

Niagara Energy S.A.C. and Subsidiaries

Consolidated Financial Statements

As at and for the periods ended December 31, 2024 and 2023

(Including Independent Auditor's Report)



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INDEPENDENT AUDITORS' REPORT

To the Stockholders and Directors
Niagara Energy S.A.C. and its Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Niagara Energy S.A.C. and its Subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, the consolidated statements of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising a summary of material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the Group's financial position as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing approved for their application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Peru, together with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements, respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements are considered material if they could, individually or in the aggregate, influence the economic decisions that users make on the basis of the consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

Lima, Peru

March 31, 2025

Countersigned by:

Emmerich, Córdova y Asociados

A handwritten signature in black ink, appearing to read 'Marilyn Montero A.', written over a horizontal line.

Marilyn Montero A. (Partner)
Peruvian CPA Registration 32462

Niagara Energy S.A.C. and Subsidiaries

Consolidated Financial Statements

As at an for the periods ended December 31, 2024 and 2023

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Niagara Energy S.A.C. and Subsidiaries
Consolidated Statement of Financial Position
As of December 31, 2024 and 2023

<i>In thousands of soles</i>	<i>Note</i>	December 31, 2024	December 31, 2023	<i>In thousands of soles</i>	<i>Note</i>	December 31, 2024	December 31, 2023
Assets				Liabilities			
Current assets				Current liabilities			
Cash and cash equivalents	8	422,260	-	Other financial liabilities	17	144,098	-
Trade accounts receivable	9	511,336	-	Trade accounts payable	18	347,187	-
Other accounts receivable	11	77,686	-	Other accounts payable	19	242,285	7
Inventories	12	105,929	-	Accounts payable to related parties	10	501	-
Income tax assets		19,269	-	Contract liabilities	20	3,289	-
Prepaid insurance and expenses	13	23,221	-	Other provisions	21	8,877	-
Tax credit from sales tax		4,261	-	Total current liabilities		746,237	7
Total current assets		1,163,962	-	Non-current liabilities			
Non-current assets				Other financial liabilities	17	4,841,607	-
Prepaid insurance and expenses	13	11,746	-	Contract liabilities	20	60,136	-
Investment projects	14	27,032	-	Other accounts payable	19	6,704	-
Property, plant and equipment	15	8,576,396	-	Other provisions	21	47,492	-
Intangible assets	16	713,569	-	Deferred tax liabilities	22	1,966,072	-
Total non-current assets		9,328,743	-	Total non-current liabilities		6,922,011	-
				Total liabilities		7,668,248	7
				Equity			
				Issued share capital	23	1,747,117	-
				Net profit or loss from cash flow hedge		(21,133)	-
				Retained earnings		487,233	(7)
				Equity attributable to owners of the Company		2,213,217	(7)
				Non-controlling interest	24	611,240	-
				Total equity		2,824,457	(7)
Total assets		10,492,705	-	Total liabilities and equity		10,492,705	-

The accompanying notes on pages 6 to 67 are an integral part of these consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries

Consolidated Statement of Profit or Loss

For the year ended December 31, 2024 and for the period from June 23, 2023 (date of constitution) to December 31, 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Revenue from energy and power generation	25	1,863,163	-
Cost of energy generation	26	(1,251,071)	-
Gross profit		612,092	-
Administrative expenses	27	(176,792)	-
Other expenses	29	(2,156)	-
Other income	29	30,785	-
Negative goodwill	1.C.iv	672,986	-
Operating profit		1,136,915	-
Finance income	30	86,768	-
Finance costs	30	(533,501)	-
Net finance cost		(446,733)	-
Profit before tax		690,182	-
Income tax	31	(162,509)	-
Profit for the period		527,673	-
Net profit (loss) attributable to:			
Owners of the controlling entity		487,240	-
Non-controlling interests	24	40,433	-
		527,673	-
Basic and diluted earnings per share (in soles)		-	-
Weighted average number of shares outstanding		1,390,854,313	300
Basic Earning per share		0.350	-

The accompanying notes on pages 6 to 67 are an integral part of these consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries

Consolidated Statement of Other Comprehensive income

For the year ended December 31, 2024 and for the period from June 23, 2023 (date of constitution) to December 31, 2023

<i>In thousands of soles</i>	<i>Note</i>	2024	2023
Profit (loss) for the period		527,673	-
Other comprehensive income			
Net change in cash flow hedges	7.A.i. 7.A.ii y 17 (g)	(34,006)	-
Income tax	7.A.ii, 17 (g) y 22	13,755	-
Total comprehensive income for the period, net of taxes		507,422	-
Comprehensive income attributable to:			
Owners of the Company		466,140	-
Non-controlling interests	24	41,282	-
		507,422	-

The accompanying notes on pages 6 to 67 are an integral part of these consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024 and for the period from June 23, 2023 (date of constitution) to December 31, 2023

<i>In thousands of soles</i>	<i>Note</i>	Number of shares	Issued capital	Cash flow hedges	Retained earnings	Total	Non-controlling interests (note 24)	Total equity
Balance as of June 23, 2023		300	-	-	-	-	-	-
Profit for the period		-	-	-	(7)	(7)	-	(7)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	(7)	(7)	-	(7)
Transactions with owners of the Company								
Effect of translation difference		-	-	-	-	-	-	-
Total transactions with owners of the Company		-	-	-	-	-	-	-
Balance as of December 31, 2023		300	-	-	(7)	(7)	-	(7)
Balance as of January 1, 2024		300	-	-	(7)	(7)	-	(7)
Profit for the period		-	-	-	487,240	487,240	40,433	527,673
Other comprehensive income		-	-	(21,100)	-	(21,100)	849	(20,251)
Total comprehensive income for the period		-	-	(21,100)	487,240	466,140	41,282	507,422
Transactions with owners of the Company								
Acquisition of subsidiaries	<i>1(b)</i>	-	-	-	-	-	634,707	634,707
Dividend distribution	<i>23(b)</i>	-	-	-	-	-	(64,778)	(64,778)
Issue of ordinary shares	<i>23(a)</i>	2,230,214,234	2,230,214	-	-	2,230,214	-	2,230,214
Capital reduction	<i>23(a)</i>	(483,097,136)	(483,097)	-	-	(483,097)	-	(483,097)
Others		-	-	(33)	-	(33)	29	(4)
Total transactions with owners of the Company		1,747,117,398	1,747,117	(33)	-	1,747,084	569,958	2,317,042
Balance as of December 31, 2024		1,747,117,398	1,747,117	(21,133)	487,233	2,213,217	611,240	2,824,457

The accompanying notes on pages 6 to 67 are an integral part of these consolidated financial statements.

Niagara Energy S.A.C. and Subsidiaries

Consolidated Statement of Cash Flows

For the year ended December 31, 2024 and for the period from June 23, 2023 (date of constitution) to December 31, 2023

<i>In thousands of soles</i>	<i>Note</i>	December 31, 2024	December 31, 2023
Cash flows from operating activities			
Collection from customers		2,847,437	-
Payment to suppliers for services and goods		(1,574,204)	-
Payments to and by the employees		(65,084)	-
Collection of interest received (not included in investment activities)		34,578	-
Income tax payment		(243,189)	-
Other cash receipts (payments) related to operating activities		(291,559)	-
Net cash from operating activities		707,979	-
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	<i>1.B. iii and iv</i>	(1,288,945)	-
Acquisition of property, plant and equipment and intangible assets	<i>15 and 16</i>	(177,015)	-
Net cash flows used in investing activities		(1,465,960)	-
Cash flows from financing activities			
Proceeds from bond issuance	<i>17(c)</i>	4,465,200	-
Proceeds from loans from banks	<i>17(e)</i>	1,971,765	-
Proceeds from loans from related entities		64	-
Payment of loans to banks	<i>17</i>	(6,480,175)	-
Payment of dividends (non-controlling interests)	<i>24</i>	(64,778)	-
Capital increase	<i>23(a)</i>	2,230,214	-
Capital reduction	<i>23(a)</i>	(483,097)	-
Commissions paid for obtaining syndicated loans	<i>17(b)</i>	(77,876)	-
Commissions paid for obtaining a revolving credit facility	<i>17(d)</i>	(9,303)	-
Commissions paid for the issuance of bonds	<i>17(c)</i>	(31,256)	-
Lease liabilities amortization	<i>17(h)</i>	(5,712)	-
Payment of interest	<i>17(h)</i>	(192,925)	-
Net payment of derivate financial instruments		(142,863)	-
Net cash used in financing activities		1,179,258	-
Net increase in cash and cash equivalents		421,277	-
Effect of movements in exchange rates on cash held		983	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period	8	422,260	-
Transactions not representing cash flows and cash equivalents			
Proceeds from bank loans disbursed to the Lima Stock Exchange (BVL)	<i>1.B.iv and 17(e)</i>	3,419,773	-

The accompanying notes on pages 6 to 67 are an integral part of these 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 December 31, 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 Compañía 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 Compañía 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 December 31, 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 December 31, 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	73.88%
SL Energy S.A.C	Electrical power project permit management and advisory services	92.34%
Energética Monzón S.A.C	Development of electricity generation projects	92.34%

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 December 31, 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 December 31, 2024.

B. 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 December 31, 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 600.05 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.

C. 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.A.C.

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 31 December 2024, Orygen contributed revenue of S/ 1,852,248 thousand and profit of S/ 645,367 thousand to the Company's results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been S/ 2,809,268 thousand, and consolidated profit for the period would have been approximately S/ 839,185 thousand. In determining these amounts, management has assumed that the fair value adjustments, 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, 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 17 (b)).

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. The accrued 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:

<i>In thousands of soles</i>	<i>Note</i>	
Property, plant and equipment	15	8,660,624
Intangible assets	16	936,171
Investment projects		27,032
Prepaid insurance		13,944
Inventories		102,919
Trade and other receivable		501,061
Cash and cash equivalent		390,706
Other financial liabilities		(1,571,453)
Deferred tax liabilities	22	(1,987,142)
Other provisions		(71,284)
Contract liabilities		(66,126)
Trade and other payables		(513,786)
Income tax liabilities		(15,016)
Total identifiable net assets acquired		6,407,650

iii.i. Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment	<i>Market comparison technique and cost technique:</i> The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate.
Intangible assets	<i>With and Without:</i> The "with and without" method calculates the value of an intangible asset as the difference between the business value with all assets in place and the business value without the intangible asset, based on cash flow projections. The fundamental concept is that the value of the intangible asset is the difference between an ongoing business and one without the intangible asset.
Inventories	<i>Replacement cost:</i> Fair value under the replacement cost approach is determined using a cost-based approach. This approach is based on the cost necessary to replace an asset with one of similar characteristics and utility.

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

iv. Negative Goodwill

This acquisition resulted in a negative goodwill, which has been determined as follows:

<i>In thousands of soles</i>	
Consideration transferred	5,099,424
Less	
Fair value of identifiable net assets	(6,407,650)
Non-controlling interest	635,240
Negative goodwill	(672,986)

The Company recorded a negative goodwill of S/ 672,986 thousand from the acquisition of 92.35% of the shares of Orygen Perú S.A.A. This income has been included in the consolidated statement of profit or loss. This negative goodwill is due to several factors:

- The valuation obtained exceeds the implied value of the transaction.
- The implied EV/EBITDA multiple derived from the purchase price is below the multiples of comparable companies.
- The evolution of Orygen's share price shows that, before and after the tender offer, the share is trading above the transaction price.

D. Approval of financial statements

The consolidated financial statements for the period ended December 31, 2024 have been authorized for issuance by the Company's management on March 31, 2025, and in its opinion, will be approved without modifications at the General Shareholder's Meeting in accordance with the deadlines established by law.

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

The main regulations affecting the activities of the Company and Subsidiaries are:

A. Electricity Concessions Law and its Regulations

On November 19, 1992, the Electricity Concessions Law was enacted by Legislative Decree No. 25844, and on February 9, 1993, its Regulations were enacted by Supreme Decree No. 009-93-EM.

According to this law, the Peruvian electricity sector is divided into three large segments: generation, transmission and distribution, so that more than one activity cannot be developed by the same company. The Peruvian electricity system is made up of a single electrical system called the National Interconnected System (SEIN), in addition to some isolated electrical systems. The Company develops its operations within the electric power generation segment and is a member of the SEIN.

By Legislative Decree No. 1451 published on September 16, 2018, in its article 50, a paragraph is incorporated into article 122 of Law 25844, referring to vertical integration in cases that do not qualify as acts of concentration according to current regulations.

B. Law to Ensure the Efficient Development of Electric Generation

On July 23, 2006, Law No. 28832, Law to Ensure the Efficient Development of Electric Generation, was enacted. The main objectives of this Law are: i) to ensure the sufficiency of efficient electric generation, which reduces the exposure of the electric system to price volatility and the risk of rationing due to lack of energy; and, to ensure the consumer a competitive electric rate; ii) to reduce administrative intervention in the determination of generation prices through market solutions; and iii) to promote effective competition in the generation market.

The main changes introduced by the Law refer to the participation in the short-term market of generation companies, distribution companies and large free clients, thus including distributors and free clients as members of COES-SINAC, modifying the structure of this organization. Additionally, the bidding mechanism was introduced that electricity distribution companies must follow in order to enter into electricity supply contracts with generating companies intended to supply the public electricity service and optionally in the case of free users.

The sale of energy by generators to distributors intended for the public electricity service will be carried out at Generation Level Prices that are calculated as the weighted average of Contracts without Bidding and Contracts resulting from Bidding. This provision aims to establish a mechanism that promotes investments in new generation capacity through long-term electricity supply contracts and firm prices with distribution companies.

By Supreme Decree No. 022-2018-EM (amended by Supreme Decree No. 026-2018-EM), the Electricity Supply Tender Regulations, approved by Supreme Decree No. 052-2007-EM, are amended in order to establish provisions on the evaluation procedure for proposals to modify Contracts resulting from Tenders.

C. Energy Investment Supervisory Body

By Law No. 26734, enacted on December 27, 1996, the Energy and Mining Investment Supervisory Body - OSINERGMIN was created, whose purpose is to supervise the activities carried out by companies in the electricity, hydrocarbons and mining sub-sectors, ensure the quality and efficiency of the service provided to the user and monitor compliance with the obligations contracted by the concessionaires in the concession contracts and the legal provisions and technical standards in force. Likewise, it is in charge of setting electricity rates for regulated users, in accordance with the criteria established in the Electric Concessions Law.

As part of the regulatory function, OSINERGMIN has the power to dictate, within its competence, regulations and standards of a general nature applicable to the entities of the sector and to the users.

D. Technical Standard for the Quality of Electric Services

By Supreme Decree No. 020-97-EM, the Technical Standard for the Quality of Electric Services (NTCSE) was approved, which establishes the minimum quality levels of electric services, including public lighting, and the obligations of companies in the electric sector and clients that operate within the framework of the Electric Concessions Law.

The NTCSE contemplates measurement procedures, tolerances and the application of penalties and compensation in cases of noncompliance with the parameters established by the standard.

E. Antimonopoly and Antioligopoly Law in the Electric Sector

On November 18, 1997, the Antimonopoly and Antioligopoly Law in the Electric Sector, Law No. 26876, was enacted, which establishes that vertical concentrations equal to or greater than 5 percent or horizontal concentrations equal to or greater than 15 percent that occur in the activities of generation, transmission and distribution of electric energy will be subject to a prior authorization procedure, in order to avoid concentrations that affect free competition.

Through Resolution No. 012-99/INDECOPI/CLC, conditions of conduct are established in defense of free competition and transparency in the sector that affect the Company. The main aspect related to the Company is that it must tender its purchases of electric energy among all the generators existing in the system, as the contracts it has in force with these generators expire, and the procedure and results of each tender must be made public, since the generators Orygen Perú S.A.A. and Chinango S.A.C. are related companies because they have the ACTIS Group as their controlling shareholder.

In the opinion of Management, this rule does not affect the normal development of the operations of the Company and Subsidiaries.

By Emergency Decree No. 013-2019 published on November 19, 2019, a prior control regime for business concentration operations was established with the purpose of promoting economic efficiency in the markets for the well-being of consumers. The entry into force of the aforementioned Emergency Decree was scheduled for March 1, 2021.

On January 6, 2021, Law No. 31112 was published, a Law that establishes prior control of business concentration operations. With the entry into force of this regulation, which implies the prior approval of its regulations and other regulatory adjustments provided for by the law itself, the content of Law No. 26876 will be repealed with the exception of its article 13, which modifies article 122 of Decree Law No. 25844, Law on Electric Concessions (relating to concentration restrictions in the electricity sector) as well as Emergency Decree No. 013-2019 establishing prior control of business concentration operations as of March 1, 2021.

By Supreme Decree No. 039-2021-PCM, published on March 4, 2021, the Regulations of Law No. 31112 establishing prior control of business concentration operations are approved.

F. Standards for Environmental Conservation

The State designs and applies the policies and standards necessary for the proper conservation of the environment and the cultural heritage of the nation, in addition to ensuring the rational use of natural resources in the development of activities related to the generation, transmission and distribution of electric energy and hydrocarbon activities. In this regard, the Ministry of Energy and Mines has approved the Regulations for Environmental Protection in Electrical Activities (Supreme Decree No. 014-2019-EM) and the Regulations for Environmental Protection in Hydrocarbon Activities (Supreme Decree No. 039-2014-EM).

Through the Resolution of the Board of Directors No. 00004-2023-OEFA/CD, published on March 16, 2023, the annual plan for environmental assessment and oversight – PLANEFA of the Environmental Assessment and Oversight Agency – OEFA for the year 2024 is approved.

G. Wholesale Electricity Market Regulations

By Supreme Decree No. 026-2016-EM, the Wholesale Electricity Market Regulation (MME Regulation) is approved. The main aspects of the MME Regulation are: it incorporates the definition of "MME" which is made up of the short-term market ("MCP") and the mechanisms for assigning complementary services, operational inflexibilities and assignment of congestion rents. The participants authorized to buy in the MCP are: the generators to serve their supply contracts; the distributors to serve their free users, up to 10% of the maximum demand; and, the large users, to serve up to 10% of their maximum demand.

The COES will calculate the marginal costs of energy and marginal costs of congestion, will provisionally value the transactions in the MME on a daily basis and the results will be made available to the participants on the COES web portal. The Congestion Rents will be assigned among the participants in accordance with the provisions of the respective procedure. Participants must have guarantees of payment of their obligations in the MME, and actions by the COES in the event of non-compliance with payment obligations by a participant are also incorporated.

By Supreme Decree No. 033-2017-EM published on October 2, 2017, it is established that the Wholesale Electricity Market Regulations, approved by Supreme Decree No. 026-2016-EM, will enter into force as of January 1, 2018, in order to implement the application developed by the COES for the calculation of short-term marginal costs.

By Supreme Decree No. 005-2018-EM published on March 20, 2018, various articles of the Wholesale Electricity Market Regulations are modified, where the aspects of participation, guarantee, non-compliance, withdrawal or exclusion of participants in the MME are specified.

H. Framework Law on Climate Change

By Law No. 30754 published on April 18, 2018, the Framework Law on Climate Change was enacted. It is governed by the principles of Law No. 28611, General Environmental Law; Law No. 28245, Framework Law of the National Environmental Management System, the National Environmental Policy, approved by Supreme Decree 012-2009-MINAM and the United Nations Framework Convention on Climate Change, approved by Legislative Resolution 26185. The Framework Law aims to establish the general principles for executing, evaluating and disseminating public policies for the comprehensive management of climate change adaptation and mitigation measures, taking advantage of the opportunities of low-carbon growth and complying with the international commitments assumed by the State before the United Nations Framework Convention.

It should be noted that through D.S. No. 006-2020-MINAM, published on July 4, 2020, the permanent Multisectoral Commission called "High Level Commission on Climate Change (CANCC)" was created.

I. 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.

J. 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.

K. 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.

L. 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.

M. 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.

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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.

By means of Osinergmin Board of Directors Resolution 173-2024-OS-CD, published on October 8, 2024, the new COES Technical Procedure No. 20 Entry, Modification and Withdrawal of SEIN Facilities (PR-20) was published and the COES Technical Procedure No. 46 Guarantees and establishment of trusts for the Wholesale Electricity Market was modified.

By means of the Osinergmin Board of Directors Resolution 175-2024-OS-CD, published on October 12, 2024, the Resolution approving the Coincident Power Balance Factor in Peak Hours (FBP) for the period November 2024 - October 2025 was published.

By means of the Osinergmin Board of Directors Resolution 179-2024-OS-CD, published on October 25, 2024, the Generation Level Price in the Base Substations is approved for the determination of the maximum rates to the Regulated Users of the National Interconnected Electric System from November 4, 2024 to February 3, 2025.

By means of the Osinergmin Board of Directors Resolution 180-2024-OS-CD, published on October 25, 2024, the update factors were approved to determine the maximum rates for the Regulated Users of the National Interconnected Electric System. the unitary charges p and FA from November 4, 2024 to February 3, 2025.

By means of OSINERGMIN Resolution 041-2024-OS/GRT, published on October 30, 2024, the Surcharge Factor of the Electric Social Compensation Fund applicable to billing for the period from November 1, 2024 to February 3, 2025 is approved and other provisions are issued.

By means of Osinergmin Board of Directors Resolution 190-2024-OS-CD, published on November 25, 2024, the new COES Technical Procedure No. 31 Calculation of Variable Costs of Generation Units was published and modifies the Glossary of Abbreviations and Definitions Used in the COES Technical Procedures.

By means of Osinergmin Board of Directors Resolution 194-2024-OS-CD, published on November 29, 2024, the Rotating Reserve Margin for the Primary Frequency Regulation of the National Interconnected Electric System is set for the flood period and for the dry season of 2025.

By means of Law No. 32217, approved by the Congress of the Republic and published on December 29, 2024, the validity of the tax benefit approved by Legislative Decree 1058, Legislative Decree that promotes investment in the activity of electricity generation with water resources and other renewable resources, is extended until 31/12/2030.

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.

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No.	Granted right	Resolution number, date, and registration
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 Clemesi 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 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 May 2016, Enel Green Power Perú S.A.C. (now merged with the Orygen Perú S.A.A. – formerly Enel Generación Perú S.A.A.) signed two electricity supply contracts with the Peruvian State (fourth auction) through which it undertakes to inject 415 GW/year and 573 GW/year into the national interconnected system, from its Rubi photovoltaic power plant and Wayra wind power plant, respectively. These contracts ensured a guaranteed income of US\$ 47.98 MW/h and US\$ 37.83 MW/h for each plant, respectively. The contracts entered into force upon commercial launch of the plants, which occurred in January 2018 for the Rubi photovoltaic power plant and in May 2018 for the Wayra wind power plant. Both contracts will expire on December 31, 2038.

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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
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

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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.

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 submitted. As of December 31, 2024, the agreement is effective.

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

A. Accounting bases

The consolidated financial statements of the Company and Subsidiaries have been prepared in accordance with the International Financial Reporting Standards (hereinafter IFRS) issued by the International Accounting Standards Board (hereinafter IASB), in force as of December 31, 2024 and 2023.

The consolidated financial statements do not include the subsidiaries 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.

Note 6 includes details of the accounting policies of the Company and Subsidiaries.

B. Responsibility for information

The information contained in these consolidated financial statements is the responsibility of the Company's and Subsidiaries' Management, which expressly state that the principles and criteria included in the IFRS issued by the IASB in force as of December 31, 2024 and 2023 have been fully applied.

C. Measurement Basis

The consolidated financial statements have been prepared on a historical cost basis, based on the accounting records maintained by the Company and Subsidiaries, except for derivative financial instruments, recorded at fair value.

D. Functional and Presentation Currency

The consolidated financial statements are presented in soles (S/), which is the functional and presentation currency of the Company and Subsidiaries. All information is presented in thousands of soles and has been rounded to the nearest unit, except where otherwise indicated.

E. Using estimates and judgments

In preparing these 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 6.H).
- Uncertain tax treatment: Estimate of current tax payable and current tax expense in relation to an uncertain tax position (note 6.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 basis.
- 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 December 31, 2024 and 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 (note 6.M).

- Estimate of inventory obsolescence (note 6.E).
- Estimation of useful life and residual values of power plants, buildings and other buildings, vehicles, furniture, and equipment (note 6.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.

6. Material Accounting Policies

The Company and Subsidiaries adopted the accounting policy disclosures (Amendments to IAS 1 and IFRS Practice Statement 2) effective January 1, 2023. Although the amendments did not result in any changes in the accounting policies themselves, they affected the accounting policy information disclosed in the consolidated financial statements. The amendments require disclosure of "material," rather than "significant," accounting policies. The amendments also provide guidance on the application of materiality to accounting policy disclosures, helping entities provide 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 information in this note in accordance with the amendments. The material accounting policies used by the Company and Subsidiaries' management in preparing the consolidated financial statements are presented below:

A. 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 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 CGUs 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.

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.

B. *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.

C. *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 December 31, 2024 and 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 December 31, 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 6.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 fair 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 December 31, 2024 and 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 and expenses

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

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.

Right-of-use assets

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.

Lease liabilities

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 it 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.

Short-term leases and leases of low-value assets

The Company and Subsidiaries have decided not to recognize right-of-use assets and lease liabilities for leases that have a term of 12 months or less and leases of low-value assets. The Company and Subsidiaries recognizes the lease payments associated with these leases as a straight-line expense over the lease term.

Extension and termination options

Extension and termination options are included in a number of leases. These are used to maximize operational flexibility in terms of managing the assets used in the Company's and Subsidiaries operations. Most of the extension and termination options held are exercisable only by the Company and Subsidiaries and not by the respective lessor.

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	2 to 10
Contracts with clients	2 to 10

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. Other financial liabilities

Other financial liabilities are initially recognized at nominal value, net of transaction or placement costs incurred. Other financial liabilities are subsequently measured at amortized cost.

Any difference between the cash income (net of transaction or placement costs) and the repayment amount is recognized in the statement of income over the period of the other financial liabilities using the effective interest method. Fees paid are recognized as transaction costs of the other financial liabilities to the extent that it is probable that some or all of the financing will be realized. In this case, the fee is deferred until the financing occurs. To the extent that there is no evidence that it is probable that some or all of the financing will not be realized, the fee is capitalized as a prepayment for financing services and is amortized over the period of the financing to which it relates.

Other financial liabilities are removed from the statement of separated financial position when the obligation specified in the agreement is derecognized, cancelled or matures. The difference between the carrying amount of a senior note that has been extinguished or transferred to another party and the consideration paid, including any assets not transferred or liabilities assumed, is recognized in the statement of separated comprehensive income as other finance income or expense.

Other financial liabilities are classified as current and non-current liabilities.

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	<p>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.</p> <p>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.</p>	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 December 31, 2024 and 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 33).

Y. New accounting standards

Current accounting pronouncements

The following accounting pronouncements are mandatory as of January 1, 2024:

Effective date	New IFRS, amendments and interpretations
Annual periods beginning on or after January 1, 2024.	Non-Current Liabilities with Covenants (Amendments to IAS 1)
Annual periods beginning on or after January 1, 2024. Early adoption is permitted.	Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) Leasehold Liabilities in a Sale and Leaseback Sale (Amendments to IFRS 16)
Annual periods beginning on or after January 1, 2024 (with early application permitted) and amendments to IFRS 7 when applying the amendments to IAS 7.	Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)

The Company adopted these amendments with no significant impact on the consolidated financial statements as of December 31, 2024.

Z. Accounting standards not yet effective

The following accounting standards are applicable for annual periods beginning after January 1, 2025, and have not been applied in the preparation of these financial statements. The Company will apply the corresponding accounting standards on the respective application dates, not before.

Effective date	New standards or modifications
Annual periods beginning on or after January 1, 2025. Early adoption is permitted.	Absence of convertibility (Amendments to IAS 21).
Annual periods beginning on or after January 1, 2026. Early adoption is permitted.	Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) Annual Improvements to IFRS Accounting Standards - Volume 11
<i>Annual periods beginning on or after January 1, 2027. Early adoption is permitted.</i>	IFRS 18 Presentation and Disclosure in Financial Statements IFRS 19 Non-Publicly Accountable Subsidiaries: Disclosures

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

AA. Standards issued but not yet effective

IFRS S1 General Requirements for Disclosures about Sustainability Disclosures Related to Financial Reporting and IFRS S2 Climate-related Disclosures are effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted with the joint application of IFRS S2.

For Peru, these standards are subject to local adoption processes for their effective date.

The Company expects to adopt the pronouncements on their respective dates of application and not early.

7. Financial Risk Management

The Company's and Subsidiaries' main financial liabilities include other financial liabilities, trade payables, payables to related parties and other payables. The main purpose of these financial liabilities is to finance the Company's operations. In addition, the Company has cash and cash equivalents, trades receivables and other receivables that arise directly from its operations.

The Company's and Subsidiaries are exposed to market, credit and liquidity risks arising from changes in interest rates, exchange rates and prices.

Risk management framework

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:

A. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates, interest rates among others. Financial instruments affected by market risk includes bond, loans and deposits held by the Company and Subsidiaries.

The sensitivity analyses illustrated in the following sections relate to the position as of December 31, 2024 and were prepared based on the amount of net debt, the proportion of fixed and variable interest rates and the proportion of financial instruments in foreign currencies.

i. Interest rate risk

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

As of December 31, 2024, 91.32% of the total Company's debt and loans have a fixed interest rate (no debts and loans were outstanding as of December 31, 2023). Although the Company has most of its financial obligations at a fixed rate, management considers that this may not generate a risk associated with its fair value since the Company maintains the debt at a competitive interest rate with respect to the market.

Below is a reconciliation of the hedging reserve in the consolidated statement of other comprehensive income, net of taxes, resulting from the cash flow hedging of interest rate risk with derivative financial instruments.

<i>In thousands of soles</i>	2024	2023
Cash flow hedge reserve		
Initial balance	-	-
Acquisition through business combination	17,588	-
Effective portion of changes in fair value	(17,588)	-
Exchange difference	-	-
Balance of net change reserves for cash flow hedges at the end of the period	-	-

ii. Foreign exchange 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 December 31, 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.

Find below the reconciliation of the hedging reserve in the consolidated statement of other comprehensive income, net of taxes, resulting from the cash flow hedge accounting of the exchange rate risk with derivative financial instruments.

<i>In thousands of soles</i>	2024	2023
Cash flow hedge reserve		
Initial balance	-	-
Acquisition through business combination	(26,143)	-
Effective portion of changes in fair value	44,162	-
Amount reclassified to "Sales of energy and power" in the consolidated statement of profit or loss	(19,764)	-
Exchange difference	-	-
Final balance	(1,745)	-

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<i>In thousands of soles</i>	2024	2023
Deferred income tax		
Initial balance	-	-
Acquisition through business combination	(917)	-
Movement for the year	1,747	-
Exchange difference	-	-
Final balance	830	-
Balance of net change reserves for cash flow hedges at the end of the period	(915)	-

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.

iv. Liquidity risk

Management is aware that liquidity risk involves having sufficient cash and cash equivalents and having the possibility of committing and/or having committed financing through various sources of credit. The Company and Subsidiaries have adequate levels of cash and cash equivalents and available revolving credit facilities.

B. 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 December 30, 2024 and 2023.

<i>In thousands of soles</i>	Note	2024	2023
Other financial liabilities	17	4,985,705	-
Total gross debt		4,985,705	-
Less: Cash and cash equivalents	8	(422,260)	-
Net debt		4,563,445	-
Total equity	23	2,842,457	(7)
Debt ratio (%)		1.61	-

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

C. 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 December 31, 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:

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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:

<i>In thousands of soles</i>	<i>Note</i>	Fair value - Hedging instruments	Carrying amount			Fair value		
			Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Total
As of December 31, 2024								
Financial assets measured at fair value								
Derivative financial instruments	11	310	-	-	310	-	310	310
		310	-	-	310	-	310	310
Financial assets not measured at fair value								
Cash and cash equivalents	8	-	422,260	-	422,260	-	-	-
Trade accounts receivable	9	-	511,336	-	511,336	-	-	-
Other accounts receivable (*)	11	-	10,972	-	10,972	-	-	-
		-	944,568	-	944,568	-	-	-
Financial liabilities not measured at fair value								
Trade accounts payable	18	-	-	347,187	347,187	-	-	-
Accounts payable to related entities	10	-	-	501	501	-	-	-
Other accounts payable (**)	19	-	-	56,951	56,951	-	-	-
Other financial liabilities	17	-	-	4,985,705	4,985,705	4,396,333	441,356	4,837,689
		-	-	5,390,344	5,390,344	4,396,333	441,356	4,837,689

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

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

8. Cash and Cash Equivalents

This caption comprises the following:

<i>In thousands of soles</i>	As of December 31, 2024	As of December 31, 2023
Checking accounts (a)	422,257	-
Fixed fund	3	-
	422,260	-

- (a) As of December 31, 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 counterparties.

9. Trade Accounts Receivable

This caption comprises the following:

<i>In thousands of soles</i>	As of December 31, 2024	As of December 31, 2023
Energy invoiced to customers (a)	201,268	-
Energy and power delivered but not invoiced	311,922	-
	513,190	-
Less: Estimated of expected credit loss (c)	(1,854)	-
	511,336	-

- (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 December 31, 2024 corresponds to 246 customers.

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

<i>In thousands of soles</i>	Not deteriorated	Deteriorated	Total
As of December 31, 2024			
Undue	400,565	1,078	401,643
Due			
Up to 90 days	109,895	317	110,212
Over 90 days	1,183	152	1,335
	511,643	1,547	513,190

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

<i>In thousands of soles</i>	<i>Note</i>	As of December 31, 2024	As of December 31, 2023
Initial balance as of January 1		-	-
Acquisition through business combination		1,754	-
Expected credit loss estimate	27	100	-
		1,854	-

In the opinion of the management of the Company and its Subsidiaries, the estimate of expected credit loss on accounts receivable as of December 31, 2024 properly covers the credit risk of these items as of those dates.

10. Related Party Balances and Transactions

A. Parent and ultimate controlling party

As of December 31, 2024 and 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 December 31, 2024 and 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/ 5,241,000 as of December 31, 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 December 31, 2024 and 2023, the Company and Subsidiaries have not granted loans to the key personnel.

C. Related party transactions:

As of December 31, 2024, the Company and Subsidiaries obtained a loan from Actis Energy 5 A LP for an amount of S/ 3,334, in addition to a reimbursement of travel expenses for an amount of S/ 435,135 and a loan from its related entity Niagara Generation S.A.C. of S/ 61,787, 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:

<i>In thousands of soles</i>	As of December 31, 2024	As of December 31, 2023
Other accounts payable		
Related parties		
Niagara Generation S.A.C.	62	-
Actis Energy 5 A LP	439	-
	501	-

11. Other Accounts Receivable

This caption comprises the following:

	As of December 31, 2024	As of December 31, 2023
<i>In thousands of soles</i>	Current	Current
Tax claims (a)	60,814	-
Prepayments from suppliers	4,140	-
Guarantees	3,653	-
Claims from third parties	1,738	-
Loans to personnel	1,450	-
Derivative financial instruments	310	-
Penalties for suppliers	171	-
Others	5,440	-
	77,716	-
Less: Estimate of expected credit loss (a)	(30)	-
	77,686	-

- (a) This corresponds to the refund of income tax for the year 1999 as well as its respective interest by SUNAT. This amount was collected in January 2025.
- (b) In the opinion of the management of the Company and its Subsidiaries, the expected credit loss estimate of other accounts receivable as of December 31, 2024 appropriately covers the credit risk of those items as of those dates.

12. Inventories

This caption comprises the following:

	As of December 31, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Maintenance materials (a)	93,903	-
Oil	19,241	-
Materials in transit	462	-
	113,606	-
Less: Estimate of inventory obsolescence	(7,677)	-
	105,929	-

- (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:

	As of December 31, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Balance as of January 1	-	-
Acquisition through business combination	7,677	-
	7,677	-

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 December 31, 2024.

13. Prepaid Insurance and Expenses

This caption comprises the following:

	Current		Not current	
	As of December 31, 2024	As of December 31, 2023	As of December 31, 2024	As of December 31, 2023
<i>In thousands of soles</i>				
Insurance of representations and guarantees (a)	20,669	-	11,746	-
Prepaid expenses	1,540	-	-	-
Other prepaid expenses	1,012	-	-	-
	23,221	-	11,746	-

- (a) As of December 31, 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 and “all risk” representations and warranties insurance (RWI) that was subscribed in the context of the acquisition of Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.), for the purpose of covering unforeseen losses caused by breaches of the sales contract up to US\$ 100 millions. The coverage ends at May 2030.

14. Investment Projects

As of December 31, 2024, this caption comprises the following renewable energy projects:

	As of December 31, 2024	As of December 31, 2023
<i>In thousands of soles</i>		
Pampa Mórrope	26,186	-
Marcona	846	-
	27,032	-

15. Property, Plant, and Equipment

The movement of cost and accumulated depreciation is presented below:

<i>In thousands of soles</i>	Land	Buildings and other constructions	Power plants	Vehicles	Furniture and fixtures	Various equipment	Work-in- progress	Total
Cost								
Balance as of June 23, 2023	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-	-
Acquisition through business combination	410,039	709,828	6,679,605	3,120	7,026	8,464	842,542	8,660,624
Reclassifications of intangible assets (note 16)	-	-	-	-	-	-	2,776	2,776
Additions	-	410	-	968	-	2	197,702	199,082
Transfers (d)	-	12,811	937,022	-	-	791	(950,624)	-
Decommissioning cost update	-	-	(16,668)	-	-	-	-	(16,668)
Disposals (e)	-	-	(28,075)	-	-	-	(10,050)	(38,125)
Balance as of December 31, 2024	410,039	723,049	7,571,884	4,088	7,026	9,257	82,346	8,807,689
Accumulated depreciation								
Balance as of June 23, 2023	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-	-
Depreciation for the period (a)	-	26,005	231,067	1,392	645	1,539	-	260,648
Disposals	-	-	(13,731)	-	-	-	-	(13,731)
Balance as of December 31, 2024	-	26,005	217,336	1,392	645	1,539	-	246,917
Impairment estimate								
Balance as of September 23, 2023	-	-	-	-	-	-	-	-
Balance as of December 31, 2023	-	-	-	-	-	-	-	-
Additions	-	-	1,762	-	-	-	-	1,762
Disposals	-	-	(9,338)	-	-	-	(8,048)	(17,386)
Balance as of December 31, 2024	-	-	(7,576)	-	-	-	(8,048)	(15,624)
Net carrying amount								
As of December 31, 2023	-	-	-	-	-	-	-	-
As of December 31, 2024	410,039	697,044	7,362,124	2,696	6,381	7,718	90,394	8,576,396

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- (a) Distribution of depreciation was as follows:

<i>In thousands of soles</i>	<i>Note</i>	December 31, 2024	December 31, 2023
Cost of energy generation	26	257,277	-
Administrative expenses	27	3,371	-
		260,648	-

- (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 December 31, 2024, amounted to approximately S/ 2,301,000 (note 26).
- (c) Property, plant, and equipment includes financing costs related to the construction of works in progress. As of December 31, 2024, the Company and Subsidiaries have capitalized interest for S/ 7,888,000 with an average rate of 6.78% (note 30).
- (d) As of December 31, 2024, the Company carried out transfers of works in progress to generating plants for approximately S/ 938,605,000, 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.
- (e) As of December 31, 2024, the Company and Subsidiaries made withdrawals primarily from the sale of a generator and impaired assets.
- (f) Management has evaluated the existence of impairment indicators for the Company and Subsidiaries's property, plant and equipment and has not identified impairment indicators for these assets as of December 31, 2024, except for some fixed assets that were written off due to disuse and impaired by S/ 1,762,000.

16. Intangible Assets

The movement of cost and accumulated amortization is presented below:

<i>In thousands of soles</i>	<i>Note</i>	Customer relationships (note 1(b))	Rights and concessions (a)	Software	Other intangible assets	Intangible assets in progress	Total
Cost							
Balance as of June 23, 2023		-	-	-	-	-	-
Balance as of December 31, 2023		-	-	-	-	-	-
Acquisition through business combination		723,412	22,528	15,242	90	174,899	936,171
Additions (c)		-	-	-	-	38,857	38,857
Reclassifications to property, plant and equipment	15	-	-	-	-	(2,776)	(2,776)
Transfers		-	-	455	-	(455)	-
Sale and/or disposals		-	-	(86)	-	-	(86)
Balance as of December 31, 2024		723,412	22,528	15,611	90	210,525	972,166
Accumulated amortization							
Balance as of June 23, 2023		-	-	-	-	-	-
Balance as of December 31, 2023		-	-	-	-	-	-
Additions (b)		253,659	1,433	3,498	7	-	258,597
Balance as of December 31, 2024		253,659	1,433	3,498	7	-	258,597
Net carrying amount							
As of December 31, 2023		-	-	-	-	-	-
As of December 31, 2024		469,753	21,095	12,113	83	210,525	713,569

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- (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:

<i>In thousands of soles</i>	<i>Note</i>	December 31, 2024	December 31, 2023
Cost of energy generation	26	257,589	-
Administrative expenses	27	1,008	-
		258,597	-

- (c) As of December 31, 2024, the additions correspond primarily to costs related to the implementation of the SAP Hanna system, such as consulting expenses, software licenses, cloud services, and capitalization of personnel costs.
- (d) Intangibles includes direct expenses related to the development of the Technological Transition Project. The methodology applied to capitalize direct personnel expenses is based on the identification of personnel directly involved in the development of this project. The direct expenses capitalized as of December 31, 2024, amounted to approximately S/ 10,944,000 (note 28). As of December 31, 2023, there was no capitalization of direct personnel expenses.
- (e) Management has evaluated the Company's intangible assets for impairment and has identified no indications of impairment for these assets as of December 31, 2024.

17. Other Financial Liabilities

This caption comprises the following:

<i>In thousands of soles</i>	Current portion (*)		Non-current portion (*)		Total outstanding debt as of	
	As of December 31, 2024	As of December 31, 2023	As of December 31, 2024	As of December 31, 2023	As of December 31, 2024	As of December 31, 2023
Creditor						
Corporate bonds						
Third program (a)	1,036	-	36,611	-	37,647	-
Senior unsecured notes due 2034 (c)	60,469	-	4,496,364	-	4,556,833	-
	61,505	-	4,532,975	-	4,594,480	-
Loans						
Term Loan Facility (d)	79,066	-	295,855	-	374,921	-
	79,066	-	295,855	-	374,921	-
Finance lease						
Right-of-use liabilities	3,527	-	12,777	-	16,304	-
	3,527	-	12,777	-	16,304	-
	144,098	-	4,841,607	-	4,985,705	-

(*) Current portion of long-term obligations includes the accrued and unpaid interest on the debt, as well placement and structuring costs paid at the time of the transactions and presented net in the other financial liabilities as of the date of the statement of financial position.

(**) Current portion of long-term obligations includes placement and structuring costs paid at the time of the transactions and presented net in the other financial liabilities as of the date of the statement of financial position.

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

	Currency of origin	Issued amount	Issue date	Annual interest (%)	Interest paid	Maturity date	Current portion (*)		Non-current portion		Total outstanding debt as of	
							2024	2023	2024	2023	2024	2023
<i>In thousands of soles</i>												
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	1,036	-	36,611	-	37,647	-
							1,036	-	36,611	-	37,647	-

(*) 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 December 31, 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) In order to carry out the acquisition of the subsidiaries Orygen Perú S.A.A. and Compañía Energética Veracruz S.A.C., on March 1, 2024 the Company signed a Syndicated Credit Agreement with local and international financial entities, which consisted 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 was 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 Perú S.A.A.

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\$ 429,000,000 for a total of US\$ 1,336,000,000, with a structuring cost of US\$ 29,620,000 (S/ 77,876,000). 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 syndicated loan was cancelled on October 3, 2024 with the funds obtained through the subscription of a US\$ 1,200,000,000 Senior notes and the US\$ 100,000,000 credit facility.

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

Description of Corporate Bonds	Currency of origin	Issued amount	Issue date	Annual interest (%)	Interest paid	Maturity date	Current portion (*)		Non-current portion (**)		Total outstanding debt as of	
							2024	2023	2024	2023	2024	2023
							<i>In thousands of soles</i>					
Senior unsecured notes due 2034	US\$	1,200,000,000	October, 2024	5.746	Semi-annual	October 2034	60,469	-	4,496,364	-	4,556,833	-
							60,469	-	4,496,364	-	4,556,833	-

(*) Current portion of Corporate Bond debt includes the accrued and unpaid interest on the debt for S/ 63,543,000 (US\$ 16,855,000), as well as placement costs paid at the time of the transaction and present net in the Corporate Bond for S/ 3,074,000 (US\$ 826,000) as of the date of the statement of financial position.

(**) Non-current portion of Corporate Bond debt includes the placement costs paid at the time of the transaction and present net in the Corporate Bond for S/ 27,636,000 (US\$ 7,427,000) as of the date of the statement of financial position.

On October 3, 2024, the Company obtained financing for US\$ 1,200,000,000 (S/ 4,465,200,000) through the subscription of an unsecured senior bond, with a placement costs for US\$ 8,400,000 (S/ 31,256,400). This financing was obtained with a fixed interest rate of 5.746% over a maturity of 120 months with semiannual interest payments and amortization at the end of the contract. These funds were used to cancel the syndicated loan (Note 19(b)).

The Bond Indenture contains the following reporting requirements starting at the first quarter of the acquisition date:

- Annual audited consolidated financial statements in English prepared in accordance with IFRS, together with a summary form management's discussion and analysis of the results of operations and financial condition for such fiscal year, within 120 calendar days after the end of such fiscal year.
- Quarterly unaudited consolidated financial statements in English, prepared on a basis consistent with the audited consolidated financial statements of the Issuer and in accordance with IFRS, together with a certificate signed by the Company's CFO, within 60 calendar days after the end of each of the first, second and third fiscal quarters of the Issuer.
- An Officer's Certificate, from its principal executive officer, principal financial officer or principal accounting officer, stating whether or not to the best knowledge of the signer thereof the Issuer is in compliance (without regard to periods of grace or notice requirements) with all conditions and covenants under the Indenture, within 120 calendar days after the end of each fiscal year.

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

<i>In thousands of soles</i>	Currency of origin	Principal amount	Initial date	Annual interest (%)	Interest paid	Maturity date	Current portion (*)		Non-current portion (**)		Total outstanding debt as of	
							2024	2023	2024	2023	2024	2023
Description of Loan												
Term Loan Facility	US\$	100,000,000	October, 2024	SOFR + 2.00%	Semi-annual	October 2027	79,066	-	295,855	-	374,921	-
							79,066	-	295,855	-	374,921	-

(*) Current portion of the term loan facility debt includes the accrued and unpaid interest on the debt for S/ 6,544,000 (US\$ 1,736,000), as well as structuring costs paid at the time of the transaction and presented net in the term loan facility for S/ 2,879,000 (US\$ 774,000) as of the date of the statement of financial position.

(**) Non-current portion of the term loan facility debt includes the structuring costs paid at the time of the transaction and presented net in the term loan facility for S/ 5,745,000 (US\$ 1,544,000) as of the date of the statement of financial position.

On October 3, 2024, the Company obtained financing for US\$ 100,000,000 (S/ 372,100,000) through the subscription of a credit agreement with Banco Santander S.A., BBVA Securities INC., BNP Paribas Securities Corp., Citigroup Global Markets INC., Goldman Sachs Bank USA, JPMorgan Chase Bank NA and Natixis, New York Branch as Joint Lead Arrangers and Joint Bookrunners, with a structuring costs of US\$ 2,500,000 (S/ 9,302,500). This financing was obtained with a SOFR interest rate plus a tiered spread of 2.00% over a maturity of 36 months with semiannual interest payments and amortization starting October 2025. This loan together with the senior notes were used to cancelled syndicated loan used for the acquisition of Orygen Perú S.A.A. (Note 9(d)). This agreement also includes a revolving credit facility for US\$ 150,000,000, with a SOFR interest rate plus a tiered spread of 2.125% over a maturity of 60 months. As of December 31, 2024 this credit facility has not been used. Terms and conditions are as follows:

<i>In thousands of soles</i>	Currency of origin	Principal amount	Initial date	Annual interest (%)	Interest paid	Maturity date
Revolving credit facility	US\$	150,000,000	October, 2024	SOFR + 2.125%	Semi-annual	September 2029

As of December 31, 2024, the main obligation the Company must fulfill during the term of the loan and revolving credit facility is to maintain a consolidated (Company and Subsidiaries described in note 1) leverage ratio measured as the ratio of consolidated net debt to EBITDA of: (i) equal to or less than 4.50 during the period commencing on the Closing Date and ending on and including December 31, 2025, (ii) equal to or less than 5.50 during the period commencing on January 1, 2026 and ending on and including December 31, 2026, (iii) equal to or less than 5.00 during the period commencing on January 1, 2027 and ending on and including December 31, 2027, (iv) equal to or less than 4.75 commencing on January 1, 2028 and ending on an including December 31, 2028, and (v) equal to or less than 4.50 commencing on January 1, 2029 and at any time thereafter. It is important to emphasize, however, that despite that the financial covenant calculation must be performed quarterly; the reporting obligation has annual frequency at the end of the fiscal year. Thus, the last reporting requirement date would be December 31, 2028.

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(e) As of December 31, 2024, the Company and Subsidiaries obtained the following bank loans:

		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
Term loan Facility	USD	03/10/2024	SOFR + 2.00%	100,000	372,100
				529,000	1,971,765

As of December 31, 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	126,700	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	212,880	SOFR 6m + 2.5%	14/05/2024
Syndicated loan	USD	1,279,300	4,760,275	SOFR 6m + 2.5%	03/10/2024
			6,480,175		

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- (f) As of December 31, 2024, the amortization schedule of the non-current portion of long-term debt is as follows:

<i>In thousands of soles</i>	Payout schedule	Amortized cost variation	December 31, 2024
2026	154,024	(5,612)	148,412
2027	154,047	(5,404)	148,643
2028 and over	4,569,105	(24,553)	4,544,552
Final balances	4,877,176	(35,569)	4,841,607

- (g) Debt used for hedging

As of December 31, 2024, the Company's debt in US dollars amounting to US\$ 1,200,000,000 (equivalent to S/ 4,524,000,000) is related to the future cash flows hedge from the Company's business revenue related to the US dollar.

The exchange difference resulting from this debt, net of its tax effect, is recorded in the consolidated statement of changes in equity under 'Cash flow hedges'.

Find below a reconciliation of the hedging reserve in the consolidated statement of other comprehensive income, net of taxes, resulting from the cash flows hedge accounting for foreign exchange risk with non-derivative financial instruments:

<i>In thousands of soles</i>	2024	2023
Cash flow hedge reserve		
Initial balance	-	-
Acquisition through business combination	(15,421)	-
Effective portion of changes in fair value	(48,167)	-
Amount reclassified to "Sales of energy and power" in the consolidated statement of profit or loss	7,351	-
Final balance	(56,237)	-
Deferred income tax		
Initial balance	-	-
Acquisition through business combination	4,551	-
Movement for the year	12,008	-
Final balance	16,559	-
Balance of net change reserves for cash flow hedges at the end of the period	(39,678)	-

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

<i>In thousands of soles</i>	<i>Nota</i>	Financial liabilities	Lease liabilities	Loans from related entities	Additional / Reduced allocated capital	Accumulated results	Non - controlling	Total
Balance as of December 31, 2023		-	-	-	-	(7)	-	(7)
Acquisition through business combination		1,549,491	21,962	-	-	-	-	1,571,453
Changes in cash flows from financing activities								
Cash received for banks loans		1,971,765	-	-	-	-	-	1,971,765
Cash received for loans to related entities		-	-	64	-	-	-	64
Capital Increase		-	-	-	2,230,214	-	-	2,230,214
Proceeds from bond issuance		4,465,200	-	-	-	-	-	4,465,200
Payments								
Cash paid for bank loans		(6,480,175)	-	-	-	-	-	(6,480,175)
Payment of interest		(192,925)	-	-	-	-	-	(192,925)
Capital reduction		-	-	-	(483,097)	-	-	(483,097)
Lease liabilities amortization		-	(5,712)	-	-	-	-	(5,712)
Payment of dividends (non-controlling interests)		-	-	-	-	-	(64,778)	(64,778)
Net payment of derivate financial instruments		(142,863)	-	-	-	-	-	(142,863)
Commissions paid for obtaining a revolving credit facility		(31,256)	-	-	-	-	-	(31,256)
Commissions paid for the issuance of bonds		(9,303)	-	-	-	-	-	(9,303)
Commissions paid for obtaining syndicated loans		(77,876)	-	-	-	-	-	(77,876)
Total changes from financing cash flows		(497,433)	(5,712)	64	1,747,117	-	(64,778)	1,179,258
Effect of changes in foreign exchanges rates		229,259	(287)	-	-	-	-	228,972
Interest expense		268,311	341	-	-	-	-	268,652
Total profit for the period		-	-	-	-	487,240	40,433	527,673
Portion of the Syndicated loan disbursed by the borrowers to the Lima Stock Exchange as part of the purchase of shares of Orygen	<i>1.C.i</i>	3,419,773	-	-	-	-	-	3,419,773
Total changes related to equity		-	-	-	-	-	635,585	635,585
Ending liability balance as of December 2024		4,969,401	16,304	64	1,747,117	487,233	611,240	7,831,359

18. Trade Accounts Payable

This caption comprises the following:

<i>In thousands of soles</i>	As of December 31, 2024	As of December 31, 2023
Suppliers of work-in-progress	134,030	-
Provisions for energy and power (b)	107,561	-
Power plant maintenance contract	45,488	-
Provisions for gas supply, transportation, and distribution (c)	30,909	-
Insurance payable	3,347	-
Inventories suppliers	310	-
Other	25,542	-
	347,187	-

- (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 December 31, 2024, correspond to purchases from suppliers in December 2024, whose invoices were received mainly in January 2025.
- (c) Provisions for gas supply, transportation and distribution as of December 31, 2024 correspond to purchases from suppliers in December 2024, whose invoices were received mainly in January 2025.

19. Other Accounts Payable

This caption comprises the following:

<i>In thousands of soles</i>	As of December 31, 2024		As of December 31, 2023	
	Current	Non-current	Current	Non-current
Accounts payable for anticipated collections - COES (b)	124,354	-	-	-
Employees' profit sharing	24,022	-	-	-
Sales Tax	17,640	-	-	-
Electricity social compensation fund	15,904	-	-	-
Energy social inclusion fund	12,191	-	-	-
Tax fines	10,751	-	-	-
Exceptional voluntary retirement program (c)	6,849	-	-	-
Seniority awards (d)	-	6,704	-	-
Remunerations and other benefits payable	5,609	-	-	-
Contributions to regulatory bodies	4,405	-	-	-
Taxes	2,831	-	-	-
Derivative financial instruments	2,055	-	-	-
Others	15,674	-	7	-
	242,285	6,704	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 2024. Management expects this payment will be settled during the 2025 tariff period.

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- (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.

20. Contract Liabilities

As of December 31, 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, which has an effective term of thirty (30) years.

In December 31, 2024 the accrued income of S/ 1,514,000 was recognized in 'other income' (note 29).

21. Other Provisions

This caption comprises the following:

<i>In thousands of soles</i>	As of December 31, 2024	As of December 31, 2023
Decommissioning of plants	47,492	-
Contingencies	8,877	-
	56,369	-
By maturity term		
Current portion	8,877	-
Non-current portion	47,492	-
	56,369	-

22. Deferred Income Tax Liabilities

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

<i>In thousands of soles</i>	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 December 31, 2024
Assets					
Provision for inventory obsolescence	-	2,268	(3)	-	2,265
Provision for decommissioning of power plants	-	32,838	(4,798)	-	28,040
Provision of project execution guarantee	-	13,961	(189)	-	13,772
Right-of-use liabilities	-	7,075	(1,751)	-	5,324
Employee benefits	-	4,628	860	-	5,488
Other provisions	-	19,036	(7,784)	-	11,252
Cash flow hedge	-	(168)	(12,769)	13,755	818
Liabilities					
Difference in depreciation rates	-	760,249	75,173	-	835,422
Other non-financial assets	-	6,464	(6,464)	-	-
Property, Plant, and Equipment	-	1,032,167	(33,463)	-	998,704
Investment Projects	-	3,495	-	-	3,495
Intangibles	-	244,719	(68,596)	-	176,123
Inventories	-	4,157	(399)	-	3,758
Other provisions	-	14,562	-	-	14,562
Other Financial Liabilities	-	967	-	-	967
Deferred liabilities, net	-	(1,987,142)	7,315	13,755	(1,966,072)

23. Equity

A. Issued capital

As of December 31, 2024, the Company's issued capital is represented by 1,747,117,398 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 December 31, 2024, the ownership structure of the Company's capital was as follows (see note 1):

<i>In thousands of soles</i>	As of December 31, 2024		As of December 31, 2023	
	Number of shares	Total shareholding (%)	Number of shares	Total shareholding (%)
Niagara Generation S.A.C.	1,746,942,685	99.99	299	99.70
Niagara Holding S.A.R.L.	174,713	0.01	1	0.30
	1,747,117,398	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 S/ 2,230,214,000 (equivalent to US\$ 607,522,000) 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 S/ 223,747,000 (equivalent to US\$ 60,018,000) through return of contributions. The issued share capital was reduced from S/ 2,230,214,000 to S/ 2,006,467,000. 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.

On December 11, 2024, the General Shareholders' Meeting approved to reduce the share capital by S/ 259,350,000 (equivalent to US\$ 70,000,000) through return of contributions. The issued share capital was reduced from S/ 2,006,467,400 to S/ 1,747,117,400. The number of shares was reduced from 2,006,467,398 to 1,747,117,398 and was maintained at a nominal value of S/ 1.00.

B. Declared and paid dividends

Below are the dividends declared as of December 31, 2024, by the Board of Directors of Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.):

<i>In thousands of soles</i>	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
Board of Directors Session	On account for fiscal year 2024	October 29	239,405
			636,251

As of December 31, 2024, the non-controlling interest' shareholders received dividends amounting to S/ 64,778 thousand.

24. Non- Controlling Interest

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

<i>In thousands of soles</i>	Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.)	Chinango S.A.C	Intragroup eliminations	Total
December 31, 2024				
NCI percentage	7.65%	26.12%	-	-
Current assets	1,051,019	122,664	-	1,173,683
Non-current assets	8,561,112	947,314	(187,718)	9,320,709
Current liabilities	(610,974)	(67,189)	-	(678,163)
Non-current liabilities	(3,391,625)	(247,063)	-	(3,638,688)
Net assets	5,609,533	755,726	(187,718)	6,177,541
Carrying amount of NCI	429,129	197,396	(15,285)	611,240
Revenues	1,689,581	182,757	-	1,872,338
Profit	424,755	49,147	(64,302)	409,600
OCI	8,687	704	-	9,391
Net income attributable to NCI	32,494	12,837	(4,898)	40,433
OCI attributable to NCI	665	184	-	849
Cash flows from operating activities	783,475	126,897	-	910,372
Cash flows from investing activities	(60,125)	(12,063)	-	(72,188)
Dividends paid to NCI	(64,778)	-	64,778	-
Cash flows from financing activities	(677,944)	(80,076)	-	(758,020)
Effect of changes in the exchange rate	(1)	-	-	(1)
Net increase (decrease) in cash equivalents	(19,373)	34,758	64,778	80,163

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

25. 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.

<i>In thousands of soles</i>	Period ended	
	2024	2023
Revenue from ordinary activities	1,863,163	-
	1,863,163	-

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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.

<i>In thousands of soles</i>	Period ended	
	2024	2023
Sales of energy and power		
Third parties	1,848,339	-
Compensations		
Third parties	20,760	-
Other expenses	(5,936)	-
	1,863,163	-

C. Delivered but unbilled energy

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

<i>In thousands of soles</i>	Note	2024	2023
Accounts receivable that are included in 'trade accounts receivable'	9	311,922	-

26. Cost of Energy Generation

This caption comprises the following:

<i>In thousands of soles</i>	Note	Period ended	
		2024	2023
Natural gas supply, transportation, and distribution		307,943	-
Amortization	16(b)	257,589	-
Depreciation	15(a)	257,277	-
Purchase of energy		202,153	-
Third party services		85,575	-
Personnel expenses	28(a)	56,274	-
Various charges for operations and other		46,390	-
Water levy and electricity sector taxes		27,747	-
Consumption of various supplies		14,298	-
Taxes		4,131	-
Oil consumption		1,003	-
Personnel expenses directly related to work-in-progress	15(b)	(2,301)	-
Personnel expenses directly related to intangible assets in progress	16(d)	(7,008)	-
		1,251,071	-

27. Administrative Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Period ended	
		2024	2023
Legal advisory (a)		77,314	-
Third party services (c)		57,680	-
Personnel expenses	28(a)	32,760	-
Insurance services (b)		1,730	-
Taxes		2,111	-
Depreciation	15(a)	3,371	-
Amortization	16(b)	1,008	-
Expected credit (recovery) loss estimate	9(c)	100	-
Personnel expenses directly related to intangible assets in progress	16(d)	(3,936)	-
Various charges for operations and other		4,654	-
		176,792	-

- (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.
- (c) It corresponds to expenses for administrative services provided by Enel Group entities, preventive and extraordinary maintenance services at wind and solar power plants, as well as expenses associated with the credit evaluation service.

28. Personnel Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Period ended	
		2024	2023
Employees' profit sharing		39,012	-
Remunerations		26,264	-
Exceptional voluntary retirement program		8,204	-
Social contributions		5,152	-
Vacations		3,424	-
Personnel expenses directly related to work-in-progress	15(b)	(2,301)	-
Personnel expenses directly related to intangible assets in progress	16(d)	(10,944)	-
Other		6,978	-
		75,789	-

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(a) Personnel expenses are distributed as follows:

<i>In thousands of soles</i>	<i>Note</i>	Period ended	
		2024	2023
Cost of energy generation	26	56,274	-
Administrative expenses	27	32,760	-
Personnel expenses directly related to work-in-progress		(2,301)	-
Personnel expenses directly related to intangible assets in progress		(10,944)	-
		75,789	-

29. Other Income and Expenses

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	Period ended	
		2024	2023
Other income			
Compensation for material damage and loss of profit (a)		11,255	-
Fines to suppliers (b)		8,585	-
Compensation for the use of hydraulic facilities	20	1,514	-
Related party management services		60	-
Other		9,371	-
		30,785	-
Other expense			
Estimate of impairment of tangible assets	15(f)	(1,762)	-
Other		(394)	-
		(2,156)	-

(a) Corresponds to compensation for cell failure at the Wayra wind power plant.

(b) Mainly corresponds to interest generated by the refund of the fine related to the 1999 income tax assessment.

30. Finance Income and Costs

This caption comprises the following:

<i>In thousands of soles</i>	Period ended	
	2024	2023
Finance income		
Interest on tax refunds	38,029	-
Exchange difference, net	32,605	-
Interest on bank deposits	14,716	-
Late charges and interest	1,418	-
	86,768	-

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<i>In thousands of soles</i>	<i>Note</i>	Period ended	
		2024	2023
Finance costs			
Interest on bank loans		202,671	-
Loss on derivative financial instruments		125,845	-
Commissions paid for obtaining syndicated loans		111,042	-
Interest on bonds		65,640	-
Interest expense for lease liabilities		6,937	-
Commitment fees		3,052	-
Decommissioning update		1,720	-
Provisions and contingencies update		61	-
Interest capitalization	15(c)	(7,888)	-
Other		24,421	-
		533,501	-

31. Tax Position

Tax rates

- A. The Company and Subsidiaries are subject to Peruvian tax regime. As of December 31, 2024, and 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 December 31, 2024 the Company have determined an income tax of S/ 162,509,000.

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:

<i>In thousands of soles</i>	<i>Note</i>	Period ended	
		2024	2023
Current		169,824	-
Deferred	22	(7,315)	-
		162,509	-

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

<i>In thousands of soles</i>	As of December 31, 2024		As of December 31, 2023	
Profit before tax	690,182	100.00%	-	-
Theoretical income tax	203,604	29.50%	-	-
Tax effect of non-taxable income and non-deductible expenses				
Purchase price allocation	(198,530)	(28.76%)	-	-
Financial expenses related to the loan for the purchase of shares	109,493	15.86%	-	-
Legal fees related to the purchase of shares	21,259	3.08%	-	-
Effect of loans destined to share purchases	11,744	1.70%	-	-
Impairment due to technological obsolescence	4,065	0.59%	-	-
Expenses assumed from subsidiaries	3,369	0.49%	-	-
Tax contingencies	3,172	0.46%	-	-
Other non-deductible expenses	4,333	0.63%	-	-
Income tax expenses	162,509	23,55%	-	-

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 December 31, 2024 and 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 to 2023 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 2019 to December 2023 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 December 31, 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).

32. Contingencies

Subsidiary Orygen Perú S.A.A. (formerly Enel Generación Perú S.A.A.) and its Subsidiary Chinango 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/ 79,564,000 as of December 31, 2024.

In Management's opinion and the legal advisors, these court actions will not result in significant additional liabilities (note 21) to the consolidated financial statements as of December 31, 2024 and 2023.

33. Events after the Reporting Period

From December 31, 2024, to the date of this report, the following significant event has occurred that not affect the consolidated financial statements:

On March 28, 2025, Orygen's Shareholders Meeting approved the distribution of supplementary dividends for fiscal year 2024 in the amount of S/ 176,068,000. The payment will be made on April 25, 2025.