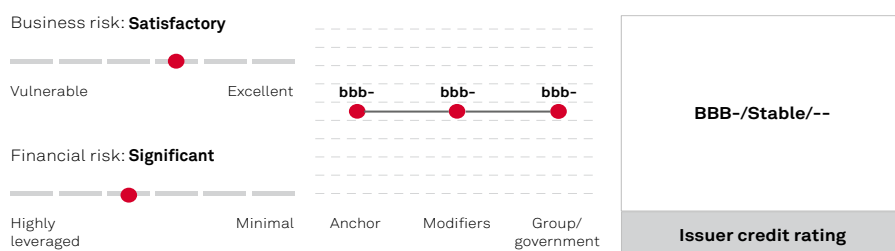


Niagara Energy S.A.C.

September 17, 2025

This report does not constitute a rating action.

Ratings Score Snapshot



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Credit Highlights

Overview

Key strengths

A highly contracted and diversified portfolio, with firm capacity as well as renewable technologies with creditworthy off-takers.

Future capacity expansion that will reinforce Orygen's position as the leading renewable energy producer in Perú.

A robust competitive position as the second-largest energy generator in Perú, servicing about 14% of the country's energy demand as of July 2025.

Key risks

Exposure to energy purchases in adverse conditions, which could harm the EBITDA margin.

Exposure to weather conditions, since almost two-thirds of its capacity is renewable.

Niagara Energy S.A.C. will ensure consistent revenue generation because of its contracted energy, which will remain stable, in our view, over the next 12-24 months. We think the company's power purchase agreements (PPAs) provide visibility on pricing and the energy to be sold for the short-to-medium term, leading to stable, predictable cash flow. The PPAs (which had a weighted average life of about 6.5 years as of June 2025) are U.S. dollar-denominated or linked to U.S. inflation, and they're contracted with creditworthy customers.

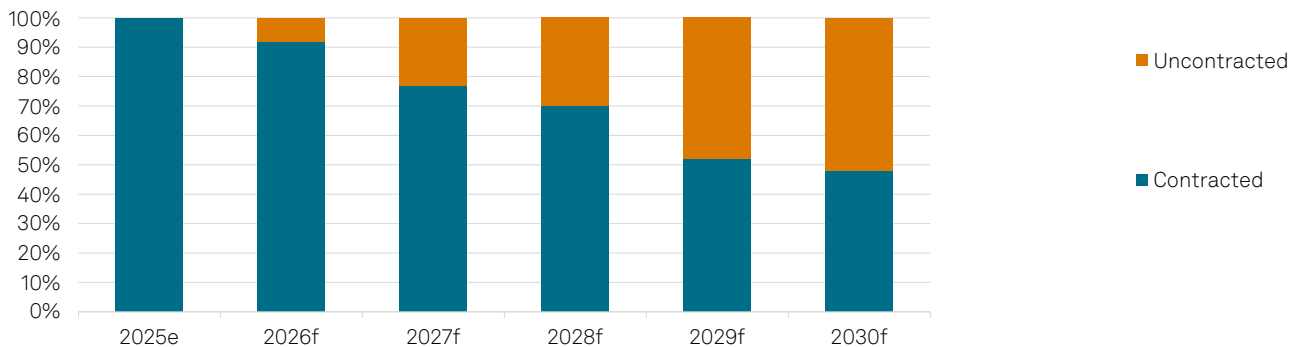
However, the company’s position as a net energy purchaser relies on favorable commercial and market conditions, which help to secure purchases from third parties. Under our base case, we estimate purchases at approximately US\$40 per megawatt-hour (MWh) and selling rates between US\$45 per MWh and US\$50 per MWh over the next 24 months, which would secure a favorable margin for the company in the short term.

Niagara’s contracting strategy is designed to reduce exposure to weather-related and market-driven variability. The company maintains sales targets below its firm energy capacity of approximately 13 terawatt-hours, in line with historical availability across hydro, wind, and solar assets. The Santa Rosa open-cycle plant remains largely uncontracted, providing flexibility to respond to peak demand and market price fluctuations.

However, climate variability--such as changes in hydrology or wind patterns--could affect the consistency of renewable generation. While internal generation can substitute for market purchases during such periods, the effectiveness of this approach may vary depending on system conditions and asset availability.

In our base case, we project 2025 adjusted EBITDA of about US\$450 million (about PEN1.6 billion) and 2026 adjusted EBITDA of about US\$350 million (about PEN1.2 billion), consistent with previous projections. This would support a weighted-average debt-to-EBITDA ratio of about 2.9x and a funds from operations-to-debt ratio of 28%, with potential for improvement in the near term due to reduced gross debt.

The share of Niagara's power generation that's contracted will remain high over the next 12-24 months



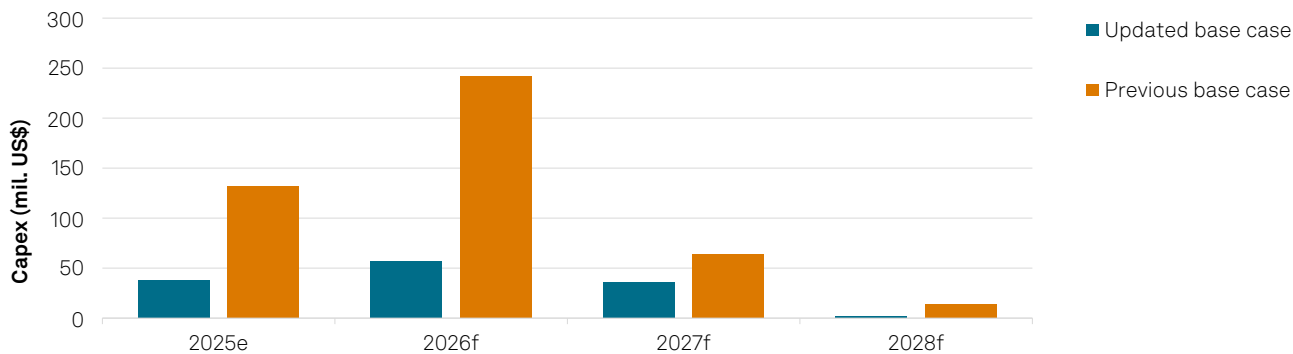
Data reflects contracts signed as of June 2025. e--Estimate. f--Forecast. Source: S&P Global Ratings.

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With respect to future projects, Niagara is revising its capital allocation strategy by shifting the Morrope wind farm. Unlike in its previous plans, the company is now considering either a full divestment or entering into a joint venture with a minority stake, complemented by a long-term PPA to secure a portion of the energy output. However, the company still plans to achieve a commercial operation date (COD) for the Wayra Solar project (96 megawatts) by the fourth quarter of 2026. This would expand its solar capacity to 350 megawatts and consolidate Niagara’s position as the leading nonconventional energy producer in the country.

The less demanding capital expenditure in the short term will improve Niagara’s cash flow metrics--mainly our free operating cash flow-to-debt payback ratio, especially in 2026 (to about 12% from -3%).

Less demanding capital expenditure for growth in the short-to-medium term will improve Niagara's cash flow metrics



Data as of June 2025. e--Estimate. f--Forecast. Source: S&P Global Ratings.
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Outlook

The stable outlook on Niagara reflects our expectation that it will maintain a conservative financial policy, based on the sponsor's commitment to keeping a balanced dividend distribution. We expect relatively stable cash flow in the next two years because of the company's highly contracted profile, which should bring net debt to EBITDA to 2x-3x and funds from operations (FFO) to debt above 20%.

Downside scenario

We could lower the ratings if the company's financial metrics deteriorate, with FFO to net debt dropping below 20%. This could occur if the company, for example, implements any debt-financed capex or shifts to an aggressive dividend policy in 2025 and 2026--which we don't anticipate in our base case.

We may also lower the ratings if we think the company's financial policy has become more aggressive.

Upside scenario

We could upgrade Niagara if net debt to EBITDA improves to be consistently below 3x and FFO to debt improves to be consistently above 30%. This could happen if the company considerably reduces its leverage and assumes a more conservative financial policy (such as with respect to dividend payments) to preserve cash flow, which would be seen in debt to EBITDA of 2x and FFO to debt consistently above 30%.

Our Base-Case Scenario

Assumptions

- GDP growth in Peru of 2.9% in 2025, 2.7% in 2026, and 2.9% in 2027. We see GDP growth as a relevant variable for the generation business, since energy demand typically shifts with growth.
- An inflation rate in Peru of 1.9% in 2025, 2.3% in 2026, and 2.5% in 2027, and an inflation rate in the U.S. of 2.9% in 2025, 2.8% in 2026, and 2.4% in 2027. Many of the company's contracts have price adjustments that are tied to U.S. inflation, and some of the selling, general, and administrative costs (like salaries and compensation) are linked to inflation in Peru.
- Average exchange rate of Peruvian nuevo sol (PEN) 3.7 per US\$1 in 2025, PEN3.8 per US\$1 in 2026, and PEN3.8 per US\$1 in 2027. Although contracts are set in U.S. dollars, some of the company's costs are denominated in local currency.
- Total energy generation of between 9,800 gigawatt-hours (GWh) and 9,900 GWh for the next 24 months, and about 10,000 GWh going forward.
- Total debt of about US\$1.3 billion in 2025, and decreasing in subsequent years as it amortizes.
- Capex of US\$84 million in 2025, US\$110 million in 2026, and US\$90 million in 2027.

Sources: "[Economic Outlook Emerging Markets Q3 2025: Tariffs' Direct Impact Is Modest So Far, But Indirect Effect Will Feed Through](#)," June 24, 2025, and "[Economic Outlook U.S. Q3 2025: Policy Uncertainty Limits Growth](#)," June 24, 2025.

Key metrics

Niagara Energy S.A.C.--Forecast summary

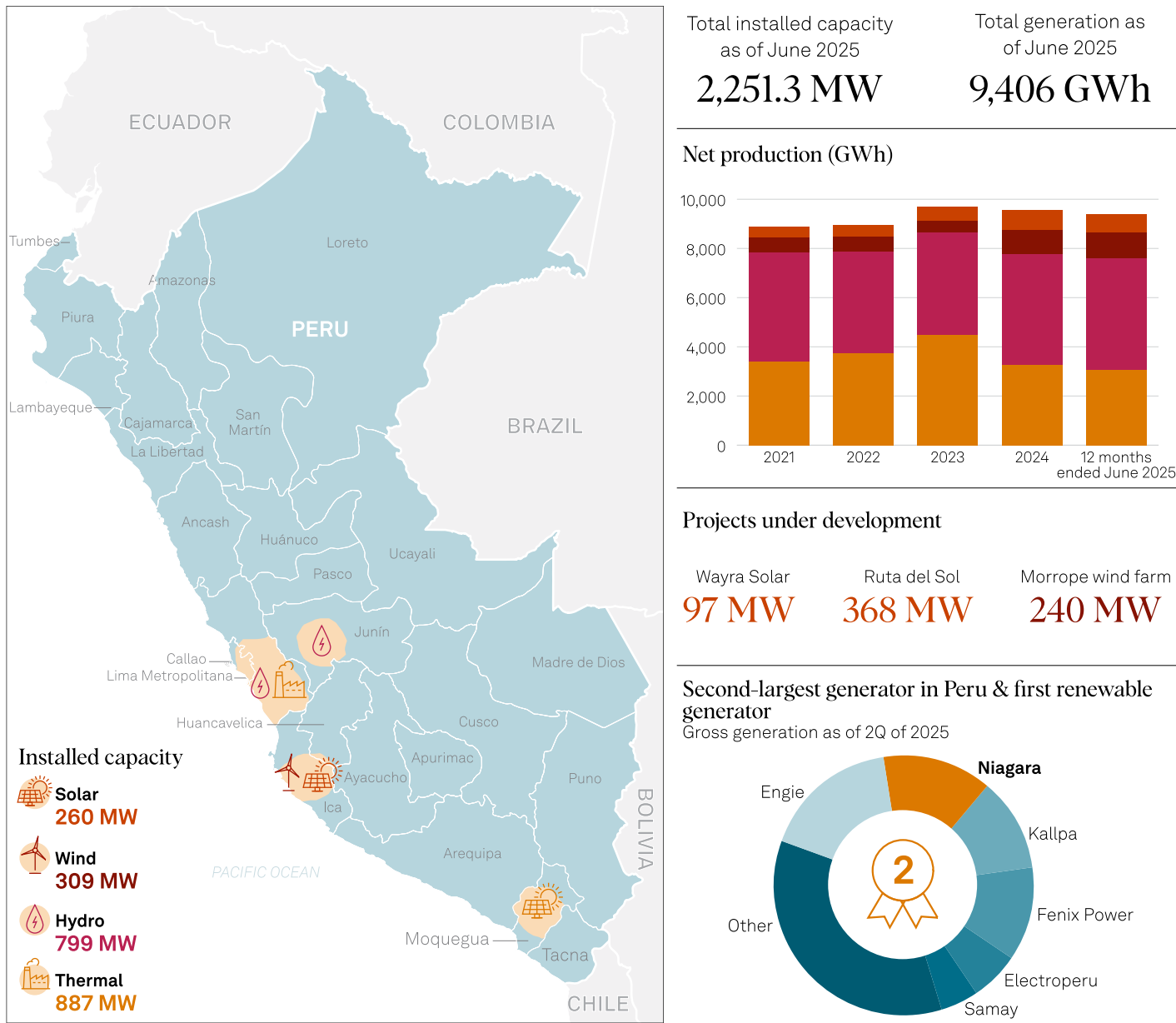
Period ending	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027
(Mil. PEN)	2024a	2025e	2026f	2027f
Revenue	2,849	2,800-2,900	2,500-2,600	2,500-2,600
EBITDA	1,612	1,600-1,700	1,400-1,500	1,300-1,400
Funds from operations (FFO)	1,049	1,000-1,100	800-900	800-900
Capital expenditure	285	300-350	400-450	350-400
Adjusted ratios				
Debt/EBITDA (x)	2.4	2.5-3.0	3.0-3.5	3.0-3.5
FFO/debt (%)	40.9	23-25	19-21	19-21
FFO cash interest coverage (x)	5.6	4-5	3-4	3-2

Company Description

In November 2023, Actis LLP (not rated)--through its fully owned Peruvian special purpose vehicle, Niagara Energy S.A.C.--executed a share purchase agreement to acquire 100% of Enel SpA's indirect interest in Enel Generación Perú S.A.A. (now Orygen Perú S.A.A.). Niagara is the holding company, and through it, the infrastructure fund manages the operation of its energy portfolio in Peru, which includes 13 power plants.

Actis is one of the most active global sustainable infrastructure investors in Latin America. As of December 2023, the group has deployed US\$3.2 billion across 17 investments, totaling 20 gigawatts (GW) of installed capacity in the region.

Niagara Energy's diversified asset base combines firm capacity and renewable energy



MW--Megawatt. GWh--Gigawatt-hour. Sources: Orygen Perú S.A.A. and S&P Global Ratings. Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

Peer Comparison

We selected unregulated power generation companies based in Latin America as peers for Niagara, such as Enel Chile S.A., Colbun S.A., and Isagen S.A. E.S.P. All of these companies, like Niagara, benefit from their highly contracted nature and from having long-term PPAs with

Niagara Energy S.A.C.

creditworthy counterparties, both regulated and unregulated (meaning distribution companies or private players).

In addition, all of the companies have a high share of renewable capacity: about 78% for Enel, 100% for Isagen (mostly hydro), and about 45% for Colbun.

Enel Chile is the largest utility of these entities, with about 8.9 GW of installed capacity and operations in the distribution segment. Colbun benefits from geographic diversification, since it operates in Chile and Peru. Isagen plans to continue its investments in nonconventional renewable energy, so that it's less exposed to hydrological conditions.

The higher rating on Enel Chile, relative to the rating on Niagara, reflects the ongoing support it receives from its parent company, Enel SpA. Similarly, the higher rating on Colbun reflects lower debt-to-EBITDA expectations (closer to 2x) and higher FFO to debt (about 30%). On the other hand, the lower rating on Isagen compared with the rating on Niagara reflects the cap imposed by the Colombia sovereign rating, as well as our view that it operates in a highly regulated sector.

Niagara Energy S.A.C.--Peer Comparisons

	Niagara Energy S.A.C.	Enel Chile S.A.	Colbun S.A.	Isagen S.A. E.S.P.
Foreign currency issuer credit rating	BBB-/Stable/--	BBB/Stable/--	BBB/Stable/--	BB/Negative/--
Local currency issuer credit rating	BBB-/Stable/--	BBB/Stable/--	BBB/Stable/--	BB/Negative/--
Period	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2024-12-31	2024-12-31	2024-12-31
Mil.	\$	\$	\$	\$
Revenue	759	4,011	1,576	1,384
EBITDA	429	729	642	691
Funds from operations (FFO)	280	241	415	321
Interest	72	307	88	291
Cash interest paid	50	292	87	296
Operating cash flow (OCF)	222	1,269	378	314
Capital expenditure	76	602	236	22
Free operating cash flow (FOCF)	146	666	142	293
Discretionary cash flow (DCF)	157	319	7	120
Cash and short-term investments	113	405	775	102
Gross available cash	113	405	775	102
Debt	1,310	3,577	1,524	2,372
Equity	930	5,358	3,230	1,262
EBITDA margin (%)	57	18.2	40.8	49.9
Return on capital (%)	26.6	5.5	9.3	17.5
EBITDA interest coverage (x)	8.6	2.4	7.3	2.4
FFO cash interest coverage (x)	5.6	1.8	5.8	2.1
Debt/EBITDA (x)	3.1	4.9	2.4	3.4
FFO/debt (%)	21.3	6.7	27.3	13.5
OCF/debt (%)	17	35.5	24.8	13.3
FOCF/debt (%)	11.1	18.6	9.3	12.3
DCF/debt (%)	12	8.9	0.5	5.1

Business Risk

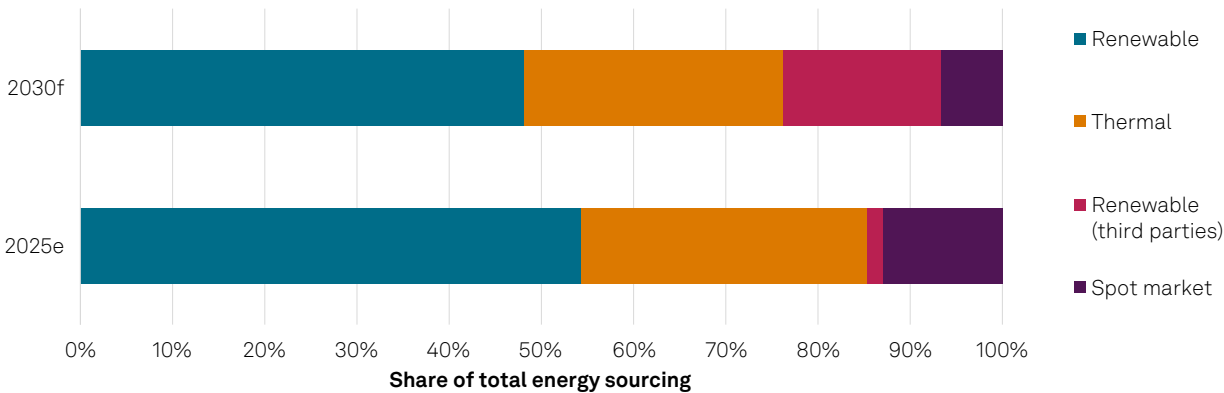
Niagara's business risk profile reflects its solid competitive position in energy generation, as well as its diverse renewable portfolio. We expect that Niagara will maintain both its position as the second-largest energy generator in the country and its leading position in nonconventional renewable generation. The company achieved an installed capacity of about 2.25 GW by the end of 2024, after the completion of the extension of the Wayra wind farm (177 megawatts) and the completion of the Clemesí solar plant (144.9 megawatts).

Going forward, we expect that Niagara's position as the leading nonconventional energy generator will consolidate with its current pipeline of renewable projects such as Wayra Solar, which is early in the construction phase and is expected to start operations by the end of 2026.

We also consider its relatively stable and predictable revenue stemming from long-term PPAs as a strength. Niagara's contracts are dollar-denominated or linked to U.S. inflation, and they have an average duration of about 6.5 years, which we view as a credit positive. As of June 2025, the company has secured 100% of its contractable energy for 2025 and above 90% for 2026.

An offsetting factor is the company's exposure to spot markets and third-party acquisitions in the medium term. Historically, it has acquired roughly 10% of its contracted capacity. But the company's sourcing strategy should mitigate this, since it considers favorable market conditions (that is, low spot prices) as well as acquisitions from joint venture projects such as Ruta del Sol and Morrope, which should achieve CODs in about 2027 and 2028, respectively.

Niagara will focus its sourcing strategy toward renewable energy



Data as of June 2025. e--Estimate. f--Forecast. Source: S&P Global Ratings.

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Moreover, Niagara has a diversified customer base, selling electricity to distribution companies, government-related entities, and large industrial companies--mostly in metals and mining, the largest industrial sector in the country. Therefore, we don't expect it to have any considerable counterparty exposure in its contracts.

Financial Risk

Niagara's financial risk profile continues to reflect its stable and predictable cash flows due to its long-term PPAs, which have an average life of 6.5 years. We expect the company to post

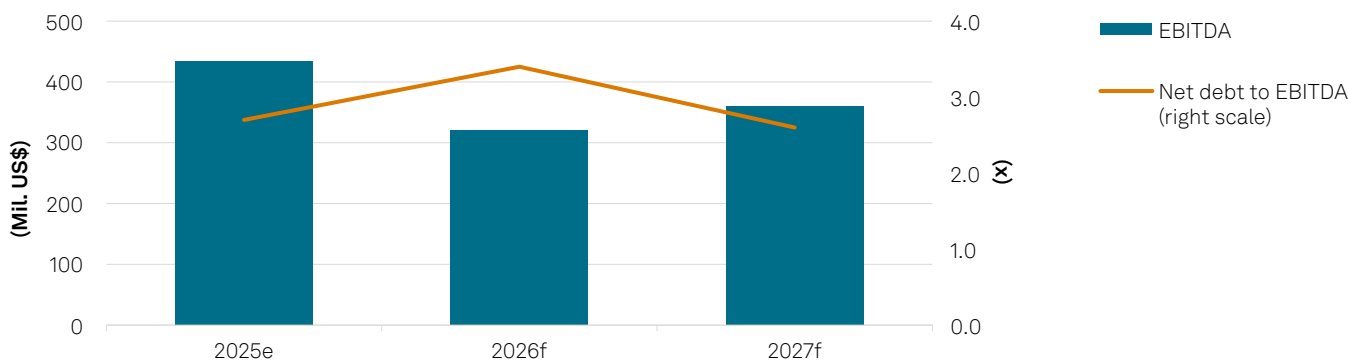
relatively stable EBITDA of about US\$450 million in 2025, with EBITDA falling to about US\$350 million in 2026 as higher-priced PPAs expire.

Our rating also incorporates our expectation that Niagara will revise its capital allocation strategy, which would lead to less-than-expected capex. As part of its updated business plan, the company is evaluating strategic options for the 240-megawatt Morrope wind farm project, including either a full divestment or entering into a joint venture with a minority stake, complemented by a long-term PPA to secure a portion of the energy output. Still, the company plans to achieve a COD for the Wayra Solar project by the fourth quarter of 2026.

Our base case assumes that Niagara will post debt to EBITDA of about 3.0x and FFO to debt of 25%-30%, with potential for improvement in the near term due to reduced gross debt. Additionally, the less demanding capex in the short term will improve Niagara’s cash flow metrics--mainly in our free operating cash flow-to-debt payback ratio (especially in 2026, to about 12% from -3%).

We also expect the company to pursue a prudent financial strategy of dividend distribution and flexibility in capex only if cash is available after it meets all of its financial obligations.

Net leverage is expected to remain around 2x-3x over the next few years



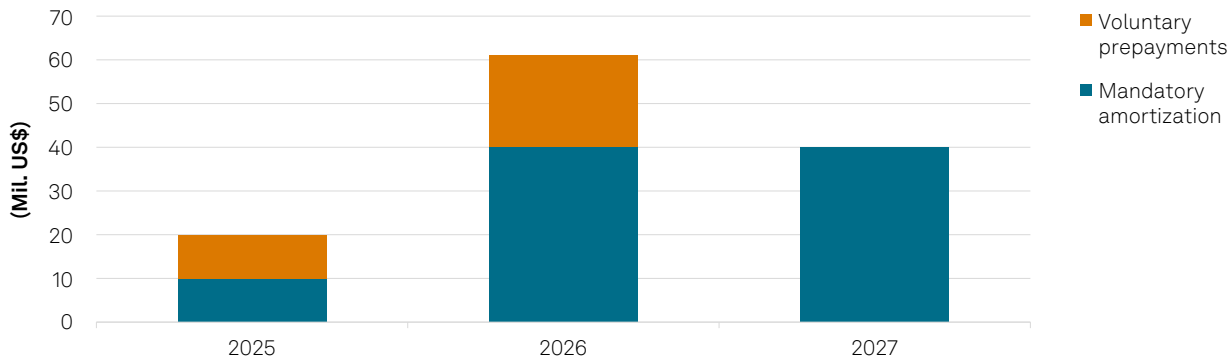
e--Estimate. f--Forecast. Source: S&P Global Ratings.

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Debt maturities

Niagara won’t face significant maturities in the next 12-24 months that could jeopardize its liquidity. Mandatory amortizations will rise to about US\$100 million in the next two years, and the company plans on voluntarily amortizing roughly US\$30 million during that period, which demonstrates the flexibility in its capital allocation.

Niagara is optimizing its capital structure with minimal mandatory payments and voluntary payments



Source: S&P Global Ratings.

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Liquidity

We continue to view Niagara's liquidity as adequate, because we expect that the liquidity sources-to-liquidity uses ratio will be above 1.2x over the next 12 months, and we believe it would remain positive even if forecast EBITDA were to decline by 15%.

Niagara has sound relationships with banks, as seen in its available committed credit lines (including a US\$150 million revolving credit facility as of June).

Principal liquidity sources	Principal liquidity uses
- Cash and cash equivalents of PEN436.4 million as of June 2025 - Expected cash FFO of about PEN1 billion in the next 12 months - Undrawn bank lines of about PEN562 million (about US\$150 million)	- Debt amortization of PEN189.4 million - Working capital outflows of about PEN150 million - Capex of about PEN370 million in the next 12 months - Dividend payments of about PEN500 million

Covenant Analysis

Requirements

Niagara's financial debt has financial covenants, which include a maximum leverage ratio of about 4.5x in 2025, 5.5x in 2026, 5.0x in 2027, 4.75x in 2028, and 4.5x in 2029.

Compliance expectations

We expect the company to remain in compliance with the financial covenants during the next 12 months, even if its EBITDA falls 15% from our base-case scenario.

Environmental, Social, And Governance

Environmental factors are a moderately negative consideration in our credit rating analysis of Niagara, reflecting its exposure to climate change, especially with respect to hydrology conditions. We view Niagara as being well positioned with respect to the energy transition, as it's the leading company in Peru in terms of nonconventional installed capacity.

Social factors have an overall neutral influence on the ratings on Niagara. We monitor social capital factors as potential areas of concern, since they're linked to potential changes in the government and its policies for the energy industry.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of June 2025, Niagara's capital structure consisted of PEN4.28 billion in 5.746% senior unsecured notes due 2034 and a PEN351 million term loan facility due 2027 with a rate of SOFR plus 2%.

Analytical conclusions

The rating on Niagara's senior unsecured notes is at the same level as the issuer credit rating.

Rating Component Scores	
Foreign currency issuer credit rating	BBB-/Stable/--
Local currency issuer credit rating	BBB-/Stable/--
Business risk	Satisfactory
Country risk	Moderately High
Industry risk	Moderately High
Competitive position	Satisfactory
Financial risk	Significant
Cash flow/leverage	Significant
Anchor	bbb-
Modifiers	
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Neutral (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bbb-

Related Criteria

- [Criteria | Corporates | General: Sector-Specific Corporate Methodology](#), July 7, 2025
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024

- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Ratings Detail (as of September 17, 2025)*

Niagara Energy S.A.C.	
Issuer Credit Rating	BBB-/Stable/--
Senior Unsecured	BBB-

Issuer Credit Ratings History

25-Sep-2024	BBB-/Stable/--
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*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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