Generadora Gatún, S.A.

Q2-2026

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED JUNE 30, 2026,
COMPARED TO THE PERIOD ENDED JUNE 30, 2025

Generadora Gatún

The following report is presented in compliance with the Indenture dated as of May 4, 2026, entered into by GENERADORA DE GATÚN, S.A., as Issuer, and CITIBANK, N.A., as Trustee, Registrar, Transfer Agent, Paying Agent and Collateral Agent.

Under Section 4.07(b)(ii), the Issuer shall provide within 60 days of the end of the first three Fiscal Quarters of each Fiscal Year unaudited consolidated quarterly financial statements of the Issuer (including a balance sheet, statement of comprehensive income and cash flow statement). The quarterly financial statements will be accompanied by a brief narrative overview of the results of operations and financial condition of the Issuer.

CONTENT

GENERADORA DE GATÚN: The Issuer

Unaudited Financial Statements:

GATÚN: THE ISSUER

I. OPERATIONAL HIGHLIGHTS

OPERATIONAL DATA	**2026**	**2025**	**Var**	**%**
Energy Balance (GWh)				
Generation	1,401.69	960.05	441.6	46%
Sales through PPA	1,110.65	1,109.67	1.0	0%
Sales through Spot / MER	436.39	228.60	207.8	91%
Loss Transmission (Compensation)	35.72	28.29	7.4	26%
Spot / MER Purchases	181.07	406.50	(225.4)	-55%
Capacity (MW)				
Contracted Capacity	400.00	400.00	-	0%
Spot Capacity Sales	4.50	-	4.5	100%
Capacity purchases (avg)	20.71	53.59	(32.9)	-61%
Prices				
Energy (US$/MWh)				
PPA avg sales price	88.00	86.75	1.3	1%
Average Spot Sales price	75.08	55.71	19.4	35%
Average Spot Purchase price	53.92	71.58	(17.7)	-25%
Loss Transmission	119.52	121.43	(1.9)	-2%
Generation Fuel Cost	58.33	71.8	(13.5)	-19%
Capacity (US$/kW-mo)				
PPA avg sales price	21.01	20.41	0.6	3%
Fuel (LNG)				
MMBTU consumption	11,610	8,931	2,679	30%
Heat Rate	8,283	9,303	(1,020)	-11%
Henry Hub PPA	3.87	3.67	0.21	6%
kMMBTU Inventory EB	626	298	329	110%

II. MANAGEMENT DISCUSSION AND ANALYSIS OF MAIN VARIANCES

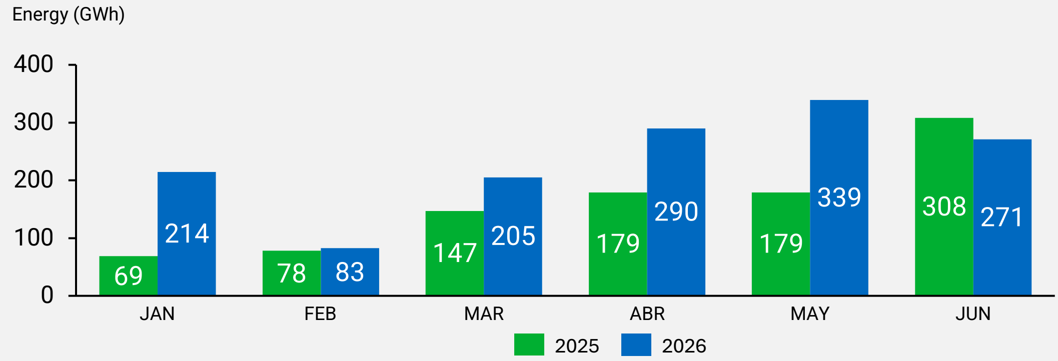
GENERATION

During the six months ended June 30, 2026, the Company generated 1,401.69 GWh, an increase of 441.6 GWh, or 46%, compared to 960.05 GWh in the same period of 2025. This increase primarily reflects the full-period operation of the combined-cycle configuration, following the declaration of dispatch availability of the steam turbine on May 30, 2025. In 2025, the plant operated mainly in open cycle for most of the period, which limited generation available for dispatch. The higher generation supported energy delivery under PPAs of 1,110.65 GWh (2025: 1,109.67 GWh) and increased spot market sales of 436.39 GWh (2025: 228.60 GWh), while reducing spot purchases to 181.07 GWh (2025: 406.50 GWh). Dispatch was nonetheless affected by higher renewable penetration in the national grid and a lower DisCo load factor.

MARKET OUTLOOK

According to the latest NOAA climate forecasts, an El Niño condition has been declared and is expected to strengthen during the second half of 2026, with a high probability of reaching strong intensity toward late 2026 and early 2027. Historically, these conditions are associated with lower hydrological availability in the region, which tends to increase the electricity system's reliance on thermal generation to meet demand, particularly during the dry season. In this context, the Company is well positioned to serve a potential increase in thermal dispatch in the coming quarters, which could translate into higher spot market sales. The Company nonetheless maintains a conservative outlook, given that actual hydrology, system demand, and spot prices depend on multiple factors. Most of the Company's revenues derive from long-term PPAs with EDEMET, EDECHI, and ENSA, which provide revenue stability regardless of weather conditions, and its natural gas supply is secured under a long-term purchase agreement, providing predictability in its cost structure.

GENERATION



III. INCOME STATEMENT

	2026 (Unaudited)	2025 (Unaudited)
Electricity sales	190,175,963	167,440,306
Operating costs and expenses		
Electricity purchases	(11,603,218)	(37,783,120)
Fuel costs	(97,136,928)	(82,572,160)
Depreciation and amortization	(22,843,889)	(13,097,045)
Operating, maintenance, and transmission costs	(15,445,947)	(4,875,297)
General and administrative expenses	(6,473,066)	(4,232,909)
Total operating costs and expenses	(153,503,048)	(142,560,531)
Operating income	36,672,915	24,879,775
Other (income) expenses		
Finance income, net	6,929,753	(21,293,790)
Other income, net	15,099,507	9,178,382
Total other income (expenses), net	22,029,260	(12,115,408)
Net income before tax	58,702,175	12,764,367
Income tax	(5,901,172)	(1,308,769)
Net Income	52,801,003	11,455,598

ELECTRICITY SALES

The Company's electricity sales for the six months ended June 30, 2026 were US$190.176 million, an increase of US$22.736 million, or 14%, compared to US$167.440 million for the same period in 2025. This increase was primarily driven by higher spot market sales, which nearly doubled to 436.39 GWh (2025: 228.60 GWh), as the full-period operation of the combined-cycle configuration, following the commissioning of the steam turbine in May 2025, generated additional energy available for sale.

ELECTRICITY PURCHASES

The Company's electricity purchases for the six months ended June 30, 2026 were US$11.603 million, a decrease of US$26.230 million, or 69%, compared to US$37.833 million for the same period in 2025. This decrease was primarily driven by the Company's ability to meet its contracted obligations with its own generation under combined-cycle operation, reducing the need to purchase energy in the spot market to cover PPA commitments, which had been significant in 2025 when the plant operated mainly in open cycle.

FUEL COSTS

The Company's fuel costs for the six months ended June 30, 2026 were US$97.137 million, an increase of US$14.565 million, or 18%, compared to US$82.572 million for the same period in 2025. This increase was attributable to higher gas consumption associated with the greater generation under combined-cycle operation, partially offset by a lower average fuel cost per unit.

OPERATING MAINTENANCE AND TRANSMISSION COSTS

The Company's operating, maintenance and transmission costs for the six months ended June 30, 2026 were US$15.446 million, an increase of US$10.643 million, compared to US$4.803 million for the same period in 2025. This increase was primarily attributable to higher transmission charges, resulting from the update of the ETESA tariff schedule and the retroactive application of that adjustment since 2025, together with higher operating and maintenance costs consistent with the plant's full operation during the period.

GENERAL AND ADMINISTRATIVE EXPENSES

The Company's general and administrative expenses for the six months ended June 30, 2026 were US$6.473 million, an increase of US$2.218 million, or 52%, compared to US$4.255 million for the same period in 2025. This increase was primarily driven by insurance costs, which were previously capitalized as part of the plant's construction and, following the commissioning of the steam turbine in May 2025, are now recognized in results under the Company's all-risk policy.

DEPRECIATION AND AMORTIZATION

The Company's depreciation and amortization for the six months ended June 30, 2026 were US$22.844 million, an increase of US$9.747 million, compared to US$13.097 million for the same period in 2025. This increase was consistent with the full-period depreciation and amortization of the plant's assets following the completion and commissioning of the combined-cycle configuration.

FINANCE INCOME, NET

The Company's net finance income for the six months ended June 30, 2026 was US$6.930 million, compared to a net finance expense of US$21.294 million for the same period in 2025. This variance was primarily driven by the US$92.885 million financial income recognized upon the settlement of the interest rate swaps at the cancellation of the prior Senior Credit facility, as part of the refinancing through the senior bond issuance in May 2026, partially offset by the accelerated amortization of deferred financing costs and interest expense on the new senior notes.

OTHER INCOME, NET

The Company's net other income for the six months ended June 30, 2026 was US$15.100 million, an increase of US$5.921 million, compared to US$9.178 million for the same period in 2025. In 2026, this line was primarily composed of a US$14.429 million net result from gas, corresponding to a cancellation fee for the gas rights under the March *ADP with our LNG supplier. In 2025, the comparable amount reflected a net margin from physical gas sales (US$38.159 million in revenue, net of US$29.022 million in cost).

INCOME TAX

The Company's income tax for the six months ended June 30, 2026 was US$5.901 million, compared to US$1.309 million for the same period in 2025, consistent with the higher pre-tax result for the period.

NET INCOME

As a result of the above, the Company's net income for the six months ended June 30, 2026 was US$52.801 million, compared to US$11.456 million for the same period in 2025.

**ADP: Annual Delivery Program.*

IV. CASH FLOW STATEMENT

	2026	2025
Net cash provided by operating activities	8,870,456	8,513,164
Net cash provided by investing activities	24,496,206	(14,346,866)
Net cash provided by financing activities	65,951,362	(18,846,013)
Net increase (decrease) in cash	99,318,024	(24,679,717)
Cash at the beginning of the period	33,348,667	35,676,216
Cash at the end of the period	**132,666,691**	**10,996,499**

LIQUIDITY

OPERATING ACTIVITIES

Net cash provided by operating activities was US$8.870 million (2025: US$8.513 million), broadly in line with the prior year. The increase in profit before income tax to US$58.702 million (2025: US$12.764 million) reflects the US$92.885 million gain on settlement of the interest rate swap upon cancellation of the Senior Credit facility, which is reversed in the reconciliation and presented in financing activities. Operating cash flow was also affected by a US$63.963 million use of cash in operating assets and liabilities (related-party receivables and payables), keeping it broadly in line with 2025.

INVESTING ACTIVITIES

Net cash provided by investing activities was US$24.496 million (2025: use of US$14.347 million), driven mainly by the US$25.061 million net release of restricted cash following the transition to the new Notes Security and Depositary Agreement.

FINANCING ACTIVITIES

Net cash provided by financing activities was US$65.951 million (2025: use of US$18.846 million), reflecting the US$1,050.000 million senior bond issuance applied to cancel the Senior Credit facility (US$686.325 million) and settle its associated swaps (US$93.909 million collected); partially offset by the US$326.088 million capital reduction and US$15.966 million in dividends.

UNAUDITED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026 AND DECEMBER 31,2025

BALANCE SHEET

	2026 (Unaudited)	2025 (Audited)
Current assets		
Cash	132,666,691	33,348,667
Restricted cash	-	25,061,346
Accounts receivable	58,983,151	52,989,225
Accounts receivable related parties	10,080,766	1,565,841
Inventories	9,222,829	12,635,537
Prepaid expenses and Other Assets	27,663,448	8,044,028
Total current assets	238,616,885	133,644,644
Non-current assets		
Property, plant and equipment	744,617,143	760,443,619
Intangible asset	211,767,012	-
Right-of-use assets	5,681,216	5,921,376
Guarantee deposit	32,028	32,028
Derivative financial instruments	-	89,498,950
Severance fund	149,329	115,685
Deferred tax asset	421,174	421,174
Total non-current assets	962,667,902	856,432,832
Total assets	**1,201,284,787**	**990,077,476**
Current liabilities		
Accounts payable	10,346,195	9,303,308
Loans payable, short term	-	10,240,234
Accounts payable related parties	70,270,607	2,705,118
Lease liabilities, short-term	277,551	299,722
Income tax payable	5,901,172	4,557,061
Accrued expenses and other liabilities	423,954	366,843
Total current liabilities	87,219,479	27,472,286
Non-current liabilities		
Bonds payable	1,033,937,544	-
Loans payable, long term	-	661,791,850
Lease liabilities, long-term	7,183,265	7,306,348
Seniority premium	163,011	124,106
Total non-current liabilities	1,041,283,820	669,222,304
Total liabilities	**1,128,503,299**	**696,694,590**
Equity		
Capital	58,132,792	188,941,643
Accumulated earnings	14,648,696	15,965,656
Cash flow hedge reserve	-	88,475,587
Total equity	72,781,488	293,382,886
Total liabilities and equity	**1,201,284,787**	**990,077,476**

INCOME STATEMENT
SIX MONTH PERIOD ENDED JUNE 30

	2026 (Unaudited)	2025 (Unaudited)
Electricity sales	190,175,963	167,440,306
Operating costs and expenses		
Electricity purchases	(11,603,218)	(37,783,120)
Fuel costs	(97,136,928)	(82,572,160)
Depreciation and amortization	(22,843,889)	(13,097,045)
Operating, maintenance, and transmission costs	(15,445,947)	(4,875,297)
General and administrative expenses	(6,473,066)	(4,232,909)
Total operating costs and expenses	(153,503,048)	(142,560,531)
Operating income	36,672,915	24,879,775
Other (income) expenses		
Finance income, net	6,929,753	(21,293,790)
Other income, net	15,099,507	9,178,382
Total other income (expenses), net	22,029,260	(12,115,408)
Net income before tax	58,702,175	12,764,367
Income tax	(5,901,172)	(1,308,769)
Net Income	52,801,003	11,455,598

STATEMENT OF CASH FLOWS
SIX MONTH PERIOD ENDED JUNE 30

	2026 (Unaudited)	2025 (Unaudited)
Cash flows from operating activities		
Net income before tax	58,702,175	12,764,367
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation of property, plant and equipment	17,768,866	12,866,791
Amortization of right of use asset	240,160	230,254
Finance cost	28,859,396	22,494,758
Finance income	(92,885,488)	(6,466,139)
Lease adjustment	-	(74,108)
Amortization of deferred financing costs	19,481,893	3,503,051
Adjustment for pre-merge result of the absorbed entity	40,664,780	-
Disposal of property, plant and equipment	2,056	-
	72,833,838	45,318,974
Net changes in assets and liabilities:		
Accounts receivable	(5,993,926)	(18,930,671)
Accounts receivable related parties	(105,199,483)	(4,662,918)
Inventory	3,412,708	(10,575,327)
Prepaid expenses and Other Assets	(20,296,369)	(1,898,834)
Severance fund	(33,644)	(25,105)
Guarantee deposit	-	(990)
Account payable	1,042,887	3,567,789
Account payable to related party	67,565,489	(2,964,935)
Accrued expenses and other liabilities	57,111	96,067
Seniority premium	38,905	30,053
Income tax paid	(4,557,060)	(1,440,939)
Net cash provided by operating activities	8,870,456	8,513,164
Cash flows from investing activities		
Construction in progress	-	(9,287,021)
Property, plant and equipment	(977,472)	(741,305)
Cash acquired through merger	412,332	-
Restricted cash	25,061,346	(4,318,540)
Net cash provided by investing activities	24,496,206	(14,346,866)
Cash flows from financing activities		
Capital contribution received	-	10,000,000
Decrease in capital	(326,087,697)	-
Dividend paid	(15,965,651)	-
Proceeds from issuance of bonds	1,050,000,000	-
Proceeds from bank loans	-	7,000,000
Proceeds from derivative instruments	93,908,852	-
Deferred financing costs paid	(25,477,346)	(252,784)
Loan payments	(686,324,925)	(7,639,124)
Interest paid	(23,755,997)	(27,526,947)
Lease payments	(345,874)	(323,936)
Prepaid Dividend Tax	-	(103,222)
Net cash provided by financing activities	65,951,362	(18,846,013)
Net increase (decrease) in cash	99,318,024	(24,679,717)
Cash at the beginning of the period	33,348,667	35,676,216
Cash at the end of the period	**132,666,691**	**10,996,499**

Generadora Gatún, S.A.

Republic of Panama, Obarrio, PH.
Plaza 58 (PwC Tower) 8th floor.
(507) 310 9641

GENERADORAGATUN.COM