



UEP Penonomé II, S.A.
and Tecnisol Group

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED
DECEMBER 31, 2025



The present report is presented in compliance with the indenture dated December 9, 2020 entered into UEP PENONOME II, S.A. as issuer; each guarantor from time-to-time party hereto, and CITIBANK, N.A., as indenture trustee, registrar, paying agent and transfer agent.

Under Section 5.04, the Issuer and the Guarantors shall provide within 60 days of the end of the first three Fiscal Quarters of each Fiscal Year of the Issuer unaudited consolidated quarterly financial statements of the Issuer and the Guarantors (including a balance sheet, statement of comprehensive income and cash flow statement). The quarterly financial statements will be accompanied by a brief narrative overview of the results of operations and financial condition of the Issuer and the Guarantors.

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DEAR SENIOR NOTE HOLDERS

The Economic Commission for Latin America (ECLA) estimated Panama's economic growth for 2025 at 3.8%, higher than last year's growth rate of 2.7%. Furthermore, data from the National Dispatch Center (CND) show a 1.79% decrease in annual energy consumption compared to 2024, driven by lower demand from auto-generators following the mine closure and the expansion of distributed solar installations, which reached 160 MW in 2025. However, total energy demand, including exports, increased by 2.80% relative to 2024.

In 2025, the Oceanic Niño Index (ONI) began in negative values with Neutral ENSO conditions, resulting in lower average wind speeds. Spot market prices were lower than in 2024 due to the Gatún LNG plant operating in open cycle since January and transitioning to combined cycle from May onward, which helped stabilize spot prices during the dry season. No additional transmission surcharges from previous years were applied by ETESA, leading to lower transmission charges compared to 2024. The average spot price for 2025 was 66.37 USD/MWh, representing a 36% decrease from the 2024 average price of 104.43 USD/MWh.

The wind farm achieved an operational availability above 96% in 2025, with minor impacts associated mainly with blade repairs performed during the low-wind season. Throughout the year, ENSO variability created unfavorable conditions for wind resources in Panama. The year started under the residual influence of La Niña, which officially ended in April following NOAA's declaration of a return to ENSO-neutral conditions. Although neutrality persisted through mid-year, progressive cooling in the Pacific increased the probability of a new La Niña event. In November, NOAA issued an updated La Niña Advisory, confirming its reappearance and expected persistence through the December 2025–February 2026 period.

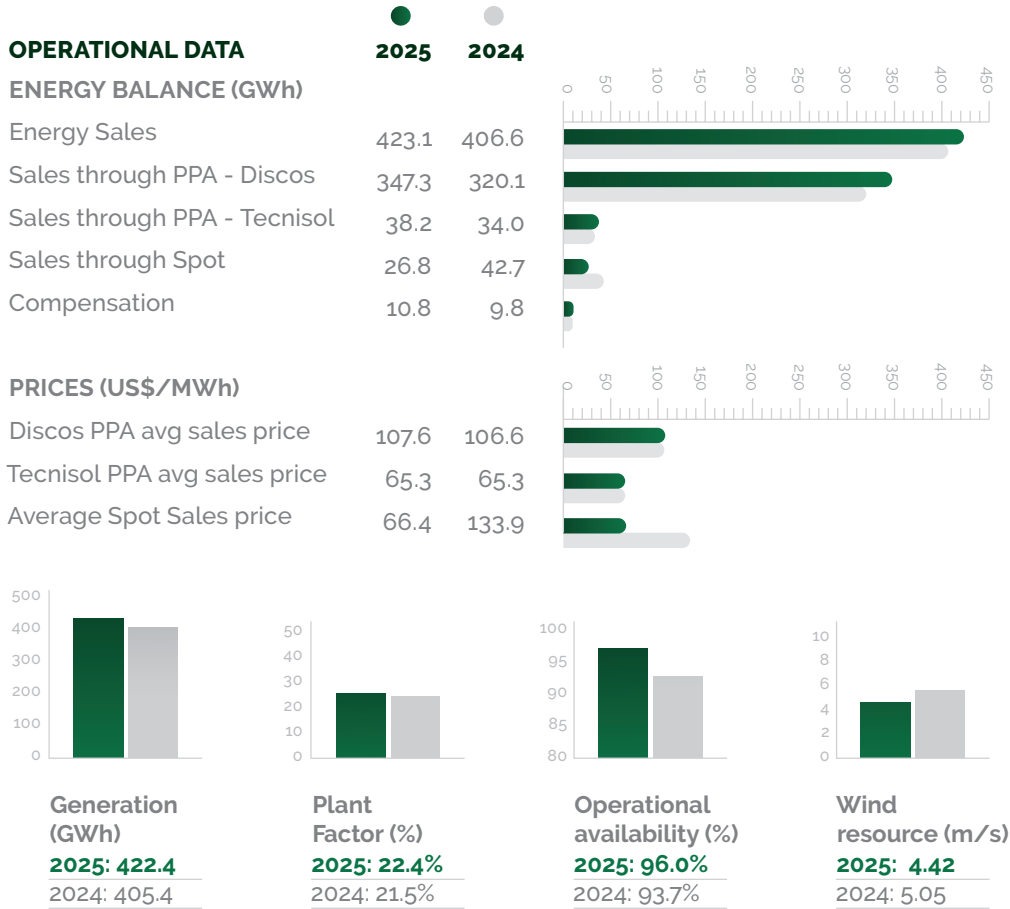
This shift from neutral to La Niña altered regional atmospheric patterns, reducing wind intensity and stability, which led to a noticeable decline in wind resource availability and annual generation below the P90 scenario.

Our solar plant operated with an availability of 98%. However, generation remained below P90 due not only to reduced solar resource levels but also to operational constraints stemming from inverter-related incidents and medium-voltage events, which contributed to additional downtime and performance limitations during key periods.

Our labor costs and administrative structure have been streamlined to keep the cost controlled going forward, while ensuring the operational excellence on our renewable portfolio

UEPII: THE ISSUER

I. OPERATIONAL HIGHLIGHTS



II. MANAGEMENT DISCUSSION AND ANALYSIS OF MAIN VARIANCES

GENERATION

Panama exhibits pronounced wind seasonality, with high wind conditions typically occurring from January to April and lower wind conditions from May to September. During 2025, UEP II Wind Project generated 422.4 GWh, representing a 4.2% increase compared to 405.4 GWh produced during the same period in 2024.

ANALYSIS OF THE WIND RESOURCE

As of December 2025, the average wind speed was 4.4 m/s, 9.7% lower than the previous year.

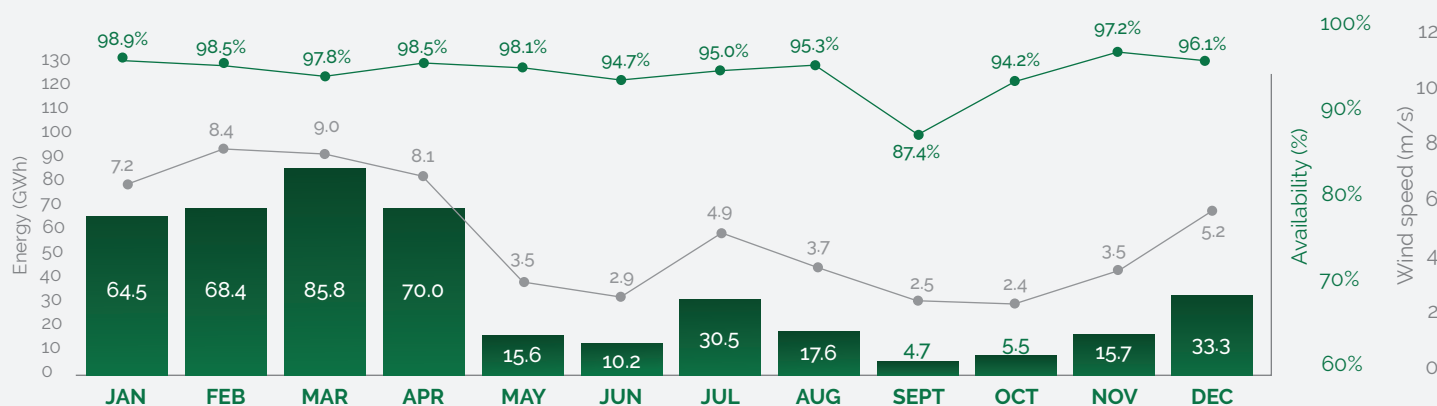
According to NOAA, the lower wind speeds can be explained by the presence of La Niña conditions throughout the year, a phenomenon characterized by cooler-than-normal sea surface temperatures in the equatorial Pacific and changes in atmospheric circulation that alter global wind patterns.



OPERATIONS AND AVAILABILITY

The Operational Availability for the period ending December 31, 2025 was 96.0%, 2.5% above the 93.7% availability of the same period of 2024.

GENERATION, WIND SPEED AND AVAILABILITY 2025



III. INCOME STATEMENT

	2025	2024
Energy revenues	42,405	42,654
Costs of goods and services	(24,414)	(25,736)
Gross profit	17,991	16,917
Administrative expenses	(3,909)	(3,436)
Operating profit	14,082	13,481
Finance Cost, net	(14,336)	(15,193)
Other income	82	1
Loss before income tax	(172)	(1,711)
Income tax	(497)	(681)
Loss for the year	(669)	(2,392)

(Thousands of US\$)

REVENUES

The Issuer's energy revenues for the period ended December 31, 2025, were US\$42.405 million, a decrease of US\$249 thousand, or 1%, compared to the Issuer's energy revenues of US\$42.654 million for the same period in 2024.

This variation was primarily attributable to a decrease in spot sales (US\$ 3,937), driven by lower volumes and a reduced average price (15.9 GWh and US\$ 67.5/MWh, respectively). This effect was partially offset by an increase of US\$ 3,484 in PPA sales compared to the same period in 2024.

COSTS OF GOODS AND SERVICES

The Issuer's costs of goods and services for the period ended December 31, 2025, were US\$ 24.414 million, a decrease of US\$1.322 million, or 5%, as compared to the Issuer's costs of goods and services of US\$25.736 million for the period ended December 31, 2024. This decrease was primarily attributable to:

- US\$1.455 million lower transmission costs.
- US\$126 thousand lower internal consumption.
- US\$54 thousand lower energy purchases to fulfill the short term PPA.
- US\$11 thousand lower security expenses.

Partially offset by:

- US\$256 thousand higher repairs and maintenance expenses.
- US\$32 thousand higher salaries and other benefits to employees.

ADMINISTRATIVE EXPENSES

The Issuer's administrative expenses for the period ended December 31, 2025, were US\$3.909 million, an increase of US\$473 thousand, or 14%, as compared to the Issuer's administrative expenses of US\$3.436 million for the period ended December 31, 2024. This increase was primarily attributable to:

- US\$967 thousand higher management variable fee.

Partially offset by:

- US\$141 thousand lower wake effect compensation expenses.
- US\$107 thousand lower regulator fees.
- US\$104 thousand lower professional services.
- US\$78 thousand lower insurance expenses.
- US\$37 thousand lower other costs.
- US\$22 thousand lower substation connection fee.



FINANCE COST, NET

The Issuer's total finance costs for the period ended December 31, 2025, were US\$14.336 million, a decrease of US\$857 thousand, compared to the Issuer's total finance cost of US\$15.193 million for the period ended December 31, 2024.

INCOME TAX

The Issuer's income tax for the period ended December 31, 2025, was US\$497 thousand, compared to the Issuer's income tax of US\$681 thousand for the period ended December 31, 2024. This decrease is attributable to US\$184 thousand lower deferred taxes.

IV. CASH FLOW STATEMENT

	2025	2024
Net cash provided by operating activities	28,477	28,148
Net cash provided by investing activities	1,467	2,151
Net cash used in financing activities	(28,866)	(43,577)
Net variation in cash and cash equivalents	1,078	(13,278)
Cash and cash equivalents at the end of the year	5,197	4,119

(Thousands of US\$)



LIQUIDITY

OPERATING ACTIVITIES

For the period ended December 31, 2025 and 2024, the Issuer's net cash provided by operating activities was US\$28.477 million and US\$28.148 million. The main reason for this increase is mainly explained by US\$1.539 million increase in loss before income tax, US\$2.010 million higher account payables and US\$1.774 million higher prepaid expenses; partially offset by US\$4.160 million higher account receivables.

INVESTING ACTIVITIES

For the period ended December 31, 2025 and 2024, the Issuer's net cash provided and used in investing activities was US\$1.467 million and US\$2.151 million, respectively. The main variation corresponds to higher PP&E additions.

FINANCING ACTIVITIES

For the period ended December 31, 2025 and 2024, the Issuer's net cash used in financing activities was US\$28.866 million and US\$43.577 million, respectively. The main variation is primarily attributable to dividend payments and a capital reduction not executed in 2025.

TECNISOL GROUP: THE GUARANTORS

I. OPERATIONAL HIGHLIGHTS

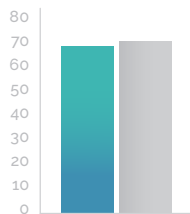
OPERATIONAL DATA

ENERGY BALANCE (GWh)

	2025	2024
Energy sales	177.2	176.8
Energy Purchase - UEPII	38.2	34.0
Energy Purchase - Hydro	54.9	36.4
Energy Purchase - Spot	16.1	34.8
Exports from MER	5.0	-
Sales through PPA	164.2	160.3
Large clients	157.6	160.3
DISCOS	1.6	-
MER	5.0	-
Sales through Spot	7.5	11.2
Compensation	5.5	5.3

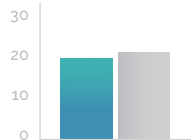
Prices (US\$/MWh)

	2025	2024
PPA avg sales price	88.1	87.1
Avg Spot Sales price	62.0	116.4
Avg Purchase price - UEPII	65.3	65.3
Avg Purchase price - Hydro	66.2	60.5
Avg Purchase price - Spot	78.1	123.9



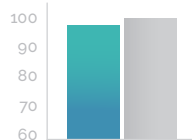
Generation (GWh)

2025: 68.1
2024: 71.6



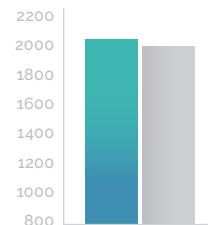
Plant Factor (%)

2025: 19.5%
2024: 20.4%



Operational availability (%)

2025: 98.0%
2024: 99.6%



Solar resource (kWh/m2)

2025: 2,125
2024: 2,115

II. MANAGEMENT DISCUSSION AND ANALYSIS OF MAIN VARIANCES

GENERATION

The generation of Tecnisol Project in 2025 amounted to 68.1 GWh, representing a 4.9% of decrease compared to the 71.6 GWh produced in the same period of 2024.

The solar irradiation during this year reached 2,125.1 kWh/m², being 1% above the irradiation for the same period ending December 31, 2024.

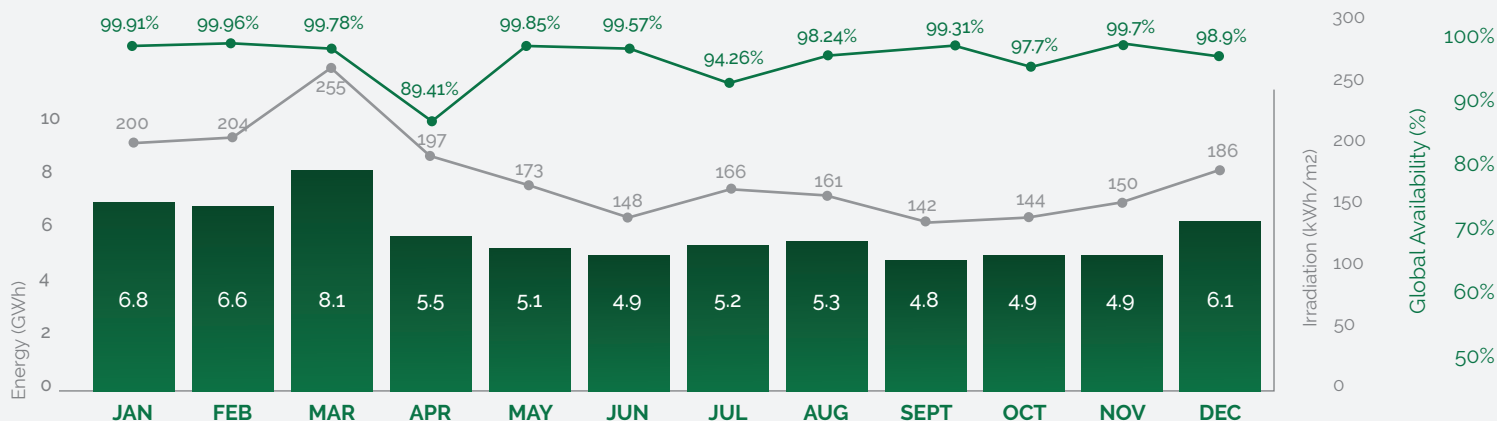


OPERATIONS AND AVAILABILITY

The global availability of the plant, including grid and other sources of unavailability, averaged 98.0%, 1.1% below than the previous year. The main events that impacted generation were a medium-voltage cable failure, and inverter failure.

The Performance Ratio for the whole year has been above the guaranteed values, an average of 76.0%.

GENERATION, IRRADIATION AND AVAILABILITY 2025



III. INCOME STATEMENT

	2025	2024
Energy revenue	15,430	15,747
Costs of goods and services	(12,309)	(13,412)
Gross profit	3,121	2,335
Administrative expenses	(885)	(916)
Operating profit	2,236	1,419
Finance costs	(1,344)	(1,416)
Other income	207	1
Profit before income tax	1,099	3
Income tax	(389)	(105)
Profit (loss) for the year	710	(102)

(Thousands of US\$)

ENERGY REVENUES

The Guarantors' combined energy revenues for the period ended December 31, 2025 were US\$15.430 million, a decrease of US\$317 thousand, or 2%, compared to the Guarantors' combined energy revenues of US\$15.747 million for the period ended December 31, 2024. This decrease was mainly driven by lower spot sales, due to 3.7 GWh less energy sold and a lower price of US\$54.3/MWh.

COSTS OF GOODS AND SERVICES

The Guarantors' combined cost of goods and services for the period ended December 31, 2025, were US\$12,309 million, a decrease of US\$1.103 million, compared to the Guarantors' combined cost of goods and services of US\$13,412 million for the period ended December 31, 2024.

This decrease is primarily attributable to:

- US\$2.984 million lower energy purchase from spot market.

Partially offset by:

- US\$1.703 million higher energy purchase from reserve contracts.
- US\$128 thousand higher repairs and maintenance expenses.
- US\$34 thousand higher salaries and other benefits to employees.

ADMINISTRATIVE EXPENSES

The Guarantors' combined administrative expenses for the period ended December 31, 2025 were US\$885 thousand, a decrease of US\$31 thousand, compared to the Guarantors' combined administrative expenses of US\$916 thousand for the period ended December 31, 2024.

This decrease is primarily attributable to:

- US\$37 thousand lower insurance expenses.

Partially offset by:

- US\$6 thousand higher other costs.

FINANCE COST

The Guarantors' combined finance cost for the period ended December 31, 2025 was US\$1.344 million, a decrease of US\$73 thousand, compared to the Guarantors' combined finance cost of US\$1.416 million for the period ended December 31, 2024.

INCOME TAX

The Guarantors' combined income tax for the period ended December 31, 2025 was US\$389 thousand, an increase of US\$284 thousand, compared to the Guarantors' combined income tax of US\$105 thousand for the period ended December 31, 2024.



IV. CASH FLOW STATEMENT

	2025	2024	
Net cash provided by operating activities	5,130	4,498	
Net cash used in investing activities	(333)	(150)	
Net cash used in financing activities	(2,626)	(2,577)	
Net increase in cash and cash equivalents	2,170	1,771	
Cash and cash equivalents at end of the year	5,840	3,670	

(Thousands of US\$)

LIQUIDITY

OPERATING ACTIVITIES

For the period ended December 31, 2025 and 2024, the Guarantors' combined net cash provided by operating activities was US\$5.130 million and US\$4.498 million, respectively. The positive variance refers to US\$1.096 million higher income before tax, US\$246 lower income tax paid; partially offset by US\$245 higher trade and other receivables, US\$181 thousand lower prepaid expenses, US\$128 thousand lower account payables and US\$128 thousand lower inventory.

INVESTING ACTIVITIES

For the period ended December 31, 2025 and 2024, the Issuer's net cash used in investing activities was US\$333 thousand and US\$150 thousand, respectively. The main variation corresponds to higher PP&E additions.

FINANCING ACTIVITIES

For the period ended December 31, 2025 and 2024, the Guarantors' combined net cash used in financing activities was US\$2.626 million and US\$2.577 million, respectively. There is no material deviation.



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