulated depreciation at January 1, 2024	(406,544)	(167,861)	(620,206)	(137,526,352)	(2,331,518)	(35,960)	-	-	-	(141,088,441)
Depreciation charge	(7,250)	(79,047)	(9,201)	(13,386,826)	(467,592)	(17,980)	-	-	-	(13,967,896)
Accumulated depreciation at December 31, 2024	(413,794)	(246,908)	(629,407)	(150,913,178)	(2,799,110)	(53,940)	-	-	-	(155,056,337)
Net balance at December 31, 2024	9,667	851,213	201,708	167,921,558	5,888,382	269,708	4,769,512	28,918	370,405	180,311,071

	Transportation Equipment	Building	Tools, minor equipment and other assets	Generators and Plant Facilities	Right of Use Assets	Dismantling	Blades Project Inventory	Fixed Assets Inventory	Construction in Progress	Total
Cost at January 1, 2023	423,461	825,607	691,505	318,834,736	8,687,492	323,648	-	-	225,095	330,011,544
Additions	-	100,723	12,723	-	-	-	4,620,754	-	363,693	5,097,893
Reclassifications	-	-	-	-	-	-	803	-	(24,879)	(24,076)
Cost at December 31, 2023	423,461	926,330	704,228	318,834,736	8,687,492	323,648	4,621,557	-	563,909	335,085,361
Accumulated depreciation at January 1, 2023	(399,294)	(130,891)	(611,231)	(124,139,526)	(1,863,926)	(17,980)	-	-	-	(127,162,848)
Depreciation charge	(7,250)	(36,970)	(8,975)	(13,386,826)	(467,592)	(17,980)	-	-	-	(13,925,593)
Accumulated depreciation at December 31, 2023	(406,544)	(167,861)	(620,206)	(137,526,352)	(2,331,518)	(35,960)	-	-	-	(141,088,441)
Net balance at December 31, 2023	16,917	758,469	84,022	181,308,384	6,355,974	287,688	4,621,557	-	563,909	193,996,920

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8. Plant and Equipment, Net (Continued)

Plant and equipment are included into the onshore Security Agreements which includes the mortgage on movable and immovable assets, including the Company's generation licenses. (Note 13).

9. Lease

As of December 31, 2024, plant and equipment include leases which correspond to the lease located in Penonome. Lease terms are between 14-yr and 25-yr contract with an incremental rate of 2% year until expiration. The discount rate applied to the lease liability is 7.5%.

The leased properties are presented below:

	2024	2023
<i>Right-of-use assets</i>		
Cost	8,687,492	8,687,492
Accumulated depreciation	<u>(2,799,110)</u>	<u>(2,331,518)</u>
Net balance	<u>5,888,382</u>	<u>6,355,974</u>
<i>Lease liabilities</i>		
Current	271,410	229,888
Non-current	<u>7,539,044</u>	<u>7,810,454</u>
	<u>7,810,454</u>	<u>8,040,342</u>

The movement of lease liabilities is as follows:

	2024	2023
At the beginning of the year	8,040,342	8,232,436
Lease payment	<u>(229,888)</u>	<u>(192,094)</u>
At the end of the year	<u>7,810,454</u>	<u>8,040,342</u>

UEP Penonome II, S. A.

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9. Lease (Continued)

The statement of profit or loss shows the following amounts relating to lease:

	2024	2023
Depreciation charge of right-of-uses assets leased properties	<u>467,592</u>	<u>467,592</u>
Interest expenses (included in finance cost)	<u>595,230</u>	<u>610,919</u>

10. Intangible Assets

The movement of intangible assets is as follows:

	2024	2023
Cost		
At January 1	205,039	187,896
Additions	<u>22,500</u>	<u>17,143</u>
Balance at the end of the year	<u>227,539</u>	<u>205,039</u>
Accumulated amortization		
At January 1	(104,188)	(82,628)
Depreciation charge	<u>(26,916)</u>	<u>(21,560)</u>
Balance at the end of the year	<u>(131,104)</u>	<u>(104,188)</u>
Net balance at the end of the year	<u>96,435</u>	<u>100,851</u>

Intangible assets - *easement right of way*: correspond to contracts with landowners with a single payment, these contracts were obtained for the constitution of an easement for the high voltage transmission line for a period of 25 years.

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11. Goodwill

In April 2014, IEH Penonome Holdings acquired the share capital of UEP Penonome II, S. A. for US\$8,518,361. In December 2014, it acquired a further share capital for US\$20,000,000 and obtained control of UEP Penonome II, S. A.

The following table summarizes the consideration paid for UEP Penonome II, S. A., the fair value of assets acquired at the acquisition date:

Consideration transferred	
Cash	28,518,361
Recognized amounts of identifiable assets acquired and construction in progress	<u>(8,518,361)</u>
Goodwill	<u>20,000,000</u>

The recoverable amounts of the business unit are calculated based on their value in use. The value in use is determined by discounting the future cash flows expected from the continuous use of each unit. The calculation of value in use is based on the following basic assumptions:

- Business plan for 2024 was used to project future cash flows. Future cash flows were projected using average growth rates based on the long-term assumptions growth rates, projected power generation, power contract price and spot market price. The forecast period is based on the long-term perspective of the Company with respect to the operation of this unit which was determined in 15 years.
- The discount rate of 6.50% was applied in determining the amounts recoverable for the business unit. This rate is calculated on the basis of market experience and the weighted average cost of capital (WACC) allocated for this unit.

The key assumptions described above may change as economic and market conditions change. The Company estimates that reasonably possible changes in these assumptions are not expected to affect the recoverable amount of the business unit or drops below the value of the carrying amount.

Notes to the Financial Statements**December 31, 2024***(All amounts in US\$ unless otherwise stated)*

12. Trade and Other Payables

Trade and other payables are detailed as follows:

	2024	2023
Suppliers	1,176,272	2,091,158
Others	242,975	364,808
Related parties (Note 16)	700	80,771
	<u>1,419,947</u>	<u>2,536,737</u>

13. Bonds Payable

Through resolution No. SMV 515-20, dated December 2, 2020, the Company issued on December 18, 2021, with Tecnisol I S. A., Tecnisol II S. A., Tecnisol III S. A. and Tecnisol IV S. A., (together “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 of America, 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 (Latin American Stock Exchange-LATINEX) and Singapore (Singapore Exchange Limited, SGX). The resources obtained from the bond issuance were used to prepay the syndicated loan acquired on December 29, 2014 with the IFC and other financial entities for US\$228,436,514, payment of the financial instrument derived from interest rate for US\$18,049,401, financing costs for US\$5,208,636, and loan performed with Tecnisol Group for US\$10,969,449.

The most relevant commitments and restrictions on this debt are detailed below (all financial ratios expressed below are calculated based on the results of the Company and the Tecnisol Group combined).

- Limitation of indebtedness: for the Company to enter into a permitted indebtedness, it needs to maintain a debt coverage service ratio, both historical and prospective, of at least 1.31.
- Mortgages and / or liens are prohibited, except for certain permitted liens.
- Sale of assets and mergers: prohibited, except under certain conditions.
- Modifications to the main contracts are prohibited.
- Limitations on new investments.
- Restricted payments: you cannot make restricted payments if you do not meet both historical and prospective debt coverage service relationship of at least 1.20.

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13. Bonds Payable (Continued)

Guarantee Agreement: Includes the pledge on the Company's shares; transfer in guarantee of the energy purchase agreements and lease titles of ANATI; mortgage of movable and immovable property (including, among the latter, the Company's generation licenses). The Bank of Nova Scotia (Panama) acts as trustee (FID-135). The debt contract establishes that the Company must maintain a "Debt Service Reserve" and an "O&M Reserve" through a deposit or a letter of credit to ensure, in the first case, the next payment of interest. more capital and, in the second case, a certain level of operation and maintenance. (See Note 6).

On December 18, 2020, the Company contracted two letters of credit corresponding to Letter of Credit (DSR) (US\$15,537,000) and Letter of Credit (OMR) (US \$1MM) for three years. On December 11, 2024 the Company renewed the mentioned Letters of Credit under the same conditions for three additional years, ending on December 18, 2026.

As of December 31, 2024, the Company is in compliance with all its commitments throughout the reporting period.

The movement of bonds payable is as follows:

	2024	2023
Corporate bonds	218,407,000	231,256,000
Interest payable	3,588,115	3,778,445
Less: unamortized finance costs	<u>(6,120,970)</u>	<u>(6,586,313)</u>
Bonds and interest payable, net	215,874,145	228,448,132
Less: current portion and interest payable	<u>(17,584,115)</u>	<u>(16,627,445)</u>
Bonds payable	<u>198,290,030</u>	<u>211,820,687</u>
	2024	2023
Outstanding at January 1	228,448,132	239,421,698
Proceeds from issuance of bonds	-	-
Payment of bonds	(12,849,000)	(11,256,000)
Interests expense	14,682,060	15,423,407
Interests payment	(14,872,390)	(15,629,088)
Amortization of debt issuance costs	<u>465,343</u>	<u>488,115</u>
Outstanding bonds at December 31	<u>215,874,145</u>	<u>228,448,132</u>

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13. Bonds Payable (Continued)

The movement of the unamortized finance costs is as follows:

	2024	2023
Beginning balance	6,586,313	7,074,428
Amortization of the year	<u>(465,343)</u>	<u>(488,115)</u>
Balance at December 31	<u>6,120,970</u>	<u>6,586,313</u>

The fair value of the bonds payable is US\$ as of December 2024 US\$198,209,098 (2023: US\$182,173,193), based on discounted cash flows using a rate based on the loan rate of 6.7% and is within Level 3 of the fair value hierarchy.

14. Shareholders' Equity

The shareholders' equity is as follows:

	Common Shares	Capital Contribution	Total
Balances as of December 31, 2023	1,050	55,974,250	55,975,300
Capital reduction	<u>-</u>	<u>(7,455,458)</u>	<u>(7,455,458)</u>
Balances as of December 31, 2024	<u>1,050</u>	<u>48,518,792</u>	<u>48,519,842</u>

The shareholders composition of the Company is the following:

InterEnergy Holding UK Ltd.	95.24% economic interest
Green Field Panama, S. A.	4.76% economic interest

On February 28, 2024, by means of the minutes of the board of directors, a capital reduction was approved, without reducing the authorized capital stock of the Company, for US\$7,455,458, leaving US\$48,518,792 as final capital. Additionally, dividend distribution was approved for US\$7,574,542.

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14. Shareholders' Equity (Continued)

On December 28, 2023, by means of a meeting of the board of directors, UEP Penonome II, S.A. authorized the issuance of new share certificates representing the totality of the shares transferred from IEH Penonome Holdings to InterEnergy Holding UK Ltd. This change did not have any impact in the equity composition of the Company.

The shareholder's equity is part of the guarantees given in the issuance of corporate bonds issued by UEP Penonome II, S. A. (See Note 13).

15. Costs and Expenses

The Company classifies its costs and expenses by nature, as follows:

	2024	2023
Cost of goods and services		
Depreciation and amortization (Notes 8, 9 and 10)	13,994,812	13,947,153
Repairs and maintenance	6,915,447	7,795,090
Fees transmission cost	3,573,302	2,784,099
Internal consumption	531,537	571,262
Salaries and other benefits to employees	352,044	273,892
Security	214,126	202,375
Energy purchases to the spot market (Note 19)	155,079	-
	<u>25,736,347</u>	<u>25,573,871</u>
Administrative expenses		
Insurance costs	1,054,607	987,481
Substation connection fee	466,858	471,510
Regulator fees	419,384	348,760
Wake effect compensation (Note 19)	392,259	820,324
Professional fees	349,487	245,254
Management services (Note 16)	322,500	1,290,000
Other expenses	306,778	201,989
Audit fees	51,995	50,481
Communication expenses	29,868	15,388
Maintenance office	21,173	26,929
Fuel	17,405	21,611
Office expenses	3,773	2,708
	<u>3,436,087</u>	<u>4,482,435</u>
	<u>29,172,434</u>	<u>30,056,306</u>

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Notes to the Financial Statements

December 31, 2024

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15. Costs and Expenses (Continued)

Salaries and other benefits to employees are included in cost of good and services and are detailed as follows:

	2024	2023
Salaries and wages	225,823	194,550
Other	85,617	49,759
Statutory contributions	36,259	26,288
Seniority premium and indemnity	4,345	3,295
	<u>352,044</u>	<u>273,892</u>

16. Balances and Transactions with Related Parties

The Company is fully controlled by Basic Energy, Ltd., its ultimate parent company. The Company carried out transactions and maintained balances with related companies, as described below:

	2024	2023
Transactions		
<i>Energy revenues</i>		
Other related parties -		
Energy sold in the spot market (b)	<u>64,509</u>	<u>18,598</u>
Other related parties -		
Energy sold under reserve contracts (c)	<u>2,220,153</u>	<u>2,822,042</u>
<i>Costs of goods and services</i>		
Other related parties -		
Energy purchases in the spot market (b)	<u>6,418</u>	<u>1,207</u>
<i>Administrative expenses</i>		
Shareholders: InterEnergy Holding UK Ltd. -		
Professional fees expenses (a)	<u>322,500</u>	<u>1,290,000</u>
<i>Finance cost, net</i>		
Other related parties -		
Earned interest (d)	<u>1,300,441</u>	<u>1,366,104</u>

Notes to the Financial Statements

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16. Balances and Transactions with Related Parties (Continued)

The movements in the loan and interest intercompany during the year is a follows:

	2024	2023
Balances		
<i>Trade and other receivables - other related parties</i>		
Accounts receivable energy reserve contracts (c)	320,755	445,512
Accounts receivable energy spot market (b)	38,288	3,423
	<u>359,043</u>	<u>448,935</u>
Loan interest receivable- intercompany (d)	<u>317,812</u>	<u>334,670</u>
<i>Debt receivable - other related parties</i>		
Loan receivable - intercompany (d)	<u>19,345,052</u>	<u>20,483,132</u>
<i>Trade and other payables</i>		
Accounts payable professional fees (a) - Shareholders: InterEnergy Holding UK Ltd.	-	80,625
Accounts payable energy spot market (b) - other related parties	700	146
	<u>700</u>	<u>80,771</u>
	2024	2023
Loan receivable - intercompany		
At January 1	20,483,132	21,480,113
Collections received	<u>(1,138,080)</u>	<u>(996,981)</u>
Loan receivable - intercompany (d)	<u>19,345,052</u>	<u>20,483,132</u>
Interest receivable - intercompany		
At January 1	334,670	352,888
Interest collected	(1,317,299)	(1,384,321)
Adjustment on movement	-	(1)
Earned interest	<u>1,300,441</u>	<u>1,366,104</u>
Loan interest receivable- intercompany (d)	<u>317,812</u>	<u>334,670</u>

- (a) Administrative and asset management services rendered by related parties.
- (b) Sales and purchases of energy with related parties in the energy spot market.
- (c) Energy Reserve Contracts described in Note 19.

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16. Balances and Transactions with Related Parties (Continued)

- (d) Loan receivable with related companies Tecnisol I, S. A., Tecnisol II, S. A., Tecnisol III, S. A. and Tecnisol IV, S. A. These loans are backed by promissory notes issued by the companies mentioned above in favor of UEP Penonome II, S. A. and assigned to FID 135. (See Note 13).

17. Finance Cost, Net

Finance costs are detailed as follows:

	2024	2023
Interest on bonds (Note 13)	14,682,060	15,423,407
Other finance cost	723,216	960,445
Interest on lease liabilities (Note 9)	595,230	610,919
Amortization of deferred financing costs	465,343	488,115
Financial dismantling cost	28,051	26,094
Interest income (Note 16)	(1,300,441)	(1,366,104)
	<u>15,193,459</u>	<u>16,142,876</u>

18. Income Tax

The income tax is presented as follows:

	2024	2023
Deferred tax	<u>681,267</u>	<u>820,467</u>

The movement in deferred income tax assets and liabilities during the year is as follows:

	2024	2023
<i>Deferred income tax liabilities</i>		
At January 1	1,425,861	605,394
Charged to income statement	<u>681,267</u>	<u>820,467</u>
At December 31	<u>2,107,128</u>	<u>1,425,861</u>

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18. Income Tax (Continued)

Deferred income tax liability is the result of temporary differences from accelerated tax depreciation and tax bases of and other depreciation tax treatment of the cash compensation received.

Under current tax legislation in the Republic of Panama, the profits of the Company from local operations are subject to income tax.

Income tax is based on the higher of the following computations:

- The rate of 25% on taxable income.
- 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 (CAIR, for its acronym in Spanish).

In certain circumstances, if the application of 1.17% of revenue results in the entity incurring losses due to the resulting tax, 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 Company must file a petition to the Tax Authority, who may authorize the no application for a term of three years.

The income tax resultant by applying the in-force rates to the net profit, is reconciled with the income tax provision presented in the financial statements, as follows:

	2024	2023
(Loss) profit before income tax	(1,711,072)	8,395,009
Fiscal adjustment to recognize accelerated depreciation	(2,725,068)	(8,794,527)
Less: Non-taxable income	(11,069)	(21,233)
Plus: Non-deductible expenses	<u>271,816</u>	<u>319,197</u>
Taxable loss	<u>(4,175,393)</u>	<u>(101,554)</u>
Tax effects of temporary differences	<u>681,267</u>	<u>820,467</u>
Income tax	<u>681,267</u>	<u>820,467</u>

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18. Income Tax (Continued)

According to Tax Legislation of Panama, income tax returns for the last three (3) years are subject to review by fiscal authorities, including year ended December 31, 2024.

Management requested to the Tax Authority the non-application of the CAIR for the 2023 fiscal year. The request was accepted and approved for the fiscal years 2023 and 2024.

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. For fiscal year 2023 this was submitted on May 6, 2024, for 2024 the presentation is still in process.
- 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 after the request.

19. Commitments

- The Company has twelve PPA Contract's assigned by three to Nuevo Chagres, Portobelo, Rosa de los Vientos and Maranon parks. The PPA's were awarded on March 21, 2012, by which energy production is sold to the three distribution companies in Panama: Empresa de Distribucion Electrica Metro-Oeste, S. A. (EDEMET) (controlled by Gas Natural Fenosa), Empresa de Distribucion Electrica Chiriqui, S. A. (EDECHI) (controlled by Gas Natural Fenosa) and Elektra Noreste, S. A. (ENSA) (controlled by Empresas Publicas de Medellin).

Each PPA states that the energy supply period is for 180 months, beginning on July 1, 2014 and finishing on June 30, 2029. Portobelo and Maranon PPA's were extended until December 2033. Price will be reset annually, keeping 75% of the base price fixed and the remaining 25% will be indexed to Panamanian Consumer Price Index (CPI).

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19. Commitments (Continued)

In December 2014, the Company signed the Wake Effect Agreement with UEP Penonome I, S. A. (actually AES Panama, S.R.L.), in which UEP II must compensate AES Panama, S.R.L. (hereinafter “AES”) for the energy losses caused by the preferred physical position of the wind turbines which impact the wind regime. The Company agrees to pay a monthly payment beginning with the Commercial Operation Date occurred on February 19, 2018, for 25 years term. The wake effect compensation amount is disclosed in Note 15.

- In January 2016, the Company signed the Amendment No.4 of the PPA's with the offtakers to solve some sections that were ambiguous and penalized UEP II, even if the Company supplied the energy generated.

This amendment clarifies the following subjects:

1. The PPAs includes a penalty if the wind farm does not reach the expected generation committed in the PPAs. The portion that the wind farm has to comply in order to avoid such penalty is 0.6 (60%), "Fraccion de la Generacion Esperada" (FGE, for its acronym in Spanish) that represents the portion of the expected generation on an annual basis.

Based on the historical data, the probability of such penalty is remote because it depends on the energy compromised in the PPA. Historical data shows that even in the worst-case scenario, the wind farm complies with 0.6. Also, the buyer must acquire all the energy produced by the seller, so the committed energy in PPAs is less than the energy produced and sold.

- On October 23, 2023, the Company was awarded two PPA Contract's by ETESA, through Resolution GC-02-2023, for hiring short-term energy supply only for 2024 and 2025, which will address the requirements of the companies EDECHI and ENSA. This energy will be supplied with Rosa de los Vientos II (SPOT).
- In the event that the Company is unable to fulfill its obligations under any of the contracts, the performance bonds that support the obligations may be drawn by the customers. In the event that the customers are unable to fulfil their obligations under any of the contracts, the performance bonds that support their obligations may be drawn by the Company. The amounts of the performance bonds provided by the Company were US\$20,695,624 and the amounts of the performance bonds provided by the customers were US\$7,929,667. The total amounts of the performance bonds outstanding as at December 31, 2024 were US\$28,625,291 (2023: US\$27,219,561).

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19. Commitments (Continued)

- On November 10, 2017, the Company has signed a reserve contract with its affiliated generator Tecnisol I, by which the excess energy production of Rosa de los Vientos II (50 MW) Wind farm is sold to cover the affiliated company obligations with the market. The Reserve Contract states that the energy supply period is for 12 months (extendable), beginning at the moment the CND (National Dispatch Center) declares the Contract manageable and finishing one year later with the option to extend the supply period if desired by the Contract Parties. Contract Price will be fixed for all the energy supply period.
- Turbine Supply Agreement (TSA) consists in 86 Goldwind G109 2.5 MW wind turbine generators with a hub height of 90 meters to be procured pursuant to an Amended and Restated Turbine Supply Agreement entered on April 23, 2014 (TSA) and further amended on December 10, 2014 with Goldwind International Holdings (HK) Limited, a subsidiary of wind manufacturer Xinjiang Goldwind Science and Technology (“Goldwind”) and together Goldwind Company; for the supply of:
 - 66 turbines contracted energy totaling 165 MW; divided in four wind parks:
 - Nuevo Chagres 62.5 MW.
 - Portobelo 32.5MW.
 - Rosa de los Vientos 52.5 MW. and
 - Maranon 17.5 MW.
 - 20 turbines partially contracted and merchant energy totaling 50 MW.

Under the TSA, Goldwind Company provided a five years warranty on the equipment for defects, power curve, availability and noise. Under the First Amendment to the Service and Maintenance Agreement, dated October 1, 2021, Goldwind guarantees a time-based turbine availability rate of 97% for the high wind season and 96% for the low wind season. This SMA amendment Warranty Period commences on November 1, 2021, following the expiration of the Warranty Period of the TSA and can be extended by UEP II until year ten. Additional services to the SMA were signed by Change Order No. 8. This addition was entered into effective as of the 15th day of April, 2022 between Goldwind Service Company Panama, S de RL and UEP II. This addendum consists of the purchase of Blade Sets and/or other related goods.

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19. Commitments (Continued)

On January 19, 2024, the Company entered into a 5-year Service and Maintenance Agreement (SMA) with a Goldwind Company for the operation, maintenance, repair and replacement services on the wind turbines at a fixed price adjusted for inflation, including warranties for availability and noise in line with those during the warranty period. Under the SMA, Goldwind guarantees a time-based turbine availability rate of 97% for the high wind season and 96% for the low wind season.

ASEP (the regulator) granted final license for the construction, operation, maintenance, power generation and sale of wind farms Maranon, Portobelo Ballestillas, Rosa de los Vientos and New Chagres a Panamanian company Union Eolica Panameña, S. A. (UEP) through Resolutions AN No.4075-Elec the December 10, 2010, AN No.4092-Elec the December 15, 2010, AN No.5379-Elec the June 13, 2012 and AN No.4094-Elec the December 15, 2010, respectively. This final license is granted for a term of forty (40) years from September 26, 2014.

Subsequently, the ASEP issued resolutions AN No.7252-Elec the April 11, 2014, AN No.7274-Elec the April 11, 2014, AN No.7278-Elec the April 14, 2014 and No.7326 AN-Elec of May 2, 2014, in which is authorized yield UEP for Penonome II, S. A., the final licenses originally granted to UEP.

On June 15, 2018, the Company and UEP Penonome I, S. A. (actually AES Panama, S.R.L.), signed the Phase II Shared Assets Access Agreement, pursuant to which the Company agreed to pay to AES Panama, S.R.L., who is the owner of and maintains the El Coco Substation to which UEP II's wind park connects, a monthly access fee of US\$27,129 and the reimbursement of maintenance costs. This agreement shall continue in full force and effect for so long as the Company is operated unless terminated earlier by mutual agreement of the parties.