



UEP Penonomé II, S.A.
and Tecnisol Group

Q1-2026

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD
ENDED MARCH 31, 2026,
COMPARED TO THE PERIOD
ENDED MARCH 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.

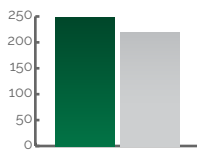
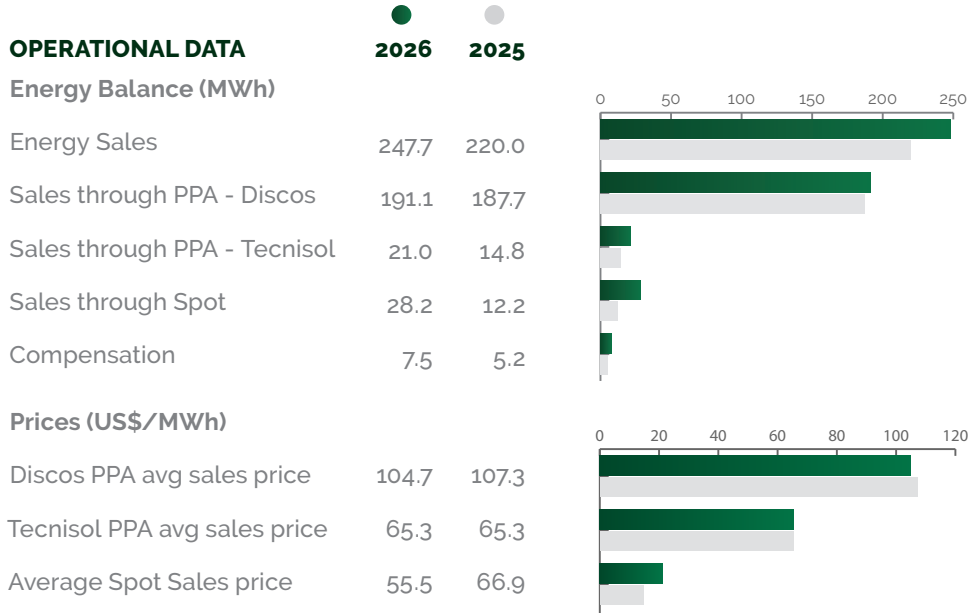
Under Section 5.04, the Issuer and the Guarantors shall provide within 60 days of the end of the first three Fiscal Quarters of each Fiscal Year of the Issuer unaudited consolidated quarterly financial statements of the Issuer and the Guarantors (including a balance sheet, statement of comprehensive 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.

CONTENT

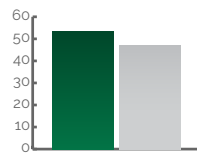
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UEPII: THE ISSUER

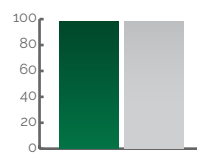
I. OPERATIONAL HIGHLIGHTS



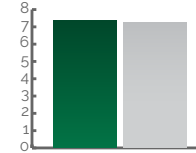
Generation (GWh)
2026: 247.7
 2025: 218.8



Plant Factor (%)
2026: 53.3%
 2025: 47.1%



Operational availability (%)
2026: 98.3%
 2025: 98.4%



Wind resource (m/s)
2026: 7.39
 2025: 7.25

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 2026, UEP II generated 247.7 GWh, representing a 13.2% increase compared to 218.8 GWh produced during the same period in 2025.

ANALYSIS OF THE WIND RESOURCE

In the first quarter of 2026, the average wind speed was 7.39 m/s, which is 2% higher than the value recorded in the previous year.

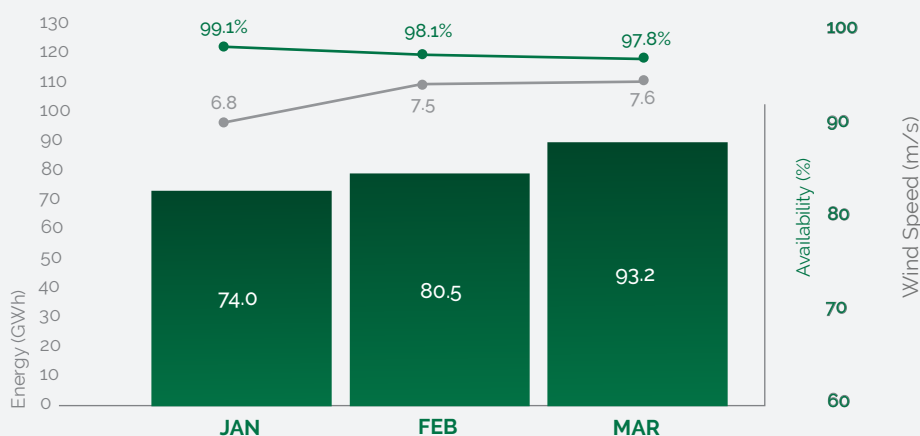
An increase in wind resource was observed during Q1, likely associated with regional atmospheric changes influenced by ENSO – Neutral conditions. According to NOAA, NSO-neutral conditions are present and are favored through April-June 2026 (80% chance). In May-July 2026, El Niño is likely to emerge (61% chance) and persist through at least the end of 2026.



OPERATIONS AND AVAILABILITY

The Operational Availability for the first quarter of 2026 was 98.3%, 0.1% lower than the availability of the same period in 2025.

GENERATION, WIND SPEED AND AVAILABILITY Q1 2026



III. INCOME STATEMENT

	2026	2025
Energy revenues	23,698	22,460
Costs of goods and services	(6,050)	(5,734)
Gross profit	17,648	16,726
Administrative expenses	(681)	(808)
Operating profit	16,967	15,918
Finance Cost, net	(3,407)	(3,617)
Other income	54	6
Loss before income tax	13,614	12,307
Income tax	(2,464)	(2,094)
Profit for the period	11,151	10,214

(Thousands of US\$)

REVENUES

The Issuer's energy revenues for the period ended March 31, 2026, were US\$23.698 million, an increase of US\$1.238 million, or 6%, compared to the Issuer's energy revenues of US\$22.460 million for the same period in 2025.

This variation is primarily attributable to increased energy sales under PPAs and in the spot market, mainly driven by higher generation (29.00 GWh) compared to the same period in 2025.

COSTS OF GOODS AND SERVICES

The Issuer's costs of goods and services for the period ended March 31, 2026, were US\$ 6.050 million, an increase of US\$316 thousand, or 6%, as compared to the Issuer's costs of goods and services of US\$5.734 million for the period ended March 31, 2025. This increase was primarily attributable to:

- US\$370 thousand higher transmission costs due to charges from prior periods.
- US\$27 thousand higher repairs and maintenance expenses.
- US\$10 thousand higher salaries and other benefits to employees.

Partially offset by:

- US\$94 thousand lower energy purchases to fulfill the short term PPA.
- US\$6 thousand lower security services.

ADMINISTRATIVE EXPENSES

The Issuer's administrative expenses for the period ended March 31, 2026, were US\$681 thousand, a decrease of US\$128 thousand, or 16%, as compared to the Issuer's administrative expenses of US\$808 thousand for the period ended March 31, 2025. This decrease was primarily attributable to:

- US\$62 thousand lower substation connection fee.
- US\$61 thousand lower insurance.
- US\$14 thousand lower professional services.
- US\$6 thousand lower wake effect compensation expenses due to the variations in the spot prices.

Partially offset by:

- US\$17 thousand higher communication expenses.



FINANCE COST, NET

The Issuer's total finance costs for the period ended March 31, 2026, were US\$3.407 million, a decrease of US\$210 thousand, compared to the Issuer's total finance cost of US\$3.617 million for the period ended March 31, 2025. This decrease was mainly driven by a lower outstanding principal balance.

INCOME TAX

The Issuer's income tax for the period ended March 31, 2026, was US\$2.464 million, compared to the Issuer's income tax of US\$2.094 million for the period ended March 31, 2025.

IV. CASH FLOW STATEMENT

	2026	2025
Net cash provided by operating activities	9,193	8,003
Net cash provided by investing activities	1,053	1,103
Net cash used in financing activities	(12,572)	(12,668)
Net variation in cash and cash equivalents	(2,326)	(3,562)
Cash and cash equivalents at the end of the period	2,872	557

(Thousands of US\$)



LIQUIDITY

OPERATING ACTIVITIES

For each of the three months ended March 31, 2026 and 2025, the Issuer's net cash provided by operating activities was US\$9.193 million and US\$8.003 million. The main driver for this variation is explained by US\$1.307 million increase in profit before income tax, US\$1,654 thousand lower account receivables, US\$68 thousand higher account payables; partially offset by US\$699 thousand higher prepaid expenses.

INVESTING ACTIVITIES

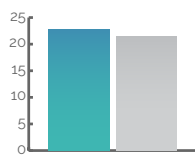
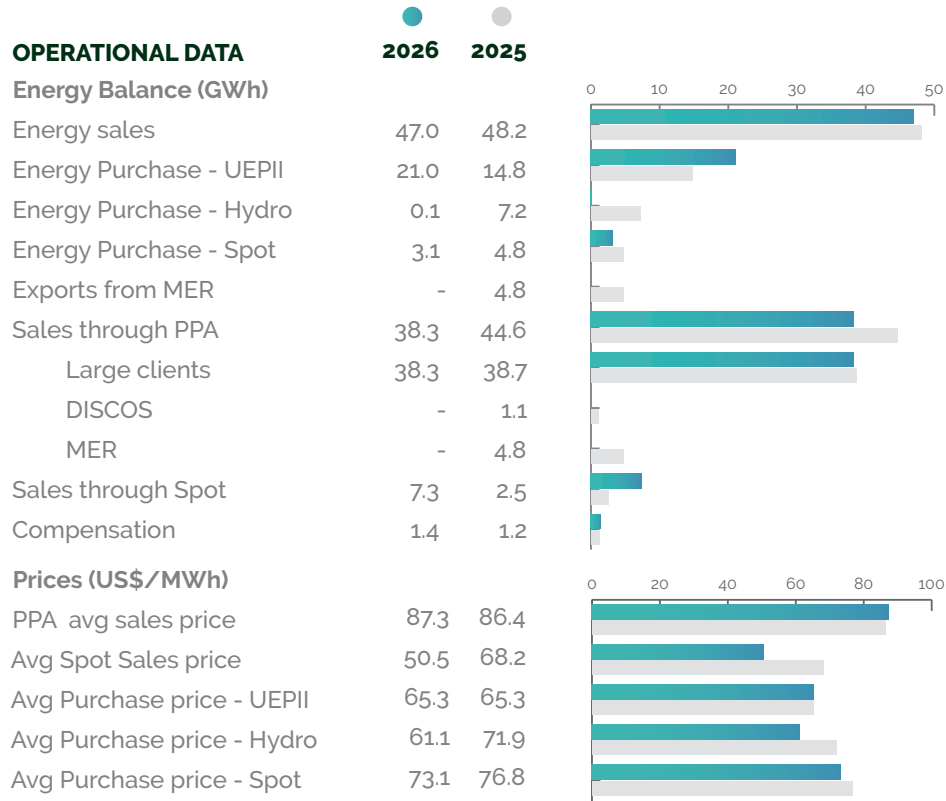
For each of the three months ended March 31, 2026 and 2025, the Issuer's net cash provided by investing activities was US\$1.053 million and US\$1.103 million, respectively. The main variation corresponds to higher PP&E additions compared to the same period in 2025.

FINANCING ACTIVITIES

For each of the three months ended March 31, 2026 and 2025, the Issuer's net cash used in financing activities was US\$12.572 million and US\$12.668 million, respectively. The main variation corresponds to the lower principal and interest payments on the bond compared to the same period in 2025.

TECNISOL GROUP: THE GUARANTORS

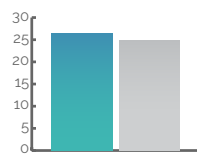
I. OPERATIONAL HIGHLIGHTS



Generation (GWh)

2026: 22.8

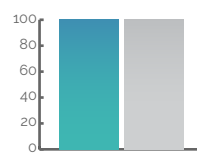
2025: 21.4



Plant Factor (%)

2026: 26.4%

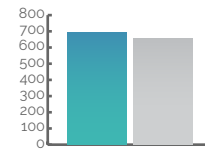
2025: 24.8%



Operational availability (%)

2026: 99.9%

2025: 99.9%



Solar resource (kWh/m2)

2026: 694

2025: 658

II. MANAGEMENT DISCUSSION AND ANALYSIS OF MAIN VARIANCES

GENERATION

The energy produced by Tecnisol in the first quarter of 2026 amounted to 22.8 GWh, showing an increase of 6.7% compared to the 21.4 GWh produced during the same period in 2025.

Generation increased mainly due to a higher solar resource. Solar irradiation reached 693.9 kWh/m², 5.4% above the level recorded in the first quarter of 2025.



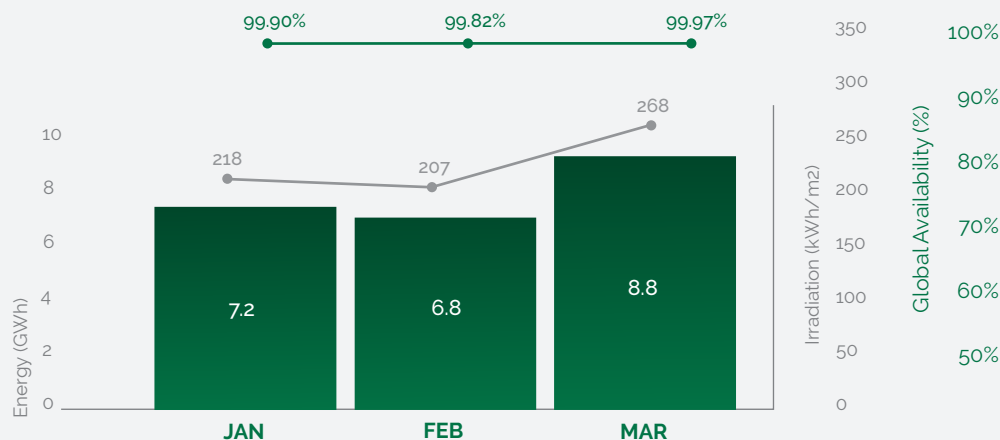
OPERATIONS AND AVAILABILITY

The operational performance of the Tecnisol is evaluated based on the combined availability of the inverters and the overall plant availability. This includes potential disruptions caused by grid-related issues, environmental conditions, and other external factors that may impact plant operations.

During the first quarter of 2026, the total combined availability was recorded at 99.9%. No major faults or significant operational incidents were reported during this period. For reference, combined availability in 1Q 2025 was 99.9%, unchanged versus 1Q 2026.

The average Performance Ratio (PR) for the first quarter of 2026 was 75.8%.

GENERATION, IRRADIATION AND AVAILABILITY Q1 2026



III. INCOME STATEMENT

	2026	2025
Energy revenue	3,836	4,134
Costs of goods and services	(2,728)	(2,943)
Gross profit	1,109	1,191
Administrative expenses	(309)	(280)
Operating profit	800	911
Finance costs	(326)	(346)
Other income	-	0
Profit before income tax	474	565
Income tax	(110)	(139)
Profit for the period	364	425

(Thousands of US\$)

ENERGY REVENUES

The Guarantors' combined energy revenues for the period ended March 31, 2026 were US\$3.836 million, a decrease of US\$297 thousand, or 7%, compared to the Guarantors' combined energy revenues of US\$4.134 million for the period ended March 31, 2025. This decrease was primarily driven by lower PPA sales, resulting from 6.3 GWh less energy sold.

COSTS OF GOODS AND SERVICES

The Guarantors' combined cost of goods and services for the period ended March 31, 2026, were US\$2.728 million, a decrease of US\$215 thousand, compared to the Guarantors' combined cost of goods and services of US\$2.943 million for the period ended March 31, 2025.

This decrease is primarily attributable to:

- US\$107 thousand lower energy purchase from reserve contracts.
- US\$78 thousand lower energy purchase from spot market.
- US\$13 thousand lower repair and maintenance.
- US\$2 thousand lower transmission charges.

ADMINISTRATIVE EXPENSES

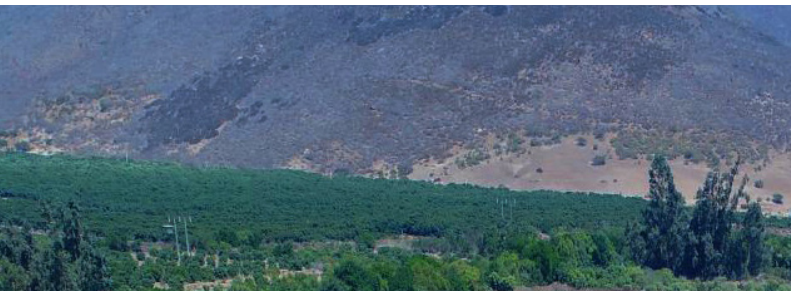
The Guarantors' combined administrative expenses for the period ended March 31, 2026 were US\$309 thousand, an increase of US\$29 thousand, compared to the Guarantors' combined administrative expenses of US\$280 thousand for the period ended March 31, 2025. This decrease is primarily attributable to professional services and other minor expenses.

FINANCE COST

The Guarantors' combined finance cost for the period ended March 31, 2026 was US\$326 thousand, a decrease of US\$20 thousand, compared to the Guarantors' combined finance cost of US\$346 thousand for the period ended March 31, 2025. This decrease was mainly driven by a lower outstanding principal balance.

INCOME TAX

The Guarantors' combined income tax for the period ended March 31, 2026 was US\$110 thousand, a decrease of US\$30 thousand, compared to the Guarantors' combined income tax of US\$139 thousand for the period ended March 31, 2025.



IV. CASH FLOW STATEMENT

	2026	2025
Net cash provided by operating activities	1,091	1,564
Net cash used in investing activities	(167)	(193)
Net cash used in financing activities	(1,127)	(1,135)
Net increase in cash and cash equivalents	(202)	236
Cash and cash equivalents at end of the period	5,638	3,906

(Thousands of US\$)

LIQUIDITY

OPERATING ACTIVITIES

For each of the three months ended March 31, 2026 and 2025, the Guarantors' combined net cash provided by operating activities was US\$1.091 million and US\$1.564 million, respectively. The main variation refers to US\$91 thousand lower income before tax, US\$547 thousand lower account payables and US\$256 thousand higher tax paid. These effects were partially offset by a favorable variation in trade and other receivables with US\$203 thousand and US\$263 thousand higher prepaid expenses.

INVESTING ACTIVITIES

For each of the three months ended March 31, 2026 and 2025, the Guarantors' net cash used in investing activities was US\$167 thousand and US\$193 thousand, respectively. The main variation corresponds to lower PP&E additions.

FINANCING ACTIVITIES

For each of the three months ended March 31, 2026 and 2025, the Guarantors' combined net cash flows used in financing activities was US\$1.127 million and US\$1.135 million, respectively. There was no material deviation.

THE ISSUER'S UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
MARCH 31, 2026

	As of March 31 2026	As of December 31, 2025	(Thousands of US\$)
THE ISSUER'S BALANCE SHEET			
Current assets			
Cash and cash equivalents	2,872	5,197	
Trade and other receivables	16,262	4,838	
Related party debt receivable	1,362	1,332	
Prepaid expenses	1,663	861	
Inventory	84	84	
Total current assets	22,243	12,312	
Non-current assets			
Plant and equipment, net	163,807	167,298	
Goodwill	20,000	20,000	
Related party debt receivable	16,238	16,773	
Intangible assets, net	115	92	
Seniority premium	27	27	
Total non-current assets	200,186	204,190	
Total assets	222,429	216,502	
Liabilities and Equity			
Current liabilities			
Bonds payable	15,374	18,400	
Trade and other payables	3,672	2,311	
Income tax payables	1,155	-	
Lease liabilities	240	317	
Total current liabilities	20,440	21,028	
Non-current liabilities			
Lease liabilities	7,222	7,222	
Deferred income tax	3,913	2,604	
Provisions	440	432	
Long-term portion of bonds payable	177,713	183,665	
Total non-current liabilities	189,288	193,924	
Total liabilities	209,728	214,952	
Equity			
Common shares with US\$1.00 par value each; authorized and issued: 1,050 shares	1.05	1.05	
Capital contribution	48,519	48,519	
Accumulated deficit	(35,686)	(46,836)	
Prepaid dividend tax	(134)	(134)	
Total equity	12,700	1,550	
Total liabilities and equity	222,429	216,502	

THE ISSUER'S INCOME STATEMENT

	As of March 31, 2026	As of March 31, 2025	(Thousands of US\$)
Energy revenues	23,698	22,460	
Costs of goods and services	(6,050)	(5,734)	
Gross profit	17,648	16,726	
Administrative expenses	(681)	(808)	
Operating profit	16,967	15,918	
Finance Cost, net	(3,407)	(3,617)	
Other income	54	6	
Profit before income tax	13,614	12,307	
Income tax	(2,464)	(2,094)	
Net income	11,151	10,214	



THE ISSUER'S CASH FLOW

	As of March 31, 2026	As of March 31, 2025	(Thousands of US\$)
Cash flows from operating activities			
Profit before income tax	13,614	12,307	
Adjustments to reconcile profit before income tax to net cash provided by operating activities:			
Depreciation and amortization	3,510	3500	
Finance cost amortization	90	96	
Interest on bond, swaps and lease liabilities	3,426	3,656	
Interest income	(1,222)	(311)	
Net changes in assets and liabilities:			
Trade and other receivables	(10,791)	(12,445)	
Trade and other payables	1,369	1,301	
Prepaid expenses	(802)	(104)	
Inventory	(0)	3	
Net cash provided by operating activities	9,193	8,003	
Cash flows from investing activities			
Additions of plant and equipment	(9)	-	
Additions of intangible assets	(32)	-	
Loan receivable Intercompany collection	506	475	
Interest received - Intercompany	588	629	
Net cash provided by investing activities	1,053	1,103	
Cash flows from financing activities			
Payment of issued bonds	(5,711)	(5,358)	
Interest paid	(6,643)	(7,098)	
Dividends paid	-	-	
Capital reduction	-	-	
Principal lease payments	(77)	(66)	
Interest paid lease	(141)	(146)	
Prepaid tax dividend	-	-	
Net cash used in financing activities	(12,572)	(12,668)	
Net variation in cash and cash equivalents	(2,326)	(3,562)	
Cash and cash equivalents at the beginning of year	5,197	4,119	
Cash and cash equivalents at the end of the period	2,872	557	

THE GUARANTOR'S COMBINED UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2026

	As of March 31, 2026	As of December 31, 2025	(Thousands of US\$)
THE GUARANTOR'S COMBINED BALANCE SHEET			
Current assets			
Cash and cash equivalents	5,638	5,840	
Trade and other receivables	1,653	1,549	
Prepaid expenses and other assets	212	452	
Inventory	206	193	
Total current assets	7,709	8,034	
Non-current assets			
Plant and equipment, net	24,230	24,822	
Intangible assets, net	183	186	
Deferred income tax	105	94	
Other receivable	38	38	
Pension Plan	12	12	
Total non-current assets	24,568	25,151	
Total assets	32,277	33,185	
Liabilities and Equity			
Current liabilities			
Lease liabilities	36	48	
Current portion of related loan	1,362	1,630	
Trade and other payables	1,295	1,760	
Total current liabilities	2,694	3,438	
Non-current liabilities			
Lease liabilities	1,041	1,041	
Provisions	389	381	
Related party loan	16,238	16,773	
Total non-current liabilities	17,667	18,195	
Total liabilities	20,361	21,633	
Equity			
Parent company investment	40	40	
Capital Contribution	12,212	12,212	
Accumulated deficit	(130)	(494)	
Prepaid dividend tax	(206)	(206)	
Total equity	11,916	11,552	
Total liabilities and equity	32,277	33,185	

**THE GUARANTOR'S COMBINED
INCOME STATEMENT**

	As of March 31, 2026	As of March 31, 2025	(Thousands of US\$)
Energy revenue	3,836	4,134	
Costs of goods and services	(2,728)	(2,943)	
Gross profit	1,109	1,191	
Administrative expenses	(309)	(280)	
Operating profit	800	911	
Finance costs	(326)	(346)	
Other income	-	0	
Profit before income tax	474	565	
Income tax	(110)	(139)	
Net income	364	425	

**THE GUARANTOR'S COMBINED
CASH FLOW**

	As of March 31, 2026	As of March 31, 2025	(Thousands of US\$)
Cash flows from operating activities			
Income before income tax	474	565	
Adjustments to reconcile income before income tax to net cash provided by operating activities:			
Depreciation and amortization	762	774	
Interest on related party loan and lease liabilities, net	311	332	
Provisions	7	7	
Changes in assets and liabilities:			
Trade and other receivables	(104)	(307)	
Trade and other payables	(464)	83	
Prepaid expenses and other assets	534	271	
Inventory	(13)	0	
Income tax paid	(416)	(160)	
Net cash provided by operating activities	1,091	1,564	
Cash flows from investing activities			
Additions of plant and equipment	(167)	(193)	
Net cash used in investing activities	(167)	(193)	
Cash flows from financing activities			
Payment of loan payable - Intercompany	(506)	(475)	
Interest paid - Intercompany	(588)	(629)	
Prepaid dividend tax	-	-	
Principal lease payments	(12)	(10)	
Interest paid lease	(20)	(21)	
Net cash used in financing activities	(1,127)	(1,135)	
Net increase in cash and cash equivalents	(202)	236	
Cash and cash equivalents at the beginning of the year	5,840	3,670	
Cash and cash equivalents at end of the period	5,638	3,906	



UEP Penonomé II, S.A.
and TecniSol Group

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