Niagara Energy S.A.C. and Subsidiaries

Unaudited Consolidated Interim Financial Statements

As at and for the nine-month period ended September 30, 2024

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Unaudited Consolidated Statement of Financial Position

As of September 30, 2024 and December 31, 2023

In thousands of soles	***Note***	**September 30, 2024**	**December 31, 2023**
Assets			
Current assets			
Cash and cash equivalents	*9*	654,603	-
Trade accounts receivable	*10*	435,425	-
Other accounts receivable	*12*	18,750	-
Inventories	*13*	97,886	-
Income tax assets		1,234	-
Prepaid insurances	*14*	57,708	-
Total current assets		**1,265,606**	**-**
Non-current assets			
Goodwill	*18*	79,955	-
Investment projects	*15*	23,463	-
Property, plant and equipment	*16*	7,940,916	-
Intangible assets	*17*	203,465	-
Other non-financial assets	*19*	225,695	-
Total non-current assets		**8,473,494**	**-**
Total assets		**9,739,100**	**-**

In thousands of soles	***Note***	**September 30, 2024**	**December 31, 2023**
Liabilities			
Current liabilities			
Other financial liabilities	*20*	218,773	-
Trade accounts payable	*21*	307,476	-
Other accounts payable	*22*	230,689	7
Accounts payable to related parties	*11*	493	-
Contract liabilities	*23*	4,004	-
Other provisions	*24*	8,836	-
Total current liabilities		**770,271**	**7**
Non-current liabilities			
Other financial liabilities	*20*	4,670,578	-
Contract liabilities	*23*	60,958	-
Other accounts payable	*22*	6,736	-
Other provisions	*24*	111,145	-
Deferred tax liabilities	*25*	1,640,121	-
Total non-current liabilities		**6,489,538**	**-**
Total liabilities		**7,259,809**	**7**
Equity	*26*		
Issued share capital		2,006,467	-
Net profit or loss from cash flow hedge		23,497	-
Retained earnings		(45,870)	(7)
Equity attributable to owners of the Company		1,984,094	(7)
Non-controlling interest	*27*	495,197	-
Total equity		**2,479,291**	**(7)**
Total liabilities and equity		**9,739,100**	**-**

The accompanying notes on pages 6 to 61 are an integral part of these unaudited interim financial statements.

Niagara Energy S.A.C. and Subsidiaries
Unaudited Consolidated Statement of Profit or Loss
For the nine months ended September 30, 2024 and 2023

		Nine-Months Period Ended		Three-Months Period Ended From July 1 to September 30	
In thousands of soles	**Note**	**2024**	**2023**	**2024**	**2023**
Revenue from energy and power generation	28	1,112,378	-	678,876	-
Cost of energy generation	29	(575,066)	-	(369,043)	-
Gross profit		**537,312**	**-**	**309,833**	**-**
Administrative expenses	30	(137,906)		(62,166)	
Other expenses	32	(13,806)	-	2	-
Other income	32	20,697	-	16,739	-
Operating profit		**406,297**	**-**	**264,408**	**-**
Finance income	33	88,231	-	13,756	-
Finance costs	33	(375,394)	-	(268,501)	-
Net finance cost		**(287,163)**	**-**	**(254,745)**	**-**
Profit before tax		**119,134**	**-**	**9,663**	**-**
Income tax	34	(130,813)	-	(34,512)	-
Profit for the period		**(11,679)**	**-**	**(24,849)**	**-**
Net profit (loss) attributable to:					
Owners of the controlling entity		(46,477)	-	(45,318)	-
Non-controlling interests	27	34,798	-	20,469	-
		(11,679)	**-**	**(24,849)**	**-**
Basic and diluted earnings per share (in soles)		-	-	-	-
Weighted average number of shares outstanding	26(a)	2,006,467,398	300	2,006,467,398	300

The accompanying notes on pages 6 to 61 are an integral part of these unaudited consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries
Unaudited Consolidated Statement of Other Comprehensive income
For the nine months ended September 30, 2024 and 2023

		Nine-Months Period Ended		Three-Months Period Ended From July 1 to September 30	
In thousands of soles	**Note**	**2024**	**2023**	**2024**	**2023**
Profit (loss) for the period		**(11,679)**	**-**	**(24,849)**	**-**
Other comprehensive income					
Net change in cash flow hedges		30,960	-	179,969	-
Income tax		(5,421)	-	(52,611)	-
Total comprehensive income for the period, net of taxes		**25,539**	**-**	**127,358**	**-**
Comprehensive income attributable to:					
Owners of the Company	27	23,497	-	124,135	-
Non-controlling interests		2,042	-	3,223	-
		25,539	**-**	**127,358**	**-**

The accompanying notes on pages 6 to 61 are an integral part of these unaudited consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries
Unaudited Consolidated Statement of Changes in Equity
For the periods ended September 30, 2024 and 2023

In thousands of soles	***Note***	**Number of Shares**	**Issued capital**	**Cash flow hedges**	**Retained Earnings**	**Total**	**Non-controlling interests (note 34)**	**Total equity**
Balance as of June 23, 2023		300	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period			**-**	**-**	**-**	**-**	**-**	**-**
Transactions with owners of the Company								
Effect of translation difference		-	-	**-**	**-**	**-**	-	-
Total transactions with owners of the Company		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as of September 30, 2023		**300**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as of January 1, 2024		300	-	-	(7)	(7)	-	(7)
Profit for the period		-	-	-	(46,477)	(46,477)	34,798	(11,679)
Other comprehensive income		-	-	23,497	-	23,497	2,042	25,539
Total comprehensive income for the period		**-**	**-**	**23,497**	**(46,477)**	**(22,980)**	**36,840**	**13,860**
Transactions with owners of the Company								
Acquisition of subsidiaries	*1 (b)*	-	-	-	-	-	501,112	501,112
Dividend distribution	*26 (b)*	-	-	-	-	-	(42,809)	(42,809)
Issue of ordinary shares	*26 (a)*	2,230,214,232	2,230,214	-	-	2,230,214	-	2,230,214
Capital reduction	*26 (a)*	(223,747,134)	(223,747)	-	-	(223,747)	-	(223,747)
Others		-	-	-	614	614	54	668
Total transactions with owners of the Company		**2,006,467,098**	**2,006,467**	**-**	**614**	**2,007,081**	**458,357**	**2,465,438**
Balance as of September 30, 2024		**2,006,467,398**	**2,006,467**	**23,497**	**(45,870)**	**1,984,094**	**495,197**	**2,479,291**

The accompanying notes on pages 6 to 61 are an integral part of these unaudited consolidated financial statements.

In thousands of soles	*Note*	September 30, 2024	September 30, 2023
Cash flows from operating activities			
Collection from customers		1,809,921	-
Payment to suppliers for services and goods		(1,033,372)	-
Payments to and by the employees		(39,462)	-
Collection of interest received (not included in investment activities)		9,790	-
Income tax payment		(140,817)	-
Other cash receipts (payments) related to operating activities		(177,551)	
Net Cash from operating activities		**428,509**	-
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	*1.B. iii and iv*	(1,288,945)	
Acquisition of property, plant and equipment and intangible assets	*16 and 17*	(95,006)	
Interest received		38,101	
Net cash flows used in investing activities		**(1,345,850)**	**-**
Cash flows from financing activities			
Proceeds from loans from banks	*20*	1,599,665	-
Proceeds from loans from related entities	*11*	64	-
Payment of loans to banks	*20*	(1,717,841)	-
Payment of dividends (non-controlling interests)	*27*	(42,809)	
Capital increase	*26(a)*	2,230,214	-
Capital reduction	*26(a)*	(223,747)	
Commissions paid for obtaining syndicated loans	*20*	(77,876)	-
Payment of interest, net of hedge instrument		(195,434)	-
Net cash used in financing activities		**1,572,236**	**-**
Net increase in cash and cash equivalents		654,292	-
Effect of movements in exchange rates on cash held		(292)	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period	***9***	**654,603**	**-**
Transactions not representing cash flows and cash equivalents			
Proceeds from bank loans disbursed to the Lima Stock Exchange (BVL)	*1.B.iv and 20(e)*	3,419,773	-

The accompanying notes on pages 6 to 61 are an integral part of these unaudited consolidated financial statements.

1. Background and Reporting Entity

A. Background

Niagara Energy S.A.C. (referred to as the 'Company') is a subsidiary of Niagara Generation S.A.C. As of September 30, 2024, Niagara Generation S.A.C. owns 99.99 percent of the Company's share capital (see note 26).

The Company was incorporated on June 23, 2023, in the city of Lima, Peru, beginning its activities on December 12, 2023 and is controlled by the global investment group Actis.

On November 21, 2023, Enel Perú S.A.C and Enel Américas S.A. agreed to sell all of its shares of Enel Generación Perú S.A.A. and Compañia Energética Veracruz S.A.C, in favor of the Company. In this regard, the Company will own 86.96% of the shares of Enel Generación Perú S.A.A. and 100% of the shares of Compañia Energética Veracruz S.A.C according to the purchase and Sale Agreement. The completion and execution of the transaction were subject to the satisfaction of conditions mutually agreed between the Company and Enel Perú S.A.C.

In March 2024, INDECOPI (Peruvian Institute for the Defense of Competition and Protection of Intellectual Property) approved the transfer of Enel Generación Perú S.A.A. shares to the Company.

In March 2024, as part of the transaction involving the sale of up to 100% of Enel Generación Perú S.A.A. shares, the Company issued a public offering.

In April 2024, Enel Américas S.A. sold to Enel Perú S.A.C. all of its shares equivalent to 20.46 percent of the capital share of Enel Generación Perú S.A.A.

On May 7, 2024, as a result of the public offering in Lima Stock Exchange (BVL for its acronym in spanish), the Company was awarded 92.35% of Enel Generación Perú S.A.A.'s share capital. The sale was conducted on May 9, 2024.

At General Shareholders' Meeting, held on June 24, 2024, an agreement was reached to change the corporate name of Enel Generación Perú S.A.A. to Orygen Perú S.A.A.

As of September 30, 2024, the Company's subsidiaries (together referred to as the 'Subsidiaries'), their economic activities and percent ownership interest are the following (As of December 31, 2023, the Company did not have subsidiaries):

Company's Subsidiaries	**Business activity**	**% Participation As of September 30, 2024**
Direct subsidiaries		
Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.)	Generation and commercialization of electrical energy and power to local private and public companies	92.35%
Compañía Energética Veracruz S.A.C.	Development of the Veracruz hydroelectric plant located in the Cutervo, Cajamarca	99.99%

Indirect subsidiaries		
Chinango S.A.C.	Generation and commercialization of electrical energy and power to local private and public companies	80.00%
SL Energy S.A.C	Electrical power project permit management and advisory services	99.99%
Energética Monzón S.A.C	Development of electricity generation projects	99.99%

The legal domicile of the Company and its Subsidiaries as well as their administrative office are located at Jr. Paseo del Bosque 500, San Borja, Lima, Peru.

The balances as of September 30, 2023 of the consolidated statement of profit or loss are not presented in a comparative manner, because they are not material with respect to the balances at September 30, 2024.

B. Acquisition of subsidiaries

On May 9, 2024, the Company acquired 92.35% percent of the shares and voting interests in Enel Generación Perú S.A.A., as a result, the Company obtained control. Subsequently, the Company changed the corporate name to Orygen Perú S.A.A. (hereinafter "Orygen"). In addition, Orygen controls the following subsidiaries: Chinango S.A.C, SL Energy S.A.C and Energética Monzon S.AC.

Orygen is one of the Company's strategic investments and is principally engaged in the generation and commercialization of electrical energy and power to local private and public companies. Orygen is publicly listed on the Lima Stock Exchange (BVL).

Taking control of Orygen will enable the Company to add the largest renewable portfolio in Peru to its energy investments in the region. The acquisition is expected to provide the Company with an increased share of energy generation and commercialization market through access to Orygen's operating assets and customer base. The Company also expects to have a leading role in the decarbonization of the country.

From the acquisition date to 30 September 2024, Orygen contributed revenue of S/ 1,113,787 thousand and profit of S/ 354,879 thousand to the Company's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been S/ 2,058,483 thousand, and consolidated profit for the period would have been approximately S/ 299,837 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2024.

i. Consideration transferred

The total consideration transferred in cash by the Company at acquisition date was S/ 5,099,424 thousand.

ii. Acquisition-related costs

The Company incurred acquisition-related costs of S/ 38,207 thousand relating to external legal fees and due diligence costs and of S/ 15,879 thousand relating to the insurance of representations and guarantees (RWI insurance) contracted for the acquisition. These costs have been included in 'administrative expense' in the consolidated statement of profit or loss.

iii. Identifiable assets acquired, and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the date of acquisition:

In thousands of soles	***Note***	
Property, plant and equipment	*16*	7,939,114
Intangible assets	*17*	209,507
Other non-financial assets		260,729
Investment projects		23,463
Prepaid insurance		13,944
Inventories		88,829
Trade and other receivable		501,061
Cash and cash equivalent		390,706
Other financial liabilities		(1,574,400)
Deferred income		(3,797)
Deferred tax liabilities	*25*	(1,618,603)
Other provisions		(118,841)
Contract liabilities		(62,329)
Trade and other payables		(513,786)
Income tax liabilities		(15,016)
Total identifiable net assets acquired		**5,520,581**

Trade and other receivables comprised no gross contractual amounts that are expected to be uncollectable at the date of acquisition.

iv. Fair values measured on a provisional basis

The total purchase price of Orygen is S/ 5,099,424,000, which was paid comprising i) a direct payment in cash by the Company for S/ 1,679,651,000 and ii) a payment performed by the syndicated banks of the syndicated loan directly to the Lima stock Exchange for S/ 3,419,773,000 (see note 20 (e)). This last amount comprehends a portion of the syndicated loan included in the caption other financial liabilities of the consolidated statement of financial position, disclosed in note 20 (b). In accordance with Company's accounting policy for business combinations, the fair values of the net tangible and intangible assets acquired was measure on a provisional basis, and the excess of the consideration transferred over the Company's interest of such fair values was recorded as goodwill. The provisional fair values of the net tangible and intangible assets acquired were based on preliminary valuations, and Company's estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). Items that remain provisional relate to the fair values of the acquired intangible assets, certain acquired tangible assets and residual goodwill. We expect to continue obtaining information for the determination of the final fair values of the acquired net assets during the measurement period.

v. Goodwill

Goodwill arising from the acquisition has been recognized as follows:

In thousands of soles	***Note***	
Total consideration transferred	*(i)*	5,099,424
NCI, based on their proportionate interest in the recognized amounts of the assets and liabilities of Orygen (including indirect subsidiary Chinango S.A.C.)		501,112
Fair value of identifiable net assets	*(iii)*	(5,520,581)
Goodwill	**17**	**79,955**

The goodwill is attributable mainly to the skills and technical talent of Orygen's work force, and the synergies expected to be achieved from integrating Orygen into the Company's existing standards of energy generation and commercialization business. None of the goodwill recognized is expected to be deductible for tax purposes.

C. Business activity

The corporate purpose of the Company is to carry out investment and may directly or indirectly constitute, acquire or integrate different companies, institutions, foundations, corporations or associations of any nature in Peru and abroad. It may also execute capital investment in any class of personal property and the like, including among other stocks, bonds, equity interests and any other class of transferable securities and other activities.

As of September 30, 2024, the Company's subsidiaries are mainly engaged in the generation and commercialization of electrical energy and power to local private and public companies. Subsidiary Orygen Perú S.A.A. operates five (5) hydroelectric plants located in the basins of the Santa Eulalia and Rímac rivers, approximately 50 km away from Lima city. These power plants have an effective power generation of 600 MW. Furthermore, it owns two thermoelectric generation plants, one with an effective power of 410.9 MW, located in Lima city, and another with 476.2 MW, located in Ventanilla. It also owns two solar power plants located in the province of Mariscal Nieto, in the Moquegua region, with an effective power generation of 259.4 MW, and two wind power plants located in the province of Nazca, in the Ica region, with an effective power generation of 309.3 MW. Total effective power reaches 2,055.85 MW.

Subsidiary Chinango S.A.C. operates two (2) hydroelectric plants, Yanango and Chimay. Yanango is located 280 km northwest of Lima at lote 2 s/n San José de Utcuyacu in the district of San Ramón, province of Chanchamayo. On the other hand, Chimay is located 320 km northwest of Lima at s/n Libertad Tingo, in the district of Monobamba, province of Jauja. Both plants are located in the department of Junín and have an effective power generation of 195.45 MW. Subsidiary Compañía Energética Veracruz S.A.C. owns an electric power generation project.

D. Approval of financial statements

The consolidated financial statements for the period ended September 30, 2024 have been authorized for issuance by the Company's management on November 28, 2024.

2. Operational Regulation and Legal Standards Affecting the Activities of the Electricity Sector and Main Contracts

i. Electricity Concessions Law and its Regulations

It is worth noting that by means of Executive Decree 006-2020-MINAM, published on July 4, 2020, the permanent Multisectoral Commission known as the 'High-Level Commission on Climate Change (CANCC for its Spanish acronym)' was created.

ii. Executive Orders issued within the framework of emergency situations

Executive Order 008-2017-EM, published on March 23, 2017, establishes a regime for the authorization of energy import in emergency situations. Within the framework of emergency situations as provided in Decision 757, in accordance with Paragraph 5.3 of the Internal Regulations for the application of Decision 757 of the Andean Community of Nations (CAN for its Spanish acronym), and in the absence of other available options, the COES is authorized to carry out emergency electricity exchanges to ensure the electricity supply to the Public Electricity Service.

Executive Order 017-2018-EM, published on July 23, 2018, establishes a Rationing Mechanism for situations that put the natural gas supply in Emergency, understanding as an Emergency the total or partial shortage of natural gas in the domestic market due to any situation affecting the supply and/or transport and/or distribution of natural gas, duly qualified by the Ministry of Energy and Mines.

iii. Executive Order 016-2000-EM

This decree, published on September 14, 2000, establishes regulation hours and monthly excess probabilities for hydroelectric plants and peak hours of the electrical system. It also establishes the requirement for natural gas generation units to declare a single price that considers the costs of supply, transportation, and distribution of natural gas, effective in July of each year for a period of twelve (12) months.

Executive Order 019-2017-EM, published on June 7, 2017, amended Section 5 of Executive Order 016-2000-EM. Generation companies using natural gas as fuel shall declare a single price of natural gas at the delivery point of each generation plant, a readjustment formula, and information regarding fuel quality. This information shall be submitted twice a year. The first submission is made on the last business day of the first half of November, effective for the flood season period (from December 1 to May 31 of the following year), and the second submission is made on the last business day of the first half of May, effective for the dry season period (from June 1 to November 30).

Executive Order 039-2017-EM, published on November 14, 2017, suspended the filing process of the single price of natural gas for thermoelectric plants until December 31, 2017, referred to in Section 5 (5.2) of Executive Order 016-2000-EM.

Executive Order 043-2017-EM, published on December 28, 2017, amended Section 5 of Executive Order 016-2000-EM, stipulating that generation companies using natural gas as fuel shall declare the single gas price once a year with effective date on July 1. The COES verifies that the declared value is, at least, the result from applying a formula that considers the Daily Contractual Quantity (DCQ), the specific consumption, take-or-pay agreements, and the natural gas supply price excluding transport and distribution.

iv. Supreme Resolution 006-2019-EM

Supreme Resolution 006-2019-EM, dated June 20, 2019, creates the Multisectoral Commission for the Reform of the Electricity Subsector. The purpose is to conduct an analysis of the electricity market and the regulatory framework of the Electricity and Hydrocarbon Subsectors, in relation to the provision of electricity for the SEIN, in order to formulate proposals aimed at adopting measures that ensure the sustainability and development of the Electricity Subsector. The effective term of the commission is twenty-four (24) months.

v. Osinergmin Resolution 144-2019-OS/CD amending the Technical Procedure of COES 26 'Firm Power Calculation'

Such parameter is used to determine the power revenues of generation companies in the COES, as well as the contracting level they are allowed to reach. Since September 2019, the Firm Power for plants with renewable energy resources (RER) using wind, solar or tidal technologies (prior to the amendment it was zero) shall be determined based on the energy production during the peak hours of the system.

vi. Standards approved with significant impact on the Peruvian Electricity Sector

By means of Osinergmin Board Resolution 010-2024-OS-CD, published on February 1, 2024, the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electric System, corresponding to the February – April 2024 quarter was approved.

By means of Osinergmin Board Resolution 010-2024-OS-CD, published on February 1, 2024, the Generation Level Price was approved from February 4 to April 30, 2024.

By means of Osinergmin Board of Directors Resolution 011-2024-OS-CD, published on February 1, 2024, the updating factors to determine the unit charges p and FA for the February – April 2024 quarter was approved.

By Ministerial Resolution No. 104-2024-MINEM/DM, published on March 13, 2024, the administrative measures requiring a prior consultation process in the electricity subsector are approved.

By means of Osinergmin Board Resolution 046-2024-OS-CD, published on March 27, 2024, the scale of fines of the regulation Guide for the Elaboration and Presentation of Georeferenced Data of Electrical Generation and Transmission Systems Facilities was approved.

By means of Osinergmin Board Resolution 047-2024-OS-CD, published on March 27, 2024, the scale of fines of the Procedure for Monitoring the Implementation and Performance of Automatic Load and Generation Rejection Schemes was approved.

By means of Osinergmin Board Resolution 051-2024-OS-CD, published on April 15, 2024, the bar prices for the period May 2024 – April 2025 was approved.

By means of Osinergmin Board Resolution 052-2024-OS-CD, published on April 15, 2024, the transmission tariffs contained in Table 6.1 of Resolution 070-2021-OS/CD and amendments for the period May 2024 – April 2025, as a result of the annual settlement of transmission revenues were modified.

By means of Osinergmin Board Resolution 054-2024-OS-CD, published on April 15, 2024, the allocation of Payment responsibility for the use of facilities contained in Table 10.4 of Resolution 070-2021-OS/CD was modified.

By means of Osinergmin Board Resolution 062-2024-OS-CD, published on April 27, 2024, the Generation Level Price at Base Substations for determining the maximum tariffs for Regulated Users of the National Interconnected Electric System from May 1 to August 3, 2024 was approved.

By means of Osinergmin Board Resolution 063-2024-OS-CD, published on April 27, 2024, the Unit Charge for 'Electricity Generators/Private-Use Ducts Compensation' (GGEE-DUP Compensation, for its Spanish acronym) to be added to the Secondary and Complementary Transmission System Tariff, effective from May 1, 2024, to April 30, 2025 was approved.

By means of Resolution OSINERGMIN 023-2024-OS/GRT, published on April 30, 2024, the Surcharge Factor of the Electricity Social Compensation Fund applicable to the billing for the period from May 1, 2024 to August 3, 2024. Additionally, this resolution also includes other provisions was approved.

By means of OSINERGMIN Board Resolution 073-2024-OS/CD, published on May 16, 2024, the Procedure for the Oversight of Transmission Systems Performance was approved.

By means of OSINERGMIN Board Resolution 108-2024-OS/CD, published on May 30, 2024, the Board Resolution that modifies Resolution No. 051-2024-OS/CD was approved, by which the bus prices and tariff charges for the period May 2024 – April 2025 was approved.
By means of OSINERGMIN Resolution 033-2024-OS/GRT, published on July 23, 2024, the Surcharge Factor of the Electric Social Compensation Fund applicable to billing for the period from August 4, 2024 to October 31, 2024 is approved and other provisions are issued.

By means of Osinergmin Board Resolution 152-2024-OS-CD, published on August 1, 2024, the Generation Level Price at Base Substations is approved for determining the maximum rates for Regulated Users of the National Interconnected Electric System from August 4 to November 3, 2024.

By means of Osinergmin Board Resolution 153-2024-OS-CD, published on August 1, 2024, the update factors were approved to determine the p and FA unit charges as of August 4, 2024.

3. Concessions

The Company and Subsidiaries have been granted authorizations and concessions for an indefinite period, allowing them to conduct energy and power generation activities. The main ones are detailed below:

No.	Granted right	Resolution number, date, and registration
1	Final concession for hydroelectric generation at the Moyopampa Hydroelectric Power Plant	Supreme Resolution 097-96-EM, dated November 28, 1996 Form 0005, Record 2-C Concession Registry
2	Final concession for hydroelectric generation at the Huinco Hydroelectric Power Plant	Supreme Resolution 098-96-EM, dated November 28, 1996 Form 0003, Record 2-C Concession Registry
3	Final concession for hydroelectric generation at the Huampani Hydroelectric Power Plant	Supreme Resolution 103-96-EM, dated November 28, 1996. Form 0006, Record 2-C Concession Registry
4	Final concession for hydroelectric generation at the Matucana Hydroelectric Power Plant	Supreme Resolution 101-96-EM, dated November 28, 1996 Form 0007, Record 2-C Concession Registry
5	Final concession for hydroelectric generation at the Callahuanca Hydroelectric Power Plant	Supreme Resolution 100-96-EM, dated November 28, 1996 (power expansion approved by Supreme Resolution 011-2011-EM, dated March 5, 2011). Form 0004, Record 2-C Concession Registry
6	Final concession for hydroelectric generation at the Curibamba Hydroelectric Power Plant	Supreme Resolution 070-2014-EM. Pending registration in the Concessions Registry
7	Authorization for thermoelectric generation at the Santa Rosa Thermal Power Plant for 100 MW.	Ministerial Resolution 456-96-EM/VME, dated November 21, 1996
8	Authorization for thermoelectric generation at the Santa Rosa Thermal Power Plant for 140 MW	Ministerial Resolution 457-96-EM/VME, dated November 25, 1996
9	Authorization for thermoelectric generation at the Santa Rosa II Thermal Power Plant for 190 MW	Ministerial Resolution 448-2008-MEM/DM, dated October 4, 2008
10	Authorization for thermoelectric generation at the Ventanilla Thermal Power Plant	Supreme Resolution 003-96-EM, dated January 15, 1996 (power modifications approved by Ministerial Resolutions 209-2001-MEM/VME and 298-2007-MEM/DM)
11	Final concession for generation using renewable energy resources at the HER 1 Hydroelectric Power Plant for 0.7 MW.	Ministerial Resolution 548-2017-MEM/DM, dated December 29, 2017
12	Final concession for generation using renewable energy resources at the Clemesí Solar Power Plant for 114.93 MW	Ministerial Resolution 061-2021-MINEM/DM, dated March 16, 2021, amended by: i) Ministerial Resolution 136-2023-MINEM/DM, dated March 28, 2023 (modifying power to 114.93 MW) and ii) Ministerial Resolution 407-2023-MINEM/DM, dated October 13, 2023 (modifying the schedule).
13	Final concession for transmission of electrical energy for the SE Rubí Expansion project	Ministerial Resolution 141-2023-MINEM/DM, dated March 31, 2023
14	Final concession for generation using renewable energy resources at the Wayra Wind Power Plant Extension for 177 MW	Ministerial Resolution 370-2020-MINEM/DM, dated December 15, 2020, amended by: i) Ministerial Resolution 157-2023-MINEM/DM, dated April 10, 2023 (modifying schedule due to force majeure events) and ii) Ministerial Resolution 437-2023-MINEM/DM, dated

No.	Granted right	Resolution number, date, and registration
		November 6, 2023 (modifying power from 108 to 177 MW and the schedule).
15	Final concession for transmission of electrical energy for the SE Flamenco Expansion project	Ministerial Resolution 391-2022-MINEM/DM, dated November 3, 2022
16	Final concession for generation using renewable energy resources at the Rubí Solar Power Plant for 144.48 MW	Ministerial Resolution 328-2017-MINEM/DM, dated July 26, 2017
17	Final concession for generation using renewable energy resources at the Wayra I Wind Power Plant for 132.3 MW	Ministerial Resolution 090-2016-MINEM/DM, dated July 13, 2016, amended by: i) Ministerial Resolution 010-2017-MINEM/DM, dated January 16, 2017 (modifying the area) and ii) Ministerial Resolution 520-2017-MINEM/DM, dated December 6, 2017 (modifying installed power from 160 MW to 132.3 MW)
18	Concession for hydroelectric generation at the Chimay Hydroelectric Power Plant	Supreme Resolution 032-2009-EM, dated May 24, 2009 Entry 11073613 of the Property Registry of Lima. (Concession amended by Supreme Resolution 080-2012-EM, dated July 11, 2012)
19	Concession for hydroelectric generation at the Yanango Hydroelectric Power Plant	Supreme Resolution 037-2009-EM, dated May 29, 2009 Entry 11107458 of the Property Registry of Lima

4. Agreements

i. Energy sale agreements

Seventy-one (71) electricity supply agreements have been signed with Regulated Customers (distribution companies), of which sixteen (16) were signed with Pluz Energía Perú S.A. (formerly Enel Distribución Perú S.A.A.). The term of these agreements ranges from two (2) to nineteen (19) years, with a maximum contracted power from 0.1 MW to 198.2 MW.

In addition, one hundred and sixty-seven (167) agreements have been signed with Non-regulated Customers, with effective terms from 1 to 12 years que expand a maximum contracted power from 0.2 MW to 185 MW.

ii. Agreement on Natural Gas Supply from Camisea Deposits

Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) signed two (2) natural gas supply agreements with the Pluspetrol Consortium to serve the operations of the Ventanilla and Santa Rosa thermal power plants. These agreements were signed on May 30, 2019, effective from July 1, 2019 to December 31, 2029. The Daily Contractual Quantity (DCQ) is 74.16 MMPCD for Ventanilla and 63.57 MMPCD for Santa Rosa.

The purchase price is fixed at the receipt point (Las Malvinas - Camisea) and is expressed in US$/MMBTU (US dollars per million BTU).

iii. Natural Gas Transport Agreements

On May 2, 2006, Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) entered into with Transportadora de Gas del Perú S.A. (hereinafter TGP) an Interruptible Natural Gas Transport Service Agreement, whereby TGP shall provide such service from the receipt point located in Las Malvinas (Camisea) to the delivery point at the City Gate in Lurín. This agreement is valid until January 1, 2034.

The maximum daily interruptible gas quantity (CIMD for its Spanish acronym) that TGP shall transport is as follows:

Period	CIMD (m^3/td/day)
From July 31, 2007 to July 31, 2008	4,200,000
From August 1, 2008 to July 31, 2009	2,700,000
From August 1, 2009 to December 14, 2009	2,000,000
From December 15, 2009 to August 13, 2010	1,482,178
From August 14, 2010 to December 31, 2019	992,624
From January 1, 2020 to October 13, 2020	1,000,000
From October 14, 2020 to December 31, 2025	1,900,000

Period	CIMD (m^3/td/day)
From January 1, 2026 to January 1, 2034	3,100,000

On September 25, 2023, subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and TGP entered into a new Interruptible Natural Gas Transportation Service Agreement, whereby TGP shall provide this service from September 25, 2023 to December 31, 2029.

The maximum daily interruptible gas quantity (CIMD) under the new Agreement that TGP shall transport is as follows:

Period	CIMD (m^3/td/day)
From September 25, 2023 to December 31, 2024	1,100,000
From January 1, 2025 to December 31, 2025	200,000
From January 1, 2026 to December 31, 2029	1,100,000

On the other hand, on December 10, 2008, the Company and TGP entered into a Firm Transportation Service Agreement, whereby TGP shall provide such service from August 1, 2008, to December 31, 2025.

The Daily Reserved Capacity (DRC) amounts to the following values:

Period	DRC (m^3/td/day)
From August 1, 2008 to July 31, 2009	1,500,000
August 1, 2009 to December 14, 2009	2,200,000
From December 15, 2009 to August 13, 2010	2,717,822
From August 14, 2010 to August 1, 2019	3,207,376
From August 2, 2019 to January 1, 2020	2,589,554
From January 2, 2020 to December 31, 2025	2,100,000

The consideration for the service referred to in the aforementioned interruptible and firm agreements is calculated based on the rates regulated by OSINERGMIN, applied to the volumes of gas actually transported in the case of the interruptible service agreement, and to the reserved volume in the case of the firm service agreement.

iv. Natural Gas Distribution Agreements

On May 20, 2005, subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and GNLC entered into another Interruptible Natural Gas Transport Service Agreement through the Main Distribution Network from the receipt point located in City Gate of Lurín to the delivery point at the Santa Rosa thermoelectric plant (Santa Rosa Interruptible Agreement). This agreement is valid until December 31, 2029.

The maximum Daily Interruptible Gas Quantity (CIMD) that GNLC shall transport is as follows:

Period	CIMD (m^3/td/day)
From August 22, 2008 to December 15, 2009	2,000,000
From December 15, 2009 to February 28, 2010	1,382,178
From March 1, 2010 to December 31, 2019	900,000
From January 1, 2020 to June 8, 2023	2,000,000
From June 9, 2023 to December 31, 2029	2,800,000

On September 22, 2008, as part of the Eleventh Public Tender for the Contracting of Firm Service and the Call for Tenders for Interruptible Natural Gas Transport Service via the Main Distribution Network, GNLC and subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) signed the following Firm Service

Agreement for its Ventanilla plant. The Daily Contractual Quantity (DCQ) of gas that GNLC shall transport is as follows:

Period	DCQ (m^3/td/day)
From September 22, 2008 to July 31, 2009	1,500,000
From August 1, 2009 to December 31, 2025	2,100,000

On April 1, 2023, GNLC and subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) entered into a Firm Service Agreement for its Santa Rosa plant. The Daily Contractual Quantity (DCQ) of gas that GNLC shall transport is as follows:

Period	DCQ (m^3 stdSm^3/day)
From April 1, 2023 to May 31, 2023	123,000
From June 1, 2023 to July 31, 2023	371,854
From August 1, 2023 to September 14, 2023	1,100,000
From September 15, 2023 to December 31, 2023	1,239,515
From January 1, 2024 to March 31, 2024	30,000
From March 5, 2024 to March 31, 2024	247,903
From April 1, 2024 to June 30, 2024	61,976
From July 1, 2024 to July 31, 2024	123,952
From August 1, 2024 to September 30, 2024	247,903
From October 1, 2024 to November 30, 2024	123,952

The consideration for the services referred to in the above agreements is calculated based on the tariffs regulated by OSINERGMIN, applied to the volumes of gas actually transported in the case of interruptible service agreements and to the reserved volumes in the case of firm service agreements.

v. Long-term Agreement on the Acquisition of Replacement Units and Provision of Maintenance Services for the Thermal Power Plants

On March 27, 2009, Siemens Power Generation, Inc. (now Siemens Energy Inc.) and Siemens Power Generation Service Company, Ltd. (whose rights and obligations have been transferred to Siemens S.A.C.) signed a Long-term Service Agreement (LTSA) with subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) for the acquisition of spare parts and replacement units, as well as the provision of scheduled maintenance services (minor and major) for Siemens turbine installed at the Santa Rosa thermoelectric generation plant. The LTSA related to the Siemens turbine at Santa Rosa plant became effective on the date of signature and will remain in force until one of the following conditions occurs: (a) the Siemens turbine at the Santa Rosa thermoelectric plant accumulates 100,000 Equivalent Service Hours (ESH); (b) eighteen (18) years after the signature; or (c) two (2) major inspections and two (2) hot gas path inspections are conducted, as set forth in the agreement, whichever occurs first. As of September 30, 2024, the agreement is effective.

The agreement establishes various payment terms such as: initial payment for spare parts and equipment specified in the respective agreements, monthly payments based on an accumulation diagram of equivalent service hours (ESH) for the turbine, monthly fixed payments for the turbines, payments according to the specified schedule for minor and major scheduled maintenance services, based on the accumulation of ESH, and monthly payments for maintenance services of the gas turbine control system for each agreement.

vi. Fuel Supply Agreements on Thermal Power Plants

On September 7, 2009, subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Petróleos del Perú - Petroperú S.A. (Petroperú) entered into an agreement on the supply of Biodiesel B2 GE or another similar fuel intended for thermal power plants with a renewable term of one (1) year. Through communications between the parties, the term was extended to three (3) years and formalized by an addendum on December 13, 2010, including automatic renewal for similar periods unless prior notice to the contrary is submitter.

According to the contract, Petroperú undertakes to supply the volume requested by Orygen, according to the conditions established in the Contract. The Company is also obliged to pay Petroperu the price corresponding to the fuel actually supplied in the manner and at the times agreed in the contract.

On December 7, 2018, subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Repsol Comercial S.A.C. (Repsol) entered into an agreement for the supply of Biodiesel B5 S50 intended for thermal power plants for a term of three (3) years, which has been extended until December 31, 2026, through an addendum. According to the executed agreement, Repsol commits to delivering a monthly volume of 25,000 barrels ('free volume') if subsidiary Orygen Perú S.A.A. requests it. Furthermore, subsidiary Orygen Perú S.A.A. shall pay to Repsol the corresponding price for the fuel actually supplied in the manner and deadline set forth in the respective agreement.

vii. Power Purchase Option Agreements

By means of Resolution 216-2018-OS/CD, dated December 28, 2018, and under Executive Order 022-2018-EM, dated September 5, 2018, the transitional procedure for the evaluation of addenda to agreements resulting from tenders was approved. It allows distribution and generating companies to sign amendments to such contracts, provided that the conditions stipulated in the sole provisional supplementary provision of the aforementioned order are met, subject to prior approval by OSINERGMIN.

In the sole provisional supplementary provision of Executive Order 022-2018-EM, a provisional procedure is established for the approval and signing of addenda to agreements, effective from September 6 to December 31, 2018, authorizing distribution and generating companies to sign amendments to the agreement regarding the effective term, contracted power, and/or firm prices that were in effect as of September 5, 2018.

As a result of the mentioned renegotiation processes of long-term tender agreements, OSINERGMIN authorized the subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) to sign addenda for the supply of contracted power intended for the supply of its regulated market, for agreements from January 1, 2014 to January 1, 2018, which include the option to sell energy to various distribution companies at the end of the specified term, at the rate established in the original current agreement.

The purchase option agreements refer to the payment for the right granted by distribution companies to generation companies to amend the electricity supply agreement signed by the parties regarding the supply of the market from 2024 to 2030.

The purchase option agreements were executed as of December 31, 2021.

viii. Transitional Service Agreement ('TSA'):

On May 9, 2024, the TSA agreement came into effect under which Enel Group will supply the Company with services, mainly related to information technology, for a one-year period.

5. Basis of the Preparation of Consolidated Financial Statements

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) including the requirement of IAS 34 'Interim Financial Reporting', in force as of September 30, 2024 and December 31, 2023, respectively. The Company presents its interim financial statements in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements have been prepared on the historical cost basis from the accounting records kept by the Company and its Subsidiaries, except for derivative financial instruments, which are recorded at fair value. These consolidated financial statements are presented in Peruvian soles (functional and presentation currency). All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements do not include the subsidiary Energética Monzón S.A.C. Compañía Energética Veracruz S.A.C. and SL Energy S.A.C. because their financial statements are not material for purposes of consolidation and a full provision for impairment has been recorded for the Company's investment in the Subsidiary's capital as of the date of the Consolidated Statements of Financial Position.

6. Significant Judgments, and Accounting Estimates and Assumptions

In preparing these interim consolidated financial statements, the Management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Significant estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are prospectively recognized in the period in which the estimates are revised and in any future periods affected.

i. Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Lease term: Whether the Company and Subsidiaries are reasonably certain to exercise extension options in lease agreements (note 7.H).
- Uncertain tax treatment: Estimate of current tax payable and current tax expense in relation to an uncertain tax position (note 7.M).
- Acquisition of subsidiary: fair value of the consideration transferred (Including contingent consideration) and fair value of the assets acquired, and liabilities assumed, measured on a provisional bass.
- Impairment test of intangible assets and goodwill: key assumption underlying recoverable amounts, including the recoverability of development costs.

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties as of September 30, 2024 and December 31, 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities is included in the following notes:

- *Recognition and measurement of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of economic resources (notes 6.M and 6.N).*
- Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax loss carry forwards from previous periods may be utilized (nota 7.M).
- Estimate of inventory obsolescence (note 7.E).
- *Estimation of useful live and residual values of power plants, buildings and other buildings, vehicles, furniture, and equipment (note 7.G).*

iii. Measurement of fair value

A number of the accounting policies and disclosures of the Company and Subsidiaries require the measurement of fair values, for both financial and non-financial assets and liabilities.

In measuring an asset or liability fair value, the Company and Subsidiaries use observable market data, when possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company and Subsidiaries recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Material Accounting Policies

The Company and Subsidiaries adopted the disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2), beginning on January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they affected the accounting policy information disclosed in the consolidated financial statements. The amendments require entities to disclose their 'material' accounting policies, rather than their 'significant' accounting policies. The amendments also provide guidance on the application of materiality to the disclosure of accounting policies, assisting entities in providing useful and specific information about accounting policies that users need to understand other information in the consolidated financial statements. The Company and Subsidiaries have reviewed the accounting policies and updated the disclosures in this note (2022: Significant Accounting Policies) in accordance with the amendments. Find below the material accounting policies used by Management of the Company and Subsidiaries in the preparation of the consolidated financial statements:

i. Basis of consolidation

i. Business combinations and Goodwill

The Company and Subsidiaries accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company and Subsidiaries (note 7.A.iii). In determining whether a particular set of activities and assets is a business, the Company and Subsidiaries assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Company and Subsidiaries has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred.

Goodwill

Goodwill arises from the acquisition of subsidiaries and represents the excess between the cost of an acquisition and the fair value of the Company and Subsidiaries' interest in the net identifiable assets at the date of the acquisition.

Goodwill arising from a business combination is allocated to each CGU or group of CGUs that are expected to benefit from the synergies of the combination. Each CGU or group of GCUs to which goodwill is allocated represents the lowest level of cash-flow generating assets within the entity at which goodwill is monitored by Management.

The identification of the CGU requires a critical judgment of Management. The Company and Subsidiaries has defined its CGUs as each of the companies acquired because they are the smallest identifiable groups of assets that generate cash flows and that are largely independent of the cash inflows of other assets or groups of assets.

Goodwill is tested for impairment at least annually and recorded at cost less accumulated impairment losses. The carrying amount of goodwill is compared to the recoverable amount, which is the greater of value in use and fair value less costs to sell. Any impairment is recognized immediately as an expense and cannot be reversed.

ii. Business combinations under common control

Business combinations among entities under common control where the existence of economic substance cannot be demonstrated are recorded using the pooling-of-interest method.

According to the pooling-of-interest method, the items in the consolidated financial statements of the merging companies, both in the period in which the merger occurs and in the other periods presented comparatively, are included in the consolidated financial statements of the continuing company as if they had been merged from the beginning of the earliest period presented.

Due to the pooling-of-interest results in a single merged entity, it shall adopt uniform accounting policies. Therefore, the merged entity recognizes the assets, liabilities, and equity of the merging companies at their book values, adjusted for any necessary items to align the accounting policies and apply them to all periods presented. No goodwill is recognized in this process. Additionally, the effects of all transactions between the merging companies are eliminated when preparing the consolidated financial statements of the merged entity.

iii. Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

iv. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The interest of third parties, that are not part of the Company, is shown as non-controlling interest in equity in the consolidated financial situation and the consolidated statements of other comprehensive income.

v. Loss of control

When the Company loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any related non-controlling interests, and other components of equity. Any resulting gain or loss is recognized in profit or loss. If the parent retains any interest in the former subsidiary, it is measured at fair value at the date it loses control.

A change in interest of a Subsidiary, without loss of control, is recognized as equity transaction.

vi. Intercompany balances and transactions

The balances and transactions among the Company and Subsidiaries and any unrealized income or expense arising from such transactions are eliminated.

vii. Control considerations

The Company controls an investee if, and only if, it has:

- power over the investee; that is, there are rights that give it the present ability to direct the relevant activities of the investee;
- exposure or rights to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns significantly.

It is generally presumed that a majority of the voting or similar rights of the investee, grant control over the investee. The Company considers all relevant facts and circumstances in order to assess whether it has power over said entity, including:

- the contractual arrangement between the Company and the other holders of the voting rights of the investee;

- the rights arising from other contractual arrangements;
- the investor's voting rights, potential voting rights or a combination of both.

The Company reassesses whether or not it has control over an investee and if facts and circumstances indicate that there are changes in one or more of the three (3) elements of control described above.

ii. Cash and cash equivalents
Cash and cash equivalents of the consolidated statement of financial situation includes cash on hand, checking accounts, and term deposits with an original maturity lower than three months.

iii. Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- ***Financial assets***

i. Recognition and initial measurement
Trade accounts receivable and debt instruments initially issued are recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company and Subsidiaries becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

The financial assets of the Company and Subsidiaries include cash and cash equivalents, trade accounts receivable, other accounts receivable, and accounts receivable from related entities.

ii. Classification and subsequent measurement
On initial recognition, a financial asset is classified as measured at amortized cost; at fair value through consolidated statement of other comprehensive income (FVOCI) – debt investment; at fair value through consolidated statement of other comprehensive income – equity investment; or at fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company and Subsidiaries change their business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if both of the following conditions are met and is not measured at FVTPL:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms give rise – on specified dates – to cash flows that are solely payments of principal and interest on the outstanding principal.

Business model assessment
The Company and Subsidiaries make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.

- How the performance of the portfolio is assessed and reported to the key personnel of the Company's Management.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- The frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that are not qualified for derecognition are not considered sales for this purpose, consistent with the Company and Subsidiaries' continuing recognition of the assets.

Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses are recognized in profit or loss. However, see (note 6 .C) for derivatives designated as hedging instruments.

As of September 30, 2024 and December 31, 2023, the financial assets of the Company and Subsidiaries are those presented in the consolidated statement of financial position under 'cash and cash equivalents,' 'trade accounts receivable,' 'trade accounts receivable from related entities,' and 'other accounts receivable'. They fully belong to 'amortized cost,' except from the derivative financial instruments allocated as hedging instruments.

- ***Financial liabilities***

Recognition and initial measurement
Financial liabilities are classified as measured at amortized cost or at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest gains and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

As of September 30, 2024 and 2023, the financial liabilities of the Company and Subsidiaries includes trade accounts payable, other accounts payable, accounts payable to related entities, and other financial liabilities which belong to 'amortized cost' (includes other accounts payable which belong to 'amortized cost.' as of December 31, 2023). The Company and Subsidiaries have not recognized any financial liability in the category FVTPL. See note 7.C. for the financial liabilities allocated as hedging instruments.

iii. Derecognition

Financial assets
The Company and Subsidiaries derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company and Subsidiaries neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

Financial liabilities
The Company and Subsidiaries derecognize a financial liability when its contractual obligations are discharged or canceled or expire. The Company and Subsidiaries also derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the extinguished financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) are recognized in profit or loss.

iv. Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company and Subsidiaries currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting
The Company and Subsidiaries hold derivative financial instruments to hedge the exposure to the exchange rate risk and interest rate risk. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are generally recognized in the consolidated statement of other comprehensive income.

The Company and Subsidiaries designate certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At the inception of designated hedging relationships, the Company and Subsidiaries document the risk management objective and strategy for undertaking the hedge. The Company and Subsidiaries also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the consolidated statement of other comprehensive income and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in the consolidated statement of other comprehensive income is limited to the cumulative change in f air value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged forecast transaction results in the recognition of a non-financial item, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognized.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the same period or periods during which the hedged expected future cash flows affect the profit or loss.

If the hedged item no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the cost of the non-financial item on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods in which the hedged expected future cash flows affect profit or loss .

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

Embedded derivatives
Implicit derivatives embedded in host contracts are accounted for as separate derivatives and recorded at their fair value if the economic characteristics and associated risks are not closely related to the host contract and the host contract has not been designated as a trading financial asset or designated at fair value through profit or loss. Gains or losses for changes in fair value of embedded derivatives are recorded in the consolidated statement of profit or loss.

As of September 30, 2024 and December 31, 2023, the Company and Subsidiaries do not hold embedded derivatives that require separation.

Non-derivative hedging instruments
The Company and Subsidiaries designate certain non-derivative financial instruments as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates. If there is a high degree of correlation between revenues and fluctuations in the US dollar exchange rate, the Company and Subsidiaries will be subject to exchange rate risk for their future cash flows.

At the inception of designated hedging relationships, the Company and Subsidiaries document the risk management objective and strategy for undertaking the hedge. The Company and Subsidiaries also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. IFRS 9 allows for hedging these revenues by obtaining debt in foreign currency. The exchange differences on this debt, being cash flow hedging operations, are charged, net of their tax effect, to a reserve account in equity and recorded in the consolidated statement of other comprehensive income over the period in which the hedged cash flows are expected to occur. This period has been estimated in ten (10) years.

D. Impairment of assets

i. Non-derivative financial assets

Financial instruments and contract assets
The Company and Subsidiaries recognize loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost.

The Company and Subsidiaries measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as twelve-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade accounts receivable and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company and Subsidiaries consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the historical experience of the Company and Subsidiaries and informed credit assessment, that includes forward-looking information.

The Company and Subsidiaries assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company and Subsidiaries consider a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company and Subsidiaries in full, without recourse by the Company and Subsidiaries to actions such as realizing security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Twelve-month-ECLs are the portion of ECLs that result from default events that are possible within the twelve (12) months after the reporting date (or a shorter period if the expected life of the instrument is less than twelve (12) months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company and Subsidiaries are exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company and Subsidiaries expect to receive).

ECL are discounted using the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Company and Subsidiaries assess whether financial assets recognized at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulties of the issuer or borrower;
- A breach of contract, such as a default or an event of default exceeding the stipulated deadlines;
- The restructuring of a loan or advance by the Company and Subsidiaries on terms it would not be considered otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for the financial asset in question because of financial difficulties.

Value adjustments for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

In the case of a debt instrument measured at fair value through other comprehensive income, the value adjustment is charged to profit or loss and recognized in other comprehensive income.

Write-off
The gross carrying amount of a financial asset is written off when the Company and Subsidiaries have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii. Non-financial assets
The Company and Subsidiaries assess at each reporting date, whether there is an indication that an asset (other than investment properties and deferred income tax assets) may be impaired. If any indication exists or when annual impairment testing for an asset is required, the asset recoverable amount is estimated by the Company and Subsidiaries. The recoverable amount of an asset is the higher of fair value less costs of sale, whether an asset or a CGU, and its value in use, and is determined for each individual asset, unless the asset does not generate cash flows that are largely independent from other assets or group of assets.

When the carrying amount of an asset or a CGU exceeds its recoverable amount, the asset is considered to be impaired, and its value is reduced to its recoverable amount. In assessing the use value of an asset, the estimated cash flows are discounted to their present value using a pre-tax discount rate reflecting the current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of sale, if any, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the consolidated statement of profit or loss in those expense categories that correspond to the function of the impaired asset.

A previously recognized impairment loss is reversed only if there was a change in the assumptions used to determine the asset's recoverable amount since the last time that the impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had it not been an impairment loss recognized for the asset in previous periods. Such reversal is recognized in the consolidated statement of profit or loss.

E. Inventories

Inventories are composed of operating and maintenance materials, which are used for power plant maintenance and are valued at the lower of cost or at net realizable value, net of estimate of impairment.

Cost is determined using the weighted average method, except for inventories in transit, which are recorded at specific acquisition cost. The net realizable value is the estimated selling price in the ordinary course of business, less the costs necessary to make the sale of inventories and the commercialization and distribution expenses.

Spare parts, considered critical for the continuity of the plant operations, are classified as property, plant, and equipment and are depreciated using the straight-line method, according to the applicable rates.

Management assesses the impairment and obsolescence of these assets on a regular basis. They are recorded with debit to profit or loss, if so, based on the estimates of the technical areas of the Company and Subsidiaries.

F. Prepaid insurances

The criteria adopted for recording these items are as follows:

- Insurance is recorded at the value of the premium paid for coverage of various assets and are amortized on a straight-line basis over the term of the policies.

- Prepayments for other services are recorded as an asset and recognized as an expense when the service is rendered.

G. Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and/or accumulated impairment loss, if applicable. The initial cost of the asset comprises its purchase price or manufacturing costs, including non-reimbursable customs fees and purchase taxes as well as any other costs necessary to bring the asset to working condition for its intended use, the initial estimate of the decommissioning obligation, and the financing costs for long-term construction projects, to the extent that the recognition requirements are met.

When significant components of property, plant, and equipment must be replaced, the replaced component is derecognized and the new component is recognized by the Company and Subsidiaries, including the corresponding useful life and depreciation. Similarly, when a major inspection is performed, the cost is recognized as a replacement to the extent that requirements are met for their recognition. All routine costs of repair and maintenance are recognized as expense in the consolidated statement of profit or loss to the extent they are incurred.

The present value of the estimated cost for the decommissioning of the asset after its use is included in the cost of that asset, to the extent that the requirements for recognizing the respective provision are met.

An item of property, plant, and equipment or a significant component is derecognized when it is disposed or when no future economic benefits are expected from its use or subsequent disposal. Any gain or loss arising from the disposal of fixed assets (calculated as the difference between revenues from the sale and the assets carrying amount) is included in the consolidated statement of profit or loss and in the year when the asset is disposed.

The residual value, useful life, and depreciation methods are reviewed and adjusted, as needed, at the end of each year.

The works in progress include the disbursements for the construction of assets, financing costs, and other direct expenses attributable to such works, accrued during the construction stage. The works in progress are capitalized when they are completed, and depreciation is calculated from the moment they are ready to be used.

The criteria for capitalizing financing costs and other direct expenses are as follows:

- Loan costs that are directly attributable to the acquisition, construction, or production of qualifying assets, which are those that require a substantial period of time before they are ready for use, such as power generation facilities, are capitalized as part of the cost of the asset. The interest rate used corresponds to the specific financing of the Company and Subsidiaries in relation to the investment made.

- To capitalize direct personnel expenses, the Company and Subsidiaries identify each area dedicated to the planning, execution, and management of works, applying this to the costs of employees in these areas.

Depreciation is calculated applying the straight-line method, based on the following useful lives:

	Years
Buildings and other constructions	20 to 60
Power plants	10 to 80
Furniture and fixtures	10 to 15
Various equipment	4 to 10
Vehicles	4 to 5

H. Leases

As lessee

At commencement or on modification of a contract that contains a lease component, the Company and Subsidiaries allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for property leases, the Company and Subsidiaries have chosen not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

The Company and Subsidiaries recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs for decommissioning and removing the underlying asset or restoring underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method over the lease term, unless the underlying asset ownership is transferred to the Company and Subsidiaries by the end of the lease term, or the cost of the right-of-use asset reflects that the Company and Subsidiaries will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is Initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Company and Subsidiaries use their incremental borrowing rate as the discount rate.

The Company and Subsidiaries determine their incremental borrowing rate by obtaining interest rates from various external financing sources and make certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that is reasonably certain to exercise, payments in an optional renewal period if is reasonably certain to exercise an extension option, and penalties for early termination of a lease, unless the Company and Subsidiaries are reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate; if there is a change in the Company and Subsidiaries' estimate of the amount expected to be payable under a residual value guarantee; if the Company and Subsidiaries change their assessment of whether it will exercise a purchase, extension or termination option; or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

I. Intangible assets

Intangible assets are recognized at acquisition cost, net of accumulated amortization. Amortization is recognized as expense and is determined using the straight-line method based on the estimated useful life of assets. Find below the useful life per type of intangible asset.

	Years
Concessions and rights	30
Software	5 to 10
Others	10 to 20

The useful life estimate is reviewed on a regular basis to ensure that the amortization period is consistent with the expected pattern of economic benefits from such assets.

J. Investment Projects

Investment projects are recognized within the consolidated statement of financial position, provided that their technical feasibility and economic profitability are reasonably assured and approved by the competent body of the Company. Investment projects are recorded as an expense in the consolidated statement of profit or loss in the period in which Management considers these are not viable. Management carries out this assessment annually.

K. Provision for decommissioning of plants

Decommissioning liabilities are recognized when the Company and Subsidiaries have an obligation to decommission and remove facilities to restore the site where they are located, and when a reasonable estimate of the liability can be made. The decommissioning and removal costs are provisioned at the present value of the expected costs to settle the obligation, using estimated cash flows, and are recognized as an integral part of the cost of the particular asset. The cash flows are discounted at a current market rate before taxes reflecting the specific risks of the liability.

The accrual of the discount is accounted for as an expense as incurred and recognized in the consolidated statement of profit or loss as a finance cost. The estimated future decommissioning and removal costs are reviewed annually and adjusted as appropriate. Changes in these estimated future costs or in the applied discount rate are added to or deducted from the cost of the related asset.

L. Bonds

The obligation for bond issuance is recognized at nominal value. Commissions and interest are recognized in profit or loss for the fiscal year, when accrued.

M. Current and deferred income tax

Income tax expense includes current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income.

The Company and Subsidiaries have determined that interest and penalties related to income tax do not meet the definition of income tax and, consequently, are accounted for under IAS 37 'Provisions, Contingent Liabilities, and Contingent Assets.'

Current income tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Legal standards and rates used to calculate amounts payable are those effective on the date of the consolidated statement of financial position.

Current tax assets and liabilities are offset only if certain criteria are met.

(a) if the entity has a legally enforceable right to set off the recognized amounts; and
(b) if the entity intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of the corresponding temporary difference. If the amount of the taxable temporary differences is insufficient to recognize a deferred tax asset, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the separate business plans of the Company and Subsidiaries. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed by the entity at the end of each reporting period. Also, it will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax will reflect the tax consequences resulting from the manner in which the Company and Subsidiaries expect, at the reporting date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met and there are sufficient future benefits for the deferred tax asset to be utilized.

Uncertainty over income tax treatments
Acceptability of a concrete tax treatment under tax law may be unknown until the corresponding Tax Authorities or justice tribunals make a decision in the future. Consequently, a dispute or inspection of a concrete tax treatment on the part of the Tax Authorities may impact the accounting of an entity of current or deferred tax asset or liability.

If an entity concludes that it is probable that the Tax Authorities will accept an uncertain tax treatment, the entity shall determine such treatment consistently with the tax treatment used or planned to be used in its income tax filings.

If an entity concludes that it is not probable that the Tax Authorities will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty.

If an uncertain tax treatment affects current tax and deferred tax, an entity shall make consistent judgments and estimates for current and deferred tax.

An entity shall reassess a judgment or estimate required if the facts and circumstances on which the judgment or estimate was based change, or as a result of new information that affects the judgment or estimate. An entity shall reflect the effect of a change in facts and circumstances or the effect of new information as a change in an accounting estimate.

N. Contingencies
Contingent liabilities are recognized in the consolidated financial statements when it is likely that are confirmed along the time and may be reasonably quantified. Possible contingencies are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements, except when it is remote that an economic benefit will flow to the Company and Subsidiaries.

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The determination of contingencies inherently involves the exercise of judgments and calculation of estimates regarding the outcome of future events.

Contingent assets are not recognized in the consolidated financial statements, but they are disclosed in the notes to the consolidated financial statements when they degree of contingency is probable.

O. Provisions
Provisions are recognized when the Company and Subsidiaries have a present obligation (legal or constructive) as a result of a past event, and when is probable that an outflow of resources will be required to settle the obligation, and it is possible to reliably estimate the amount of the obligation. The provisions are revised on a regular basis and are adjusted to reflect a better estimate as of the date of the consolidated statement of financial position.

The expense related to a provision is presented in the consolidated statement of profit or loss. When the effect of time is significant, provisions are discounted at their present value using a rate that reflects the specific risks related to the liability. When discount is made, the increase in the provision, due to the lapse of time, is recognized as a finance cost.

A contingent liability is disclosed when the existence of an obligation will only be confirmed by future events or when the amount of the obligation cannot be measured with sufficient reliability. Contingent assets are not recognized but are disclosed when it is probable that an economic benefit will flow to the Company and Subsidiaries.

By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The determination of contingencies inherently involves the exercise of judgments and calculation of estimates regarding the outcome of future events.

The contingent assets are not recognized in the consolidated financial statements of the Company and Subsidiaries but are disclosed in the notes when their likelihood of occurrence is probable.

P. Employee benefits

The Company and Subsidiaries have short-term employee benefit obligations including salaries, social contributions, legal bonuses, performance bonuses, and profit sharing.

These obligations are monthly recorded and are charged to the consolidated statement of profit or loss on an accrual basis.

In accordance with legal regulations, employees' profit sharing is calculated on the same basis as current income tax and is presented in the consolidated statement of profit or loss under 'Cost of energy generation' and 'Administrative expenses', as appropriate.

The Company and Subsidiaries grant seniority awards to their employees for every five-year period worked (quinquennium), which are calculated based on a percentage of the salary in effect at the end of the period. This obligation is estimated based on actuarial calculations. The Company and Subsidiaries recognize the expense on an accrual basis, and any actuarial gain or loss is recorded directly in the consolidated statement of profit or loss.

Q. Revenue recognition

Revenue is recognized at the fair value of the consideration received or receivable derived from it. These revenues are reduced by estimates such as customer returns, rebates, and other similar items.
Revenue from the sale of energy and power is recognized to represent the transfer of promised goods or services to customers, in an amount that reflects the consideration the entity expects to receive in exchange for the goods or services, considering the following five (5) steps:

- Step 1: Identify the agreement with the client.
- Step 2: Identify the separate obligations of the agreement.
- Step 3: Determine the price of transaction.
- Step 4: Distribute the price of transaction among the obligations of the agreement.
- Step 5: Recognize the income when (provided that) the entity meets the obligations of the agreement.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Sale of energy and power	The Company and Subsidiaries consider, based on all relevant facts and circumstances, that the obligation to deliver energy and power is regarded as services that are transferred consecutively over the duration of the contract, which are provided and consumed simultaneously. This means that the customer consumes each unit of energy (kWh) and power immediately. According to the terms of the contract, the amount to be invoiced is based on the units of energy transferred to the customer. Invoices are generally collected within thirty (30) days.	Revenue is recognized over time as the energy and power are provided.

Interest income

Interest is recognized in proportion to the time elapsed, so as to reflect the effective return on the asset using the effective interest rate method.

Dividends and other income

Dividends are recognized as income when they are declared, and other income is recognized when accrued.

R. Cost and expense recognition
The energy generation costs are recognized when accrued. In addition, the cost of the purchase of energy is recognized when accrued, simultaneously to the recognition of income for the corresponding sale.

Financing costs, not related to the long-term construction projects, are recorded when accrued and include the interest charges and other costs incurred related to the loans obtained.

Other costs and expenses are recognized when accrued and are recorded in the periods to which they relate, regardless of the moment when they are paid.

S. Foreign currency transactions

Functional and presentation currency
Peruvian sol has been defined as the functional and presentation currency of the Company and Subsidiaries.

Foreign currency transactions (any currency other than the functional currency) are initially translated into the functional currency (soles) using the current exchange rates ruling at the dates of the transactions. This translation is performed based on the exchange rates established by the Banking, Insurance and Pension Plan Agency (SBS for its Spanish acronym).

Monetary assets and liabilities in foreign currency are subsequently adjusted to the functional currency at the effective exchange rate as of the date of the consolidated statement of financial situation. Gains or losses on exchange difference arising on the settlement of these transactions and on translating of monetary assets and liabilities in foreign currency at the year-end exchange rates are recognized in the consolidated statement of profit or loss.

Non-monetary assets and liabilities in foreign currency – measured based on historical cost – are translated into functional currency at exchange rates on the dates of transactions.

T. Issued share capital
Common shares are classified as equity and are recognized at face value. Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction of the amount received, net of taxes.

U. Dividend distribution
Dividend distribution to shareholders is recognized as liabilities in the consolidated financial statements in the period they are approved by the Shareholders of the Company and Subsidiaries.

V. Profit per basic and diluted share
Profit per basic and diluted share is calculated based on the weighted average number of outstanding common shares as of the date of the consolidated statement of financial position. As of September 30, 2024 and December 31, 2023, the Company and Subsidiaries do not have dilutive effect financial instruments, so that the basic and diluted shares are the same.

W. Segments
A business segment is a group of assets and operations that provides goods or services and is subject to significant risks and returns different from those of other business segments. A geographical segment is characterized by providing goods or services within a particular economic environment that is subject to risks and returns different from those of segments operating in other economic environments. In the case of the Company and Subsidiaries, Management has determined that their only reportable segment is energy generation.

X. Subsequent events
Subsequent events after the closure of the fiscal year providing evidence of the conditions related to the financial situation of the Company and Subsidiaries as of the date of the Consolidated Statement of Financial Position (adjustment events) are included in the consolidated financial statements. The significant material

events that are not adjustment events are exposed to the notes to the consolidated financial statements (note 35).

Y. New accounting standards

As of December 31, 2023, the Company and Subsidiaries adopted the disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2), beginning on January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they affected the accounting policy information disclosed in the consolidated financial statements. The amendments require entities to disclose their 'material' accounting policies, rather than their 'significant' accounting policies. The amendments also provide guidance on the application of materiality to the disclosure of accounting policies, assisting entities in providing useful and specific information about accounting policies that users need to understand other information in the consolidated financial statements. The Company and Subsidiaries have reviewed the accounting policies and updated the disclosures in this note in accordance with the amendments.

Other amendments beginning on January 1, 2023, did not have any material impact on the consolidated financial statements of the Company as of December 31, 2023.

We have not identified new standards applicable since January 1, 2024.

Z. Accounting standards not yet effective

The following accounting standards are applicable for annual periods beginning after January 1, 2024, and have not been applied in the preparation of these consolidated financial statements. The Company and Subsidiaries will apply the corresponding accounting standards on the respective application dates, not before.

Amendments to IFRSs	**Date of mandatory application**
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	For annual periods beginning on or after January 1, 2024. Earlier adoption is permitted.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).	Effective date was indefinitely deferred.
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	For annual periods beginning on or after January 1, 2024. Earlier adoption is permitted.
Non-current Liabilities with Covenants – Amendments to IAS 1	For annual periods beginning on or after January 1, 2024.
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	For annual periods beginning on or after January 1, 2024 (earlier adoption is permitted) and the amendments to IFRS 7 when applying the amendments to IAS 7.
Lack of Exchangeability – Amendments to IAS 21	For annual periods beginning on or after January 1, 2025. Earlier adoption is permitted.

Management expects that these accounting standards – not yet effective – do not have any material effect on the consolidated financial statements of the Company and Subsidiaries.

AA. Regulatory pronouncements on sustainability not yet in force

The following accounting standards are applicable for the preparation of sustainability reports. The Management of the Company and Subsidiaries will apply the corresponding accounting standards on the respective application dates, not before.

New Sustainability IFRSs	Date of mandatory application
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual periods beginning on or after January 1, 2024. Earlier application is permitted if IFRS S2 is also adopted.
IFRS S2 Climate-related Disclosures	Annual periods beginning on or after January 1, 2024. Earlier application is permitted if IFRS S1 is also adopted.

IFRS S1 and S2 are subject to local adoption processes in Peru before becoming effective.

Management will apply these standards once their adoption in the country has been formalized.

8. Financial Instruments – Fair Values and Risk Management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy as of September 30, 2024 (as of December 31, 2023, the carrying amounts of financial instruments comprises current other accounts payable of S/ (7) thousands. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value:

The following table presents the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

			Carrying amount			Fair value	
In thousands of soles	***Note***	**Fair value - Hedging instruments**	**Financial assets at amortized cost**	**Other financial liabilities**	**Total**	**Level 2**	**Total**
As of September 30, 2024							
Financial assets measured at fair value							
Derivative financial instruments	*12*	688	-	-	688	688	688
		688	**-**	**-**	**688**	**688**	**688**
Financial assets not measured at fair value							
Cash and cash equivalents	*9*	-	654,603	-	654,603	-	-
Trade accounts receivable	*10*	-	435,425	-	435,425	-	-
Other accounts receivable (*)	*12*	-	11,839	-	11,839	-	-
		-	**1,101,867**	**-**	**1,101,867**	**-**	**-**
Financial liabilities not measured at fair value							
Trade accounts payable	*21*	-	-	307,476	307,476	-	-
Accounts payable to related entities	*11*	-	-	493	493	-	-
Other accounts payable (**)	*22*	-	-	28,836	28,836	-	-
Other financial liabilities	*20*	-	-	4,889,351	4,889,351	5,340,038	5,340,038
		-	**-**	**5,226,156**	**5,226,156**	**5,340,038**	**5,340,038**

(*) It does not include taxes receivable, payments in advance.

(**) It does not include taxes payable, payments in advance, labor liabilities.

B. Fair value measurement

The carrying amount of trade receivable, other accounts receivable, accounts receivable and payable to related parties, trade accounts payable and other accounts payable reported in the consolidated statement of financial position approximately fair values due to the short maturities of these instruments.

The level 2 fair value of the derivative financial liabilities (interest rate swaps) is calculated as the present value of estimated future floating rate cash flows, which are based on quoted swap rates, futures prices and overnight Treasury-secured lending rates, discounted using a yield curve from similar sources and reflecting the relevant secured overnight lending rates used by market participants when pricing these derivatives; the measurement includes a credit risk adjustment based on credit spreads derived from current prices of credit default swaps or bonds.

The Company and Subsidiaries are exposed to the following risks related to the use of financial instruments:

The management of the Company and its Subsidiaries is responsible for risk management. To fulfill this duty, they have implemented policies that aim to identify and analyze the risks faced by the Company and its Subsidiaries, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the activities of the Company and its Subsidiaries.

Currently, the Company and its Subsidiaries are exposed to the following financial risks:

i. Interest rate risk

Floating-rate borrowing may expose the Company and Subsidiaries to interest rate risk on its cash flows. On the other hand, fixed-rate borrowings may expose the Company and its Subsidiaries to interest rate risk on the fair value of their financial liabilities. The Company and Subsidiaries holds most of its financial obligations at floating interest rates.

As of September 30, 2024, 1.15% of the total Company's debts and loans have a fixed interest rate (no debts and loans as of December 31, 2023) evidencing that the Company increased its exposure to the variation in interest rates by the end of the first half of 2024 when, as of March 1, 2024, subscribed the senior secured Acquisition Loan Term facility under a Syndicated Credit Agreement. An interest rate swap was subscribed to mitigate the exposure to floating rate.

Towards the end of September, the Company was in the process of issuing a Senior Unsecured fixed-rate Notes for US$ 1.2 billion at a fixed rate and sign a new Term Loan Amortizing at variable-rate for US$ 100 million.

ii. Currency risk

It is related to the impact it may have on the value of the Company and Subsidiaries asset and liability positions in foreign currency. Considering that some of its revenues and liabilities are denominated in foreign currency, the Company and Subsidiaries management implements actions to mitigate the exchange risk. The Company and Subsidiaries monitors and manages currency risk to mitigate the volatility observed as of September 30, 2024 resulting from external factors and local political instability.

The Company and Subsidiaries hedge exchange rate exposure by using forward contracts and non-derivative financial instruments for future cash flows from operating income. These contracts are designated as cash flow hedges.

iii. Credit risk

Counterparty risk is managed focusing on both the financial agents – used by the Company and Subsidiaries – and commercial customers. The Company and Subsidiaries only uses investment-grade rated counterparties to place its cash surplus, while conducting credit assessments on the current and future customer portfolio that may require collaterals for the execution of contracts.

C. Capital management.

The Company and Subsidiaries objective in managing capital is to safeguard its capacity to continue operating as a going concern and provide the expected return to its stockholders maintain an optimum structure to reduce capital cost.

The Company and Subsidiaries manage their capital structure and make the corresponding adjustments according to the economic condition changes. To keep or adjust their capital structure, the Company and Subsidiaries may modify the payments of dividends to shareholders, return capital to shareholders, or issue new shares.

There were no modifications to the objectives, policies, or processes related to capital management as of September 30, 2024 and 2023.

In thousands of soles	*Note*	2024	2023
Other financial liabilities	*20*	4,889,351	-
Total gross debt		**4,889,351**	**-**
Less: Cash and cash equivalents	***9***	**(654,603)**	**-**
Net debt		**4,234,748**	**-**
Total equity	***26***	**2,479,291**	**(7)**
Debt ratio (%)		**1.71**	**-**

(*) It does not include taxes, payments in advance – received or granted – nor labor liabilities.

9. Cash and Cash Equivalents

This caption comprises the following:

In thousands of soles	As of September 30, 2024	As of December 31, 2023
Checking accounts (a)	654,600	-
Fixed fund	3	-
	654,603	**-**

b) As of September 30, 2024, the funds held in checking accounts are in Peruvian soles and US dollars. The funds have free withdrawal option and are deposited in local and international banks with high credit ratings and earn interest at market rates.

Impairment of cash and cash equivalents has been measured on a twelve-month expected credit loss basis and reflects the short-term maturities of the exposures. The Company and Subsidiaries consider that their cash and cash equivalents have low credit risk based on the external credit ratings of the counterparts.

10. Trade Accounts Receivable

This caption comprises the following:

In thousands of soles	As of September 30, 2024	As of December 31, 2023
Energy invoiced to customers (a)	140,291	-
Energy and power delivered but not invoiced	297,304	-
	437,595	**-**
Less: Estimated of expected credit loss (c)	(2,170)	-
	435,425	**-**

(a) Trade accounts receivable are mainly denominated in Peruvian soles, have current maturity and are non-interest bearing. The balance of accounts receivable as of September 30, 2024 corresponds to 224 customers.

(b) Aging of trade accounts receivable is as follows:

In thousands of soles	**Energy invoiced to customers**	**Energy and power delivered but not invoiced**	**Total**
As of September 30, 2024			
Undue	121,794	297,304	419,098
Due			
Up to 90 days	7,757	-	7,757
Over 90 days	8,570	-	8,570
	138,121	**297,304**	**435,425**

(c) The movement in the estimate of expected credit loss is as follows:

In thousands of soles	**Notes**	**As of September 30, 2024**	**As of December 31, 2023**
Initial balance as of January 1		-	-
Acquisition through business combination		1,754	-
Expected credit loss estimate	30	416	-
		2,170	-

In the opinion of the management of the Company and its Subsidiaries, the estimate of expected credit loss on accounts receivable as of September 30, 2024 properly covers the credit risk of these items as of those dates.

11. Related Party Balances and Transactions

A. Parent and ultimate controlling party

As of September 30, 2024 and December 31, 2023, the ultimate controlling party of the Company is Niagara Investments based in Luxemburgo.

B. Transactions with key management personnel

i. Loans to directors

As of September 30, 2024 and December 31, 2023, there are no loans to directors.

ii. Key management personnel compensation

The Company's key management personnel are the Directors and their operational Managers. Compensation paid to the key management personnel amounts to S/ 2,730,000 as of September 30, 2024 (no compensation paid as of December 31, 2023).

These benefits are included in 'cost of energy generation' of the consolidated statement of profit or loss.

As of September 30, 2024 and December 31, 2023, the Company and Subsidiaries have not granted loans to the key personnel.

C. Related party transactions:

As of September 30, 2024, the Company and Subsidiaries obtained a loan from its ultimate controlling entity for an amount of S/ 3,308, in addition to a reimbursement of travel expenses for an amount of S/ 428,671 and a loan from its related entity Niagara Generation S.A.C. of S/ 61,463, all based on market conditions (with no transactions with related entities as of December 31, 2023).

D. As a result of these transactions with related parties, the balance of accounts payable is presented as follows:

In thousands of soles	Note	As of September 30, 2024	As of December 31, 2023
Other accounts payable			
Related parties			
Niagara Generation S.A.C.		61	-
Niagara Investments		432	
		493	**-**

12. Other Accounts Receivable

This caption comprises the following:

In thousands of soles	As of September 30, 2024	As of December 31, 2023
	Current	**Current**
Prepayments from suppliers	4,861	-
Guarantees	3,507	-
Loans to personnel	1,362	-
Warehouse sales	1,865	-
Claims from third parties	864	-
Reimbursement for material damage	508	-
Derivative financial instruments	688	-
Others	5,125	-
	18,780	**-**
Less: Estimate of expected credit loss (a)	(30)	-
	18,750	**-**

(a) In the opinion of the management of the Company and its Subsidiaries, the expected credit loss estimate of other accounts receivable as of September 30, 2024 appropriately covers the credit risk of those items as of those dates.

13. Inventories

This caption comprises the following:

In thousands of soles	As of September 30, 2024	As of December 31, 2023
Maintenance materials (a)	87,341	-
Oil	17,636	-
Materials in transit	428	-
	105,405	**-**
Less: Estimate of inventory obsolescence	(7,519)	-
	97,886	**-**

(a) The inventories primarily consist of materials used for the maintenance of the existing power generation plants.

(b) The movement of estimate of inventory obsolescence was as follows:

In thousands of soles	**As of September 30, 2024**	**As of December 31, 2023**
Balance as of January 1	**-**	**-**
Acquisition through business combination	7,519	-
	7,519	**-**

The estimate of inventory obsolescence has been determined based on technical studies, and in the opinion of management, this estimate adequately covers the risk of inventory obsolescence as of September 30, 2024.

14. Prepaid Insurance

This caption comprises the following:

In thousands of soles	**As of September 30, 2024**	**As of December 31, 2023**
Insurance of representations and guarantees	46,753	
Prepaid property tax and municipal fees	5,368	-
Prepaid expenses	2,751	-
Other prepaid expenses	2,702	-
Other insurance	134	-
	57,708	**-**

(a) As of September 30, 2024, the Company and Subsidiaries purchased “all risk” insurance policies for the period from November 2023 to October 2024. The first invoice was paid during the first quarter of 2024.

15. Investment Projects

As of September 30, 2024, this caption comprises the following renewable energy projects:

In thousands of soles	***Note***	**As of September 30, 2024**	**As of December 31, 2023**
Pampa Mórrope		16,537	-
Marcona		6,926	-
		23,463	**-**

16. Property, Plant, and Equipment

The movement of cost and accumulated depreciation is presented below:

In thousands of soles	Land	Buildings and other constructions	Power plants	Vehicles	Furniture and fixtures	Various equipment	Work-in-progress	Total
Cost								
Balance as of September 23, 2023	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisition through business combination	65,032	530,709	6,022,436	4,380	10,806	9,862	1,295,889	7,939,114
Reclassifications of intangible assets	-	-	-	-	-	-	4,188	4,188
Additions (note 16)	-	100	-	-	-	-	118,037	118,137
Transfers (d)	147	6,784	868,268	-	-	362	(875,561)	-
Disposals	-	-	(26,247)	-	-	-	-	(26,247)
Balance as of September 30, 2024	**65,179**	**537,593**	**6,864,457**	**4,380**	**10,806**	**10,224**	**542,553**	**8,035,192**
Accumulated depreciation								
Balance as of September 23, 2023	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the period (a)	-	9,771	102,052	1,232	663	1,798	-	115,516
Disposals	-	-	(13,664)	-	-	-	-	(13,664)
Balance as of September 30, 2024	**-**	**9,771**	**88,388**	**1,232**	**663**	**1,798**	**-**	**101,852**
Impairment estimate								
Balance as of September 23, 2023	-	-		-	-	-	-	-
Balance as of December 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	**(7,576)**	-	-	-	-	**(7,576)**
Balance as of September 30, 2024	**-**	**-**	**(7,576)**	**-**	**-**	**-**	**-**	**(7,576)**
Net carrying amount								
As of December 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As of September 30, 2024	**65,179**	**527,822**	**6,783,645**	**3,148**	**10,143**	**8,426**	**542,553**	**7,940,916**

(a) Distribution of depreciation was as follows:

In thousands of soles	***Note***	**September 30, 2024**	**June 30, 2023**
Cost of energy generation	*29*	112,621	-
Administrative expenses	*30*	2,895	-
		115,516	**-**

(b) Property, plant, and equipment includes direct expenses related to the construction of works in progress. The methodology applied to capitalize direct personnel expenses is based on the identification of every area of the Company fully committed to planning, execution, and management of works, and the determination of percentages of time for areas with partial dedication. It is applicable to the benefit costs in favor of the employees of these areas. The direct expenses capitalized as of September 30, 2024, amounted to approximately S/ 1,686,000 (note 29).

(c) Property, plant, and equipment includes financing costs related to the construction of works in progress. As of September 30,2024, the Company and Subsidiaries have capitalized interest for S/ 7,888 thousands with an average rate of 6.78% (note 33).

(d) As of September 30, 2024, the Company carried out transfers of works in progress to generating plants for approximately S/ 868,268, the most representative corresponds to the “Wayra Extension Wind Farm” with a nominal power of 177.30 MW, beginning its commercial operations on June 29, 2024.

17. Intangible Assets

The movement of cost and accumulated amortization is presented below:

In thousands of soles	Operating licenses (note 1(b))	Customer relationships (note 1(b))	Rights and concessions (a)	Software	Other intangible assets	Intangible assets in progress	Total
Cost							
Balance as of September 23, 2023	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-
Acquisition through business combination	33,362	9,701	31,194	64,951	140	70,159	209,507
Additions	-	-	-	-	-	17,261	17,261
Reclassifications to property, plant and equipment (note 16)	-	-	-	-	-	(4,188)	(4,188)
Transfers	-	-	-	(32)	-	32	-
Sale and/or disposals	-	-	-	(86)	-	-	(86)
Reclassifications to property, plant and equipment	-	-	-	-	-		
Balance as of September 30, 2024	**33,362**	**9,701**	**31,194**	**64,833**	**140**	**83,264**	**222,494**
Accumulated amortization							
Balance as of September 23, 2023	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-
Additions (b)	-	-	736	4,508	5	-	5,249
Balance as of September 30, 2024	-	-	**736**	**4,508**	**5**	**-**	**5,249**
Impairment estimate							
Balance as of September 23, 2023	-	-	-	-	-	-	-
Additions (c)	-	-	-	13,780	-	-	13,780
Balance as of September 30, 2024	-	-	**-**	**13,780**	**-**	**-**	**13,780**
Net carrying amount							
As of December 31, 2023	-	-	-	-	-	-	-
As of September 30, 2024	**33,362**	**9,701**	**30,458**	**46,545**	**135**	**83,264**	**203,465**

(a) Concessions and rights include the rights to use the water from Lagunas de Huascacocha, which allows the subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) Company to have a greater flow of water for the development of its electricity energy generation activities. The useful life is thirty (30) years.

(b) Distribution of amortization was as follows:

In thousands of soles	***Note***	**September 30, 2024**	**September 30, 2023**
Cost of energy generation	*29*	3,496	-
Administrative expenses	*30*	1,753	-
		5,249	**-**

(c) In conformity with TSA agreement, the subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) wrote down certain software due to technological obsolescence.

18. Goodwill

As of September 30, 2024, corresponds to the goodwill recognized in the acquisition of subsidiaries (Note 1(b)).

As of September 30, 2024, the Company estimates that the recoverable amount of the CGU which includes the goodwill (mainly based on a discounted cash flow model with a pre-tax discount rate in the relevant market and in the same currency as the cash flows, adjusted for a risk premium) has no significative changes since its initial recognition in May 2024, and recognized no goodwill impairment in the period.

19. Other Non-Financial Assets

As of September 30, 2024, this relates to the accounting treatment of the energy contract modification resulting from the implementation of Resolution 216-2018-OS/CD, dated December 28, 2018, and Supreme Decree 022-2018-EM, dated September 5, 2018.

As per the guidelines of IFRS 15.21(a) Revenue from Contracts with Customers, the Company and its Subsidiaries record the contract modification as if it were a termination of the existing contract and the creation of a new contract. For these modifications, the revenue recognized until the date of the original contract (the amount associated with the completed performance obligations) is not adjusted. The remaining portion of the original contract and the modification are accounted for prospectively. The balance of the new contract is allocated to the performance obligations to be met, including those introduced in the modification.

20. Other Financial Liabilities

This caption comprises the following:

	Current portion (*)		Non-current portion		Total outstanding debt as of	
In thousands of soles	As of September 30, 2024	As of December 31, 2023	As of September 30, 2024	As of December 31, 2023	As of September 30, 2024	As of December 31, 2023
Creditor						
Corporate bonds						
Third program (a)	450	-	38,680	-	39,130	-
	450	**-**	**38,680**	**-**	**39,130**	**-**
Syndicated loans						
Term Loan Facility (b) and (c)	215,284	-	4,618,778	-	4,834,062	-
	215,284	**-**	**4,618,778**	**-**	**4,834,062**	**-**
Finance lease						
Right-of-use liabilities	3,039	-	13,120	-	16,159	-
	3,039	**-**	**13,120**	**-**	**16,159**	**-**
	218,773	**-**	**4,670,578**	**-**	**4,889,351**	**-**

(*) Current portion of long-term obligations includes the accrued and unpaid interest on the debt as of the date of the consolidated statement of financial position.

(a) The Corporate Bond debt is composed as follows:

In thousands of soles	Currency of origin	Issued amount	Issue date	Annual interest (%)	Interest paid	Maturity date	Current portion (*) 2024	Current portion (*) 2023	Non-current portion 2024	Non-current portion 2023	Total outstanding debt as of 2024	Total outstanding debt as of 2023
Description of Corporate Bonds												
Third program of Corporate Bonds												
8th issuance, Series A	US$	10,000,000	Jan. 2008	6.344	Semi-annual	Jan. 2028	450	-	38,680	-	39,130	-
							450	**-**	**38,680**	**-**	**39,130**	**-**

(*) Current portion of Corporate Bond debt includes the accrued and unpaid interest on the debt as of the date of the consolidated statement of financial position.

As of September 30, 2024, the main obligation of the Company, during the effective term of the bonds issued as part of the Third Corporate Bond Program, is to ensure that its debt ratio does not exceed 1.5 (at the end of June, the debt ratio was below the established limit). Such debt ratio is calculated as the consolidated debt-to-equity ratio (net of cash up to US$ 50,000,000).

In Management's opinion, this obligation does not restrict or affect the Company's operations and has complied with the covenant related to the debt ratio at the end of the third quarter of 2024.

(b) The Term Loan debt is composed as follows:

In thousands of soles	Currency of origin	Principal amount	Initial date	Annual interest (%)	Interest paid	Maturity date	Current portion (*) 2024	Current portion (*) 2023	Non-current portion 2024	Non-current portion 2023	Total outstanding debt as of 2024	Total outstanding debt as of 2023
Description of Syndicated Loan												
Loan Term Facility	US$	1,336,000,000	Mar. 2024 – May 2024	SOFR + 2.50%	Semi-annual	Mar. 2029	215,284	-	4,618,778	-	4,834,062	-
							215,284	**-**	**4,618,778**	**-**	**4,834,062**	**-**

(*) Current portion of term loan facility debt includes the accrued and unpaid interest on the debt as of the date of the consolidated statement of financial position.

In order to carry out the acquisition of the subsidiaries Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Compañia Energética Veracruz S.A.C., on March 1, 2024 the Company sign a Syndicated Credit Agreement with local and international financial entities, which consists of a Loan Term Facility of up to US$ 1,336,000,000 and a Working Capital Facility of up to US$ 50,000,000, both with a variable interest rate SOFR or "ABR" (which is calculated according to the conditions of the Syndicated Credit Agreement) plus a fixed spread tiered according to the loan's maturity from 12 to 60 months. As part of this loan term facility, the Company recognized as a liability the S/ 3,419,773,000 which was paid directly to the Lima Stock Exchange (BVL) by the syndicated banks for the purchase of the shares of the subsidiary Orygen (see note 1.B.iv) These credit lines are taken as a bridge loan, as of September 30, 2024, the Company is in process of conducting an international corporate bond offering whose funds will be used mainly for the settlement of the Syndicated Credit Agreement.

Under the Syndicated Credit Agreement, on March 1, 2024, the Company obtained financing for US$ 907,000,000 and on May 9, 2024, it obtained US$ 372,300,000 for a total of US$ 1,279,300,000. This financing was obtained with a SOFR interest rate plus a tiered spread from 2.50% to 3.00% over a maturity of 60 months with semiannual interest payments and amortization starting September 2025.

The Credit Agreement contains the following covenants starting at the first anniversary of its closing date, as of each quarter:

- The debt-service coverage ratio (defined in the Credit Arrangement as (a) the sum of all funds received by the Company from the its Subsidiaries in the form of dividends, repayment of intercompany loans or other forms of return of capital during the period less administrative expenses, expenses due in connection with the Credit Agreement (other than commitment fees, interest expenses, hedging expenses and principal amortization), working capital needs, costs related to operations or construction and Taxes distributions for the period to (b) Debt service of Credit Agreement for the period) cannot exceed one point zero five to one point zero zero (1.05:1.00) for the period, otherwise (after failing in three (3) consecutive periods), the loan will be repayable on demand.

- The consolidated leverage ratio (defined in the Credit Arrangement as (a) Company's consolidated net debt for the period to (b) Company's consolidated EBITDA) must exceed four point five zero to one point zero zero (4.50:1.00) for the period, otherwise (after failing in three (3) consecutive periods), the loan will be repayable on demand.

In addition, starting at the closing date of the Credit Agreement, the Company cannot enter into any financial derivatives transactions other than those are entered in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates, foreign exchange rates or fuel for the Company's investment projects (note 14) and the mandatory interest rate hedge in an aggregate notional amount equal to at least seventy-five percent (75%) and no more than one hundred five percent (105%) of the outstanding principal amount of the Credit Agreement.

(c) As of September 30, 2024, the Company and Subsidiaries repaid the following loans:

Repaid loans	Currency	Amount O.C. (in thousands of US dollars)	Amount (in thousands of soles)	Effective rate %	Collection Date
Banco Europeo de Inversiones	USD	245,085	912,695	6.20%	09/05/2024
Banco Interamericano de Desarrollo	USD	33,860	126,097	6.45%	09/05/2024
Banco de Crédito del Perú	USD	125,000	467,625	6.25%	09/05/2024
Syndicated loan	USD	56,700	211,424	SOFR 6m + 2.5%	14/05/2024
			1,717,841		

As of September,30, 2024, the Company and Subsidiaries obtained the following loans:

Obtained loans	Currency	Start date	Rate %	Thousands of US dollars	Thousands of soles
Syndicated loan	USD	08/05/2024	SOFR 6m + 2.5%	429,000	1,599,665
					1,599,665

(d) As of September 30, 2024, the amortization schedule of the non-current portion of long-term debt is as follows:

In thousands of soles	September 30, 2024	September 30, 2023
2024	-	-
2025	2,399	-
2026	186,223	-
2027	169,108	-
2028 and over	197,335	-
2029 and over	4,115,513	
Final balances	**4,670,578**	**-**

(e) Reconciliation of changes in liabilities with cash flows from financing activities:

In thousands of soles	**Financial liabilities**	**Lease liabilities**	**Loans from related entities**	**Additional / Reduced allocated capital**	**Accumulated results**	**Non - controlling**	**Total**
Balance as of September 30, 2023	-	-	-	-	(7)	-	(7)
Acquisition through business combination	1,559,021	15,379	-	-	-	-	1,574,400
Changes in cash flows from financing activities							
Cash received for banks loans	1,599,665	-	-	-	-	-	1,599,665
Cash received for loans to related entities	-	-	64	-	-	-	64
Capital Increase	-	-	-	2,230,214	-	-	2,230,214
Payments						-	
Cash paid for bank loans	(1,717,841)	-	-	-	-	-	(1,717,841)
Payment of dividends (non-controlling interests)	-	-	-	-	-	(42,809)	(42,809)
Payment of interest	(212,136)	-	-		-	-	(212,136)
Capital reduction	-	-	-	(223,747)	-	-	(223,747)
Commissions paid for obtaining syndicated loans	(77,876)	-	-	-	-	-	(77,876)
Amount from hedging instrument	16,702	-	-	-	-	-	16,702
Total changes from financing cash flows	**(391,486)**	-	64	**2,006,467**	**-**	**(42,809)**	**1,572,236**
Effect of changes in foreign exchanges rates	71,524	-	-	-	-	-	71,524
Interest expense	214,360	780	-	-	-	-	215,140
Total profit for the period	-	-	-	-	(46,477)	34,798	(11,679)
Portion of the Syndicated loan disbursed by the borrowers to the Lima Stock Exchange as part of the purchase of shares of Orygen (note 1.B.iv)	3,419,773	-	-	**-**	**-**	**-**	3,419,773
Total changes related to equity	**-**	**-**	**-**	**-**	**614**	**503,208**	**503,822**
Ending liability balance as of September 2024	**4,873,192**	**16,159**	**64**	**2,006,467**	**(45,870)**	**495,197**	**7,345,209**

21. Trade Accounts Payable

This caption comprises the following:

In thousands of soles	As of September 30, 2024	As of December 31, 2023
Provisions for energy and power (b)	110,977	77,773
Suppliers of work-in-progress	105,054	150,469
Provisions for gas supply, transportation, and distribution (c)	38,156	38,679
Power plant maintenance contract	30,958	69,509
Insurance payable	2,247	370
Inventories suppliers	1,553	3,688
Other	18,531	15,224
	307,476	**355,712**

(a) Trade accounts receivable are mainly stated in Peruvian soles, have current maturity, are non-interest bearing, and do not have specific guarantees.

(b) Provisions for energy and power as of September 30, 2024, correspond to purchases from suppliers in September 2024, whose invoices were received mainly in October 2024.

(c) Provisions for gas supply, transportation and distribution as of September 30, 2024 correspond to purchases from suppliers in September 2024, whose invoices were received mainly in October 2024.

22. Other Accounts Payable

This caption comprises the following:

In thousands of soles	As of September 30, 2024		As of December 31, 2023	
	Current	Non-current	Current	Non-current
Accounts payable for anticipated collections - COES (b)	143,036	-	-	-
Sales Tax	17,400	-	-	-
Employees' profit sharing	19,662	-	-	-
Electricity social compensation fund	15,580	-	-	-
Energy social inclusion fund	12,157	-	-	-
Remunerations and other benefits payable	7,790	-	-	-
Contributions to regulatory bodies	2,933	-	-	-
Exceptional voluntary retirement program (c)	2,957	-	-	-
Taxes	3,740	-	-	-
Seniority awards (d)	-	6,586	-	-
Collections on behalf of third parties to be settled	-	-	-	-
Others	5,434	150	7	-
	230,689	**6,736**	**7**	**-**

(a) Accounts receivables are mainly denominated in Peruvian soles and do not accrue interest.

(b) It corresponds to the excess payment made by COES to subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) that shall be returned to it due to the application of higher marginal costs in December 2023. This payment will be settled during the 2024 tariff period.

(c) The amount corresponds to the provision for the Exceptional Voluntary Retirement Program presented by the Company to all employees hired on an indefinite basis. This program offers an economic incentive plan based on the employee's age, salary, and length of service. Its goal is to encourage the Company's generational renewal.

(d) The Company has an agreement to grant employees an extraordinary bonus for time of service when the employee accumulates a period equivalent to five (5) years of effective work.

23. Contract Liabilities

As of September 30, 2024, the balance corresponds to the non-accrued portion of the Company's invoices for the service to use part of the hydraulic facilities owned by the Company.

In September 30, 2024 the accrued income of S/ 1,370,000 was recognized in 'other income' (note 32).

24. Other Provisions

This caption comprises the following:

In thousands of soles	**As of September 30, 2024**	**As of December 31, 2023**
Decommissioning of plants	111,145	-
Contingencies	8,836	-
	119,981	**-**
By maturity term		
Current portion	8,836	-
Non-current portion	111,145	-
	119,981	**-**

25. Deferred Income Tax Liabilities

The movement in deferred income tax and details of the temporary differences giving rise to it are as follows:

In thousands of soles	**As of September 30, 2023**	**As of December 31, 2023**	**Acquisition through business combination (note 1(b))**	**Credit to (debit from) the consolidated statement of profit or loss**	**Debit from the consolidated statement of changes in equity**	**As of September 30, 2024**
Assets						
Provision for inventory obsolescence	-	-	2,268	(50)	-	2,218
Provision for decommissioning of power plants	-	-	32,838	(50)	-	32,788
Provision of project execution guarantee	-	-	13,961	(189)	-	13,772
Right-of-use liabilities	-	-	7,075	(1,751)	-	5,324
Employee benefits	-	-	4,628	(383)	-	4,245
Other provisions	-	-	16,137	(5,649)	-	10,488
Cash flow hedge	-	-	-168	6,387	(5,421)	798
Tax EBITDA	-	-	-	18,149	-	18,149
Liabilities						
Difference in depreciation rates	-	-	760,249	56,595	-	816,844
Other non-financial assets	-	-	83,379	(16,489)	-	66,890
Investment projects	-	-	2,442	-	-	2,442
Property, Plant, and Equipment	-	-	819,321	(7,536)	-	811,785
Intangibles	-	-	29,853	(8)	-	29,845
Other Financial Liabilities	-	-	97	-	-	97
Deferred liabilities, net	-	-	**(1,618,602)**	**(16,098)**	**(5,421)**	**(1,640,121)**

26. Equity

A. Issued capital

As of September 30, 2024, the Company's issued capital is represented by 2,006,467,398 fully issued and paid-in common voting shares with a par value of S/ 1.00 each (As of December 31, 2023, the Company's issued capital is represented by 300 fully issued and paid-in common voting shares with a par value of S/ 1.00 each). All shares confer equal rights and obligations on their respective holders.

As of September 30, 2024, the ownership structure of the Company's capital was as follows (see note 1):

	As of September 30, 2024		As of December 31, 2023	
In thousands of soles	**Number of shares**	**Total shareholding (%)**	**Number of shares**	**Total shareholding (%)**
Niagara Generation S.A.C	2,006,266,750	99.99	299	99.70
Niagara Holding S.A.R.L.	200,648	0.01	1	0.30
	2,006,467,398	**100.00**	**300**	**100.00**

Capital increase

On March 14, 2024, the General Shareholders' Meeting approved to increase the share capital by issuance of ordinary shares in the amount of US$ 607,522,265 (equivalent to S/ 2,230,214,234) with a par value of S/ 1.00 each). The issued share capital increased from S/ 300 to S/ 2,230,214,534. The number of shares increased from 300 to 2,230,214,534.

Capital reduction

On May 16, 2024, the General Shareholders' Meeting approved to reduce the share capital by US$ 60,018,008 (equivalent to S/ 223,747,134) through return of contributions. The issued share capital was reduced from S/ 2,230,214,534 to S/ 2,006,467,400. The number of shares was reduced from 2,230,214,232 to 2,006,467,398 and was maintained at a nominal value of S/ 1.00.

B. Declared and paid dividends

Below are the dividends declared as of September 30, 2024, by the Board of Directors of Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.):

In thousands of soles	**Dividends type**	**Agreement date**	**Dividends declared**
Dividends 2024			
Board of Directors Session	On account for fiscal year 2024	May 9	215,041
Board of Directors Session	On account for fiscal year 2024	July 24	181,805
			396,846

As of September 30, 2024, the non-controlling interest' shareholders received dividends amounting to S/ 42,809 thousand.

27. Non- Controlling Interest

The following tables summarize the information relating to each of Company's subsidiaries that has non-controlling interest.

In thousands of soles	Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.)	Chinango S.A.C	Intragroup eliminations	Total
September 30, 2024				
NCI percentage	**7.65%**	**26.12%**	-	-
Current assets	945,558	98,406	-	**1,043,964**
Non-current assets	8,105,054	480,059	(191,575)	**8,393,538**
Current liabilities	(536,475)	(52,888)	-	**(589,363)**
Non-current liabilities	(3,252,727)	(121,712)	-	**(3,374,439)**
Net assets	**5,261,410**	**403,865**	**(191,575)**	**5,473,700**
Carrying amount of NCI	**402,498**	**105,490**	**(12,791)**	**495,197**
Revenues	1,013,952	104,223	-	**1,118,175**
Profit	368,025	41,417	(64,218)	**345,224**
OCI	24,504	641	-	**25,145**
Net income attributable to NCI	**28,154**	**10,818**	**(4,174)**	**34,798**
OCI attributable to NCI	**1,875**	**167**	**-**	**2,042**
Cash flows from operating activities	512,839	80,376	-	**593,215**
Cash flows from investing activities	8,205	(3,767)	-	**4,438**
Dividends paid to NCI	(42,809)	-	42,809	-
Cash flows from financing activities	(432,427)	(62,059)	-	**(494,486)**
Effect of changes in the exchange rate	5	-	-	**5**
Net increase (decrease) in cash equivalents	**45,813**	**14,550**	**42,809**	**103,172**

As of September 30, 2024 and December 31, 2023, there are no outstanding balance of dividend payable.

28. Proceeds from Generation of Energy and Power

This caption comprises the following:

A. Revenue streams

The Company and Subsidiaries generates revenue streams from its activities distributed among its performance obligations.

	Nine-Months Period Ended		Three-Months Period Ended from July 1 to September 30	
In thousands of soles	**2024**	**2023**	**2024**	**2023**
Revenue from ordinary activities	1,112,378	-	678,876	-
	1,112,378	**-**	**678,876**	**-**

B. Disaggregation of revenue

The Company and Subsidiaries has defined a single reporting segment, which is energy and power generation. All of the Company and Subsidiaries' s revenue is derived from customers that are geographically located in Peru. Also, all non-current assets of the Company and Subsidiaries are located in Peru.

	Nine-Months Period Ended		**Three-Months Period Ended from July 1 to September 30**	
In thousands of soles	**2024**	**2023**	**2024**	**2023**
Sales of energy and power				
Third parties	1,103,591	-	679,023	-
Compensations				
Third parties	12,221	-	1,565	-
Other expenses	(3,434)	-	(1,712)	-
	1,112,378	**-**	**678,876**	**-**

C. Delivered but unbilled energy

The following table provides information about assets from contract with customers:

In thousands of soles	***Note***	**2024**	**2023**
Accounts receivable that are included in 'trade accounts receivable'	*10*	297,304	-

29. Cost of Energy Generation

This caption comprises the following:

		Nine-Months Period Ended		**Three-Months Period Ended from July 1 to September 30**	
In thousands of soles	**Note**	**2024**	**2023**	**2024**	**2023**
Natural gas supply, transportation, and distribution		195,488	-	120,182	-
Purchase of energy		131,372	-	80,590	-
Depreciation	16 (a)	112,621	-	80,520	-
Third party services		49,023	-	31,001	-
Personnel expenses	31 (a)	34,469	-	23,245	-
Various charges for operations and other		27,982	-	17,830	-
Water levy and electricity sector taxes		13,187	-	8,223	-
Consumption of various supplies		8,199	-	5,734	-
Amortization	17 (b)	3,496	-	1,962	-
Taxes		2,576	-	1,596	-
Oil consumption		425	-	425	-
Personnel expenses directly related to work-in-progress		(1,686)	-	(1,686)	-
Personnel expenses directly related to intangible assets in progress		(2,086)	-	(579)	-
		575,066	**-**	**369,043**	**-**

30. Administrative Expenses

This caption comprises the following:

		Nine-Months Period Ended		Three-Months Period Ended from July 1 to September 30	
In thousands of soles	Note	2024	2023	2024	2023
Legal advisory (a)		72,085	-	33,878	-
Insurance services (b)		18,063	-	2,184	-
Third party services		21,084	-	9,331	-
Personnel expenses	31 (a)	16,519	-	12,033	-
Taxes		898	-	537	-
Depreciation	16 (a)	2,895	-	1,918	-
Amortization	17 (b)	1,753	-	713	-
Expected credit (recovery) loss estimate	10 (c)	416	-	(21)	-
Personnel expenses directly related to intangible assets in progress		(2,921)	-	(2,921)	-
Various charges for operations and other		7,114	-	4,514	-
		137,906	**-**	**62,166**	**-**

(a) It corresponds to legal advice for the acquisition of subsidiaries Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Compañía Energética Veracruz S.A.C.' share.

(b) It corresponds to the insurance of representations and guarantees (RWI insurance) contracted for the acquisition of subsidiaries Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and Compañía Energética Veracruz S.A.C.' share.

31. Personnel Expenses

This caption comprises the following:

		Nine-Months Period Ended		Three-Months Period Ended from July 1 to September 30	
In thousands of soles	Note	2024	2023	2024	2023
Remunerations		23,432	-	14,023	-
Employees' profit sharing		15,564	-	12,631	-
Social contributions		2,368	-	1,665	-
Vacations		2,151	-	1,340	-
Personnel expenses directly related to work-in-progress	16 (b)	(1,686)	-	(1,686)	-
Personnel expenses directly related to intangible assets in progress		(5,007)	-	(3,500)	-
Other		7,473	-	5,619	-
		44,295	**-**	**30,092**	**-**

(a) Personnel expenses are distributed as follows:

		Nine-Months Period Ended		Three-Months Period Ended from July 1 to September 30	
In thousands of soles	**Note**	**2024**	**2023**	**2024**	**2023**
Cost of energy generation	29	34,469	-	23,245	-
Administrative expenses	30	16,519	-	12,033	-
Personnel expenses directly related to work-in-progress		(1,686)	-	(1,686)	-
Personnel expenses directly related to intangible assets in progress		(5,007)	-	(3,500)	-
		44,295	**-**	**30,092**	**-**

32. Other Income and Expenses

This caption comprises the following:

		Nine-Months Period Ended		Three-Months Period Ended from July 1 to September 30	
In thousands of soles	**Note**	**2024**	**2023**	**2024**	**2023**
Other income					
Compensation for material damage and loss of profit		11,255	-	10,799	-
Fines to suppliers		1,540	-	1,537	-
Compensation for the use of hydraulic facilities	23	1,370	-	822	-
Other		6,532	-	3,581	-
		20,697	-	**16,739**	-
Other expense					
Estimate of impairment of software	17 (c)	(13,780)	-	-	-
Other		(26)	-	2	-
		(13,806)	**-**	**2**	**-**

33. Finance Income and Costs

This caption comprises the following:

		Nine-Months Period Ended		Three-Months Period Ended from July 1 to September 30	
In thousands of soles	**Note**	**2024**	**2023**	**2024**	**2023**
Finance income					
Exchange difference, net		44,057	-	(10,002)	-
Profit or loss for derivative financial instruments		33,720	-	16,701	-
Interest on bank deposits		9,540	-	6,478	-
Late charges and interest		914	-	579	-
		88,231	-	**13,756**	-
Finance costs					
Interest on bank loans		213,299	-	107,389	-
Profit or loss for derivative financial instruments		159,321	-	159,321	-
Decommissioning update		1,147	-	574	-
Interest on bonds		1,061	-	641	-
Interest capitalization	16 (c)	(7,888)	-	-	-
Provisions and contingencies update		21	-	21	-
Other		8,433	-	555	-
		375,394	**-**	**268,501**	**-**

34. Tax Position

Tax rates

A. The Company and Subsidiaries are subject to Peruvian tax regime. As of September 30, 2024, and December 31, 2023, the corporate income tax rate is calculated on the basis of the net taxable income determined by the Company and Subsidiaries at a rate of 29.5%.

For fiscal year 2024 and 2023, the income tax rate applicable to dividend distribution and any other form of profit distribution applicable to legal entities not domiciled in Peru and individuals is 5%.

Income tax calculation

B. In calculating its taxable base for the period ended September 30, 2024 the Company have determined an income tax of S/ 138,357,000.

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the current fiscal (reporting period) by Management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the reporting period. As such, the effective tax rate in the consolidated financial statements may differ from management's estimate of the effective tax rate for the annual consolidated financial statements.

Income tax expenses include:

		Nine-Months Period Ended		Three-Months Period Ended from July 1 to September 30	
In thousands of soles	**Note**	**2024**	**2023**	**2024**	**2023**
Current		114,715	-	82,130	-
Deferred	*25*	16,098	-	(47,618)	-
		130,813	-	**34,512**	**-**

The reconciliation of the effective income tax rate with the tax rate is as follows:

In thousands of soles	As of September 30, 2024		As of September 30, 2023	
Profit before tax	**119,134**	**100.00%**	**-**	**-**
Theoretical income tax	35,145	29.50%	-	-
Tax effect of non-taxable income and non-deductible expenses				
Financial expenses related to the loan for the purchase of shares	73,498	61.69%	-	-
Legal fees related to the purchase of shares	21,376	17.94%	-	-
Other non-deductible expenses	794	0.67%	-	-
Income tax expenses	**130,813**	**109.80%**	**-**	**-**

Temporary Tax on Net Assets (ITAN)

C. The tax rate is 0.4% for fiscal years 2024 and 2023 and is applied to the amount of net assets exceeding S/ 1,000,000. It may be paid in cash or in nine (9) consecutive monthly installments. The paid amount may be used as a credit against payments on account subject to the General Income Tax Regime.

The Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) have determined that the Temporary Tax on Net Assets in 2023 amounts to S/ 14,662,000.

Transfer pricing

D. For Income Tax determination purposes, transfer pricing for transactions carried out with related entities and with companies domiciled in territories with low or null taxation, shall be supported with documentation and information about the valuation methods used, and the criteria considered for pricing.

Based on the analysis of operations of the Company, the Management and its legal advisors consider that, as a consequence of the application of these provisions, no material contingencies will arise as of September 30, 2024 and December 31, 2023.

Tax assessment

E. The Peruvian Tax Authority is entitled to review and, if applicable, to correct the income tax calculated by the Company in the four (4) years following the year of filing the corresponding income tax return. The Company's Subsidiaries' income tax returns for 2019 and 2020 to 2024 are open for review by the Tax Authority. The SUNAT has initiated a definitive audit for income tax for the period 2019, with respect to the operations of Enel Green Power Perú S.A.C., that was taken over by the Company through a merger process.

Company and Subsidiaries' sales tax returns corresponding to December 2018 to September 2024 are open to review by the Tax Authority.

Due to possible interpretations of the current legal regulations by the Tax Authority, it is not possible to determine, to date, whether future tax audits will result or not in liabilities for the Company and Subsidiaries; therefore, any difference that might arise from eventual tax audits would be applied to profit or loss for the period in which it is determined.

In Management's opinion of the Company and Subsidiaries and legal advisors, any possible additional tax assessment would not be material to the consolidated financial statements as of September 30, 2024 and December 31, 2023.

Tax regime applicable to Sales Tax

F. In 2024 and 2023, the sales tax rate in force was 18% (including Municipal Promotion Tax).

35. Contingencies

Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) have different legal actions against them, which have been assessed by the Management and their legal advisors as possible. Such actions include labor and court contingencies, which amounted to S/ 59,264,000 as of September 30, 2024.

In Management's opinion and the legal advisors, these court actions will not result in significant additional liabilities (note 23) to the consolidated financial statements as of September 30, 2024 and December 31, 2023.

A brief description of the main contingency of the Company is explained below:

i. Cross-referencing for income tax for fiscal years 2000 and 2001

In December 2005, the Company was served with (i) determination and fine resolutions equal to S/ 75,892,000 (including, taxes, fines, and interests calculated as of that date) for income tax of fiscal year 2000 and (ii) determination resolutions equal to S/ 6,842,000, related to default interest referred to payments on account of income tax for fiscal year 2001.

In January 2006, the Company partially claimed the referred resolutions by paying the non-contested debt. In September 2008, the SUNAT declared such claim partially well-founded.

i. Suit Related to an Administrative Dispute Filed by the Company against Resolution of Tax Court No. 15281-8-2014

Simultaneously, in February 2016, the Company filed a suit related to an administrative dispute against the Resolution of Tax Court requesting to declare partial nullity thereof in the issues where (i) the relief related to including 15% for "interest during the construction" in the factor to determine the New Similar Value of the reassessed assets and (ii) the collection of default interest for omitting the payments on account of the Income Tax from March to December, 2021 by amending the applicable coefficient are revoked.

In March 2018, the Company was served with Order No. 12, whereby the Court issued a judgment and declared unfounded the suit related to the main claim to be declared the partial nullity of such Resolution of the Tax Court, and declared partially well-founded only the subordinated claim to not be applied the default interest for omitting the payments on account of the income tax for periods from March to December 2001, and such Resolution was appealed.

In December 2018, the Company was served with Order No. 31, whereby the Court of Appeals declared void the judgment of first instance and ordered the Court to issue a new order taking into account the stated arguments.

In May 2020, the Company was aware that the Court had issued a judgment, by means of Order No. 38, in which the suit of the Company in the issue related to collection of default interest for omitting the payments on account for the periods from March to December 2001 was declared partially well-founded, which was one part of the request in the main claim of the suit. In this regard, the Court ordered the Tax Court and the SUNAT to void the collection of the referred interest. Furthermore, the suit in the issues related to: (i) the relief for including 15% for "interest during the construction" in the factor to determine the New Similar Value of the reassessed assets related to Income Tax for fiscal years 2000 and 2001; and (ii) the subordinated claim, related to the non-applicability of default interest accrued by the excessive delay in processing the administrative motions filed by the Company, was declared unfounded.

In August 2020, the Company filed an appeal against Order No. 38.

In September 2020, the Company was physically served with Order No. 38.

In December 2020, the Company was served with Order No. 39, whereby the Court granted the appeal with a stay of execution. In the same month, the file was submitted to the Court of Appeals.

In April 2021, the Company was served with Order No. 48, whereby the Court of Appeals issued a judgment, and ruled against the Company, except for the subordinated claim of the suit referred to the default interest during the tax proceeding, which was declared well-founded. The Tax Court and the SUNAT filed a petition for cassation against the stated judgment in April and May 2021, respectively. In June 2021, the Company filed a writ of entry of appearance before the Supreme Court.

In July 2022, the Company was served with the Order granting the Petition for Cassation No. 8717-2021-LIMA, whereby the Fifth Transitory Court of Appeals of Constitutional and Social Law declared the lack of merit of the petitions for cassation filed by the SUNAT and the Ministry of Economics and Finance (MEF for its acronyms in Spanish) on behalf of the Tax Court.

In September 2022, by means of Order No. 52, the Nineteenth Court related to an Administrative Dispute, subspecialized in Tax and Customs of Lima ordered to comply with the judgment and ordered the SUNAT to return the accrued default interest for the excessive delay in processing the filed administrative motions, as well as issue the settlements to calculate and refund the referred default interest, and for this, a term of thirty (30) business days is granted for the SUNAT to inform the Court on the performance of the judgment.

In September 2022, the SUNAT requested twenty (20) additional business days to comply with the Court Order No. 52. In the same month, the Court granted the additional term requested by the SUNAT through Order No. 54.

In December 2022, by means of Resolution No. 4070160000007, the SUNAT complied with Order No. 48, issued by the Sixth Court of Appeals Specialized in Administrative Dispute, subspecialized in Tax and Customs Matters, by recognizing the right of the Company to obtain the refund of payments of S/ 458,519 and S/ 2,298,360, plus the corresponding interest for refunding undue payments and/or the excess in payments made by the payments on account of the Income Tax from March to December 2001, and of the fine for infringement stated in Section 178(1) of the Tax Code for fiscal year 2000.

In the same month, the SUNAT notified the Company with Intendency Resolutions: No. 0121800029787 and No. 0121800029788, whereby the refund requests were processed at its own initiative by updating the amounts recognized as payments in excess in Resolution No. 4070160000007, with the corresponding interest, by issuing the respective non-negotiable checks. Furthermore, the SUNAT filed a writ to the Court with a summary stating that it complied with the order.

Furthermore, in December 2022, the Company filed an appeal against the Resolution No. 4070160000007 and against Intendency Resolutions No. 0121800029787 and No. 0121800029788 since the SUNAT did not comply correctly with the order stated by The Judiciary, which was processed under File No. 4070350000112.

In April 2023, the SUNAT notified the Company with Intendency Resolutions No. 012-180-030775/SUNAT and No. 012-180-0030776/SUNAT, whereby additional refunds of S/ 3,688,836 and S/ 973,956 were granted corresponding to interest paid in excess related to the fine for the annual income tax for fiscal year 2000, and payments on account of the stated tax for the periods from March to December 2001, respectively.

In May 2023, the Company filed writs of voluntary dismissal against the dispute of tax assessment and appeal. The judgment having been enforced, the proceeding was terminated, and the case was ordered to be closed.

In Management's opinion and the legal advisors, the foregoing issue will not result in significant liabilities or obligations to be recognized in the consolidated financial statements as of September 30, 2024, and December 31, 2023.

36. Events after the Reporting Period

From October 1, 2024 to the date of this report, the following significant event has occurred, but it does not impact the consolidated financial statements:

On October 3, 2024, the Company issued a US$ 1,200,000,000 international bond, with a 10-year term, a fixed rate of 5.746% and semiannual interest payments and a US$ 100,000,000 term loan, with a 5-year term, a daily compounded SOFR + 2.00%. At the same date, the syndicated loan and the interest rate derivative swap that remained outstanding were totally paid.

On October 24, 2024, the Board of Directors of subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) approved the distribution of dividends for the fiscal period 2024 in the amount of S/ 239,405,000. The corresponding payment was made on November 27, 2024.