EGE HAINA

SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT 2022

INDEX

STRATEGIC LEADERSHIP

LETTER FROM THE GENERAL MANAGER

GRI 2-22

300 MW

NEW MEGAWATTS CONTRIBUTED BY THE SUBSIDIARY SIBA ENERGY AND THE ESPERANZA SOLAR PARK.

21 %

PERCENTAGE ACHIEVED OF THE RENEWABLE TARGET IN THE STRATEGIC PLAN FOR 2030.

EGE Haina's trajectory demonstrates its permanent commitment to the country, as well as to the development and diversification of the national generation matrix. We take pride in working diligently, with integrity, and always striving to deliver the best possible results. The company continues to grow and align its operations with sustainability. Furthermore, it has managed to increase its value, not only for public and private shareholders but also for the government, employees, contractors, suppliers, and communities. For this reason, we will continue to increase our production to contribute to the electricity supply for a rapidly expanding economy.

This sustainability report presents the achievements of EGE Haina during the year 2022, and it is only fair to begin by acknowledging the outstanding work carried out by Luis Mejía Brache as the General Manager of the company between November 2017 and December 2022.

During his tenure, which includes the year covered by this report, EGE Haina defined the strategic plan that has guided the team toward specific goals since 2018, allowing us to achieve significant results. Starting in 2023, the company continues to have Luis on board, but now in his position as the Vice President of our Board of Directors.

To kick off this review of the year 2022, we proudly highlight that our generation fleet grew by almost 300 MW, coming from our subsidiary, SIBA Energy, and the Esperanza Solar Park. These power plants were integrated into the National Energy Grid (SENI) in 2023.

SIBA Energy is a facility located in Boca Chica, consisting of 12 flexible technology turbines capable of operating on natural gas or diesel. Its installed capacity of 190 MW represents a vital contribution to the SENI, especially in the face of increasing electricity demand in the country.

The increase in renewable energy is due to the Esperanza Solar Park, located in Valverde province, with an installed capacity of 90 MWp. It features 166,670 bifacial solar panels and, to enhance its efficiency, uses a solar tracking system (tracker). Together with the Girasol Solar Park, inaugurated in 2021 with a total installed capacity of 120 MWp, we have achieved 21% of the main objective of our strategic plan: to develop 1,000 MW of new renewable energy by 2030.

EGE Haina is a proudly Dominican company with a tradition of excellence and continuous growth. Its generation capacity is divided into 34.7% wind and solar energy and 37.2% power plants capable of operating on natural gas. To put these percentages into perspective, we must remember that just over a decade ago, the company did not have these sources of generation, which now represent more than two-thirds of its installed capacity. In fact, natural gas was integrated into the company's fleet in 2020, and starting in 2021, solar photovoltaic energy connected to SENI was introduced.

Project financing is crucial and is a key aspect of any strategy to support growth. In the case of EGE Haina, we require an average of around $100 million per year to meet our goals by 2030. The company has managed to do so, and for this reason, it is now the leading non-financial private issuer of corporate bonds in the local capital market.

Furthermore, thanks to the operations of one of its renewable power plants, it also became the first Dominican company to establish a trust for the issuance of environmental impact fixed-income securities (green bonds) totaling $100 million.

Additionally, it issued international bonds linked to sustainability, with a value of $300 million, marking the first issuance of such a bond (Sustainability-Linked Bond or SLB) by a Dominican company, both in the local and international markets, and one of the first corporate SLBs in the region. For the issuance of these bonds, the company has received recognition both nationally and internationally.

In financial matters, 2022 was an excellent year for the company, as evidenced by the EBITDA and operating cash flow indicators, whose results exceeded the set objectives.

While we focus on growth and sustainable economic performance, we do not neglect operations management, and for this reason, we continuously improve our processes. During the past year, the availability of our power plants reached 96%, surpassing the target we had set for ourselves. Additionally, we successfully completed the annual major maintenance program for our engine fleet and the Quisqueya 2 steam turbine. In that power plant, we have learned to operate with fuel flexibility successfully.

During this period, we did not face any accidents or significant incidents, thanks to full compliance with environmental, safety, and health indicators. Similarly, we continue to make progress in the execution of our sustainability plan and in implementing an extensive annual program for risk and quality management improvements.

Another important step forward in strengthening our technological processes was the implementation of the new ERP (Enterprise Resource Planning). The migration to SAP, the company's new management system, will be completed in 2023, and it will enable us to provide optimal service. Furthermore, this system will greatly support the company's strategic plan.

To achieve all our goals, the human team is fundamental. That is why we continually strive to have the best team and promote their well-being and development. In 2022, a total of 502 people participated in 4,000 training activities. Additionally, 53 internal promotions were made to fill a significant portion of the vacancies that surfaced.

Furthermore, thanks to our recruitment and selection practices based on equal opportunities, EGE Haina increased the number of female hires in areas such as technology, maintenance, and asset security.

On the other hand, the company created shared value in the communities where it operates. During the period covered in this Sustainability Report, as part of the strengthening program for fire departments, we donated a set of clean air equipment to the firefighters in Barahona, to enhance the efficiency of their work and benefit the entire southern region. Likewise, in March 2023, we provided a new station to the firefighters in the municipality of Enriquillo, which also includes offices for the Civil Defense and the Red Cross of this area.

Similarly, in the communities where we operate, we donated LED lamps for public lighting, conducted dental operations, and continued our school sponsorship and technical training program to support communities in generating income.

EGE Haina's volunteers deserve special mention, as they participated in multiple activities throughout 2022, including a reforestation campaign at the Girasol Solar Park, three beach clean-ups in San Pedro de Macorís and Barahona, and other actions related to social welfare institutions.

In addition to all this, in 2022, EGE Haina received ten awards for its excellence, contributions to sustainability, and inclusion and diversity practices.

A distinguishing feature of high-performing teams is the desire to continually improve, and EGE Haina is a good example of this. We are all guided by the purpose of generating electricity for the Dominican Republic competitively and sustainably, following the values of excellence, commitment, integrity, and initiative.

Our roadmap is clear, our vessel is strong, our crew is committed, and they know how to navigate with the utmost skill. This is how we will reach 2030 with those 1,000 MW of renewable energy, with an additional 400 MW of natural gas, with financial health, and being fully sustainable.

José A. Rodríguez Silvestre
General Manager

4,000
TRAINING ACTIONS
FOR THE HUMAN TEAM.

72%
GENERATION CAPACITY OF WIND,
SOLAR, AND NATURAL GAS.

96 %
AVAILABILITY OF POWER PLANTS
DURING THE YEAR 2022.

CORPORATE GOVERNANCE

GRI 2-6, 9 A 13, 15, 20, 23, 26; GRI 3-3, GRI 405-1

The objective of corporate governance at EGE Haina is to ensure, through accountability, an environment of trust and transparency necessary to foster long-term investments, financial stability, and integrity in business. The company has a control framework and a set of rules, policies, and practices that govern the decision-making process among governance bodies to create value. Thanks to these actions, the company operates responsibly and transparently.

EGE Haina is an agent of the Dominican Republic's electricity subsector, constituted as a corporation and registered in the country's stock market. As a concessionaire for electricity generation and a securities issuer, the company promptly complies with the laws, regulations, and standards that apply to each of its operations.

Throughout 2022, EGE Haina implemented policies, procedures, and systems that ensured efficiency in its actions and the achievement of its objectives. Similarly, all relevant events during the period were communicated to the Superintendency of the Securities Market, the Dominican Republic Stock Exchange, and the general public through its website.

Company objectives

The corporate purpose of EGE Haina is to operate electricity generation facilities for commercialization or their own use, as well as any other related activity that can be carried out under applicable laws and regulations. Similarly, EGE Haina may engage in any other lawful commercial activity that is similar or directly related to the company's core business.

Shareholder's rights

- **Voting.** Each share confers the right to one vote. Every shareholder may participate in General Assemblies, and if they own one share, in the Special Assembly.
- **Information.** Shareholders have the right to the following information for the past three fiscal years, at any time and at the company's registered office: audited financial statements, management reports from the Board of Directors and the Accounts Commissioner, copies of minutes, and attendance lists of Shareholders' General Assemblies, as well as the exact total amount of remuneration paid to administrators in the previous year (certified by the auditor).
- **Dividends.** Shareholders have the right to shares in the distribution of corporate profits and in the resulting liquidation in proportion to the value of their shares.
- **Preference.** Shareholders have the right to preferential subscription in the issuance of new shares of their class. Furthermore, these new shares grant their legitimate holder the rights recognized by applicable law.
- **Assets.** Shares grant their legitimate holder the rights recognized by applicable law regarding the company's assets.

Governance structure

EGE Haina has governance structures in place to ensure proper decision-making, accountability, and appropriate controls for value generation.

In the annual exercise of 2022, no changes were recorded in EGE Haina's corporate structure, except for the two changes resulting from the reorganization process of the Senior Management Committees. The first of these changes is the merge of the Human Rights, Compliance, and Diversity and Inclusion committees, which gave rise to the Ethics, Human Rights, Diversity, and Inclusion Committee, also known as the Ethics and HRDI Committee. The second change was formalized in October when the Resilience Committee took over the responsibilities of the Safety Committee.

GOVERNANCE STRUCTURE

- GENERAL SHAREHOLDERS ASSEMBLY
- BOARD OF DIRECTORS
- BOARDS´S SUPPORT COMMITTEE
- GENERAL MANAGEMENT
- SENIOR MANAGEMENT COMMITTEES

General Shareholders Assembly

The Shareholders' General Assembly is the highest body of EGE Haina. It is composed of the shareholders and has the broadest powers to resolve matters brought to its attention. This body can agree on and ratify any act, operation, or decision within its competence, and similarly, compel shareholders (whether dissenting or absent) to comply with the adopted measures, in accordance with the law and the company's bylaws.

In addition to Constitutive General Assemblies, General Assemblies can be Ordinary, Extraordinary, or Special. Shareholders attending the Shareholders' General Assembly - duly arranged and with the corresponding quorum - decide by majority vote, as specified in the regulations for matters within their competence. Finally, it is the Ordinary General Assembly's responsibility to appoint and determine the remuneration of the individuals who will hold the following positions: president, vice president, secretary, auditor, and director.

During the Annual Ordinary Shareholders' General Assembly held on April 28, 2022, the acknowledgment and discharge of the actions of the Board of Directors for the year 2021 were approved, as well as the approval of the audited financial statements for that fiscal year. Likewise, the appointment of the members of the Board of Directors was also approved. The Assembly met once in 2022.

On the other hand, the Shareholders' General Assembly deals with various matters, highlighted below in an illustrative but not exhaustive manner:

For the Annual Ordinary Shareholders' General Assembly:

- Appoint or ratify (when applicable) the members of the Board of Directors.
- Examine the acts and management of each member of the Board of Directors and apply discharges if necessary.
- Demand sanctions for any member of the Board of Directors whenever necessary and through appropriate channels.
- Approve or confirm EGE Haina's transactions with any member of the Board of Directors, whether controlled or represented by this member, or by individuals acting as their representatives.
- Deliberate on EGE Haina's annual objectives.
- Analyze foreseeable material risk factors.
- Define corporate governance structures and policies.

For the Extraordinary Shareholders' General Assembly:

- Decide on the increase or reduction of the share capital, as well as its classification. Additionally, approve any other modification of the bylaws as established by law.
- Determine the transformation, dissolution, liquidation, division, or merge of EGE Haina with another company or other companies within the same enterprise. Likewise, modify the bylaws as a result of these operations.

Among the main decisions made in the Ordinary General Assemblies and Extraordinary General Assemblies held during 2022, the following can be highlighted:

- Approval of the Annual Management Report for the 2021 fiscal year, the conformation of the Board of Directors, and the audited financial statements. All of this was done in accordance with the decisions adopted by the Annual Ordinary Shareholders' General Assembly on April 28, 2022.
- Authorization to pay a dividend of USD 45 million on dates and in amounts allowed by the cash flow. This decision was also made during the aforementioned Annual Ordinary Shareholders' General Assembly.

Board of Directors

It is the body authorized by the Shareholders' General Assembly to manage and administer EGE Haina when the members of that body are not deliberating on specific matters and excluding their exclusive powers as an entity. The Administrative Management of EGE Haina is entrusted to a Board of Directors composed of at least five individuals: a president, a vice president, a secretary, and two directors. The members of this board are appointed by Haina Investment Company (HIC), and the secretary is appointed by the Patrimonial Fund of Reformed Companies (FONPER).

The Board of Directors is elected during the Annual Ordinary Shareholders' General Assembly. To become a member, it is not necessary to be a shareholder, as its members can represent state institutions or legally constituted companies. Members have the possibility of being re-elected one or more times, and they remain in their roles until their substitutes are elected and take office.

The Board of Directors of EGE Haina met nine times during 2022. It was composed of Leonel Melo, president; Rafael Vélez, vice president; George Schwarzbartl, secretary; Manuel Jiménez, director; and Juan Muñoz, director. Starting on January 1, 2023, Luis Mejía Brache assumed the vice presidency of the Board of Directors, replacing Rafael Vélez.

The following directors held cross positions during this period:

- Leonel Melo held the position of president of the Board of Directors of EGE Haina, as well as the position of president of Haina Investment Company.
- Manuel Jiménez served as a director of the Board of Directors of EGE Haina and as the director of Haina Investment Company.
- Juan Muñoz served as a director of the Board of Directors of EGE Haina, as well as the director of Haina Investment Company.

Board of Directors

Leonel Melo
Chairman

Luis Mejía Brache
Vice President

George Schwarzbartl
Secretary

Juan Muñoz
Member

Manuel Jiménez
Member

Executive Committee

Guillermo Sicard
Senior Director of Legal and Institutional Affairs

Rodrigo Varillas
Senior Director of Finance

Antonia Durán
Senior Director of Risk and Quality

Esteban Beltré
Senior Director of Operations

Gilda Pastoriza
Senior Director of Talent Management

José A. Rodríguez
General Manager

Ginny Taulé
Senior Director of Communications and Sustainability

Milcíades Melo
Senior Director of Asset Security

Maribel Álvarez
Senior Director of Administration and Systems

Mario Chávez
Senior Director of Commercial and Regulatory Affairs

Boards´s Support Committee

Support committees are bodies that collaborate in the management of the Board of Directors and are governed by their internal regulations, without contradicting the provisions established by the company's bylaws and applicable law. In 2022, the Board had only one support committee.

Audit Committee

Supports the Board of Directors in fulfilling its responsibilities regarding the verification of accounting, as well as reports and financial statements, while respecting all legal and regulatory requirements, company policies, and communication to its shareholders, regulatory bodies, customers, suppliers, and the general public.

This committee oversees the performance and independence of external and internal auditors, the implementation of proper control systems, and, especially, issues such as risk control, financial control, and the effectiveness of corporate governance practices.

Each year, the Audit Committee reviews and approves the Annual Audit Plan and the resources necessary for the organization to carry out its work agenda. During 2022, the committee met 12 times and was composed of Carlos Barreto, President; Ivelisse Ortiz, representing INICIA; José Manuel Taveras Lay, representing the Central Bank of the Dominican Republic; and Marcos Troncoso, on behalf of FONPER.

General Manager

The General Manager is a position defined in the general bylaws, whose functions are determined by the Board of Directors. Its main function is to direct and oversee all the company's activities to ensure the fulfillment of our corporate objectives, following the rules, internal guidelines, and laws regulating the business. During the year 2022, Luis Mejía Brache held this position. As of January 1, 2023, the General Management of EGE Haina was assumed by José A. Rodríguez Silvestre.

Senior Management Committees

Senior Management Committees are established bodies that serve as a valuable management tool to support the General Management in its duties, particularly in achieving EGE Haina's corporate objectives. The company has ten Senior Management Committees, chaired by the General Management and made up of senior executives who regulate fundamental aspects of the organization. These committees can serve as decision-making bodies or monitoring bodies, as explained below:

Decision-Making Bodies | Monitoring Bodies

Executive Committee
Chaired by the General Manager and composed of all senior directors of EGE Haina, departments reporting to the General Management and that operate according to the strategies, objectives, plans, and budgets defined and authorized by the Board of Directors. This committee analyzes, studies, and controls all relevant topics for the company in line with the established goals and objectives. The current members of the Executive Committee are José A. Rodríguez Silvestre, General Manager; Maribel Álvarez, Senior Director of Administration and Systems; Esteban Beltré, Senior Director of Operations; Mario Chávez, Senior Director of Commercial and Regulatory Affairs; Antonia Durán, Senior Director of Risks and Quality; Milcíades Melo, Senior Director of Asset Security; Gilda Pastoriza, Senior Director of Talent Management; Guillermo Sicard, Senior Director of Legal and Institutional Affairs; Ginny Taulé, Senior Director of Communications and Sustainability; and Rodrigo Varillas, Senior Director of Finance.

32 sessions 4 6

Strategy Implementation Committee
Composed of the General Management and all areas reporting to it. Its purpose is to present the progress of research, as well as the development of projects and activities related to the Corporate Strategic Plan.

7 sessions 4 9

Resilience Committee
Acts as a collegiate body, advising, evaluating, and promoting best practices in comprehensive risk management and organizational resilience. One of its duties is to periodically require assessments of the status of objectives and plans to conduct reviews and make decisions on risk management, operational resilience, quality management, and information security strategy and monitoring at EGE Haina. It operates as a coordination, communication, and articulation mechanism for the initiatives of different second-line defense roles in the company.

8 sessions 3 3

Previously, the Information Security Committee and the Resilience Committee operated separately. As of October 2022, the functions of the Information Security Committee were assumed by the Resilience Committee.

Information Technology Committee
Its is an advisory, evaluative, and driving committee for best practices in technology and innovation. Its goal is to review and monitor the company's technological strategy and propose investments in this field to meet business needs.

3 sessions 2 4

Ethics and Human Rights, Diversity, and Inclusion (HRDI) Committee
Its mission is to analyze, make decisions, and follow up on measures related to the ethical behavior of company employees. Additionally, this committee reviews and approves internal policies and actions related to non-discrimination and workplace inclusion, equal opportunities, prevention of harassment and violence, among other topics included in the Human Rights, Diversity, and Inclusion Policy. This body meets whenever necessary to evaluate, determine, and, if necessary, apply appropriate sanctions. It also meets when there is a need to evaluate norms or rules with the purpose of suggesting modifications or personnel training. The committee makes its decisions based on the company's own policy and Code of Ethics.

1 session 2 2

Previously, the Compliance Committee and the Human Rights, Diversity, and Inclusion Committee operated separately. In October 2022, they were merged as the Ethics and HRDI Committee.

PLAFT Committee
EGE Haina's Prevention of Money Laundering and Terrorism Financing Committe (*Prevención de Lavado de Activos y Financiamiento de Terrorismo*, PLAFT) is responsible for ensuring compliance with the company's established policies to prevent and detect individuals or operations that may be linked to these types of crimes. EGE Haina is not an Obliged Subject under current local regulations. However, as its business actions are committed to the highest moral and ethical standards, it executes an effective program for the prevention of money laundering and terrorism financing.

3 sessions 2 3

Sustainability Committee
The purpose of this body is to define the company's Sustainability Policy and ensure the implementation and monitoring of that policy and the Corporate Sustainability Plan, as well as to coordinate resources and efforts for its incorporation into the company's strategic plan.

1 session 5 7

Crisis Committee
The main task of the Crisis Committee is to respond to major incidents or events that require the allocation of special resources or to make strategic decisions to safeguard the safety of personnel and ensure the continuity of operations.

1 session 4 10

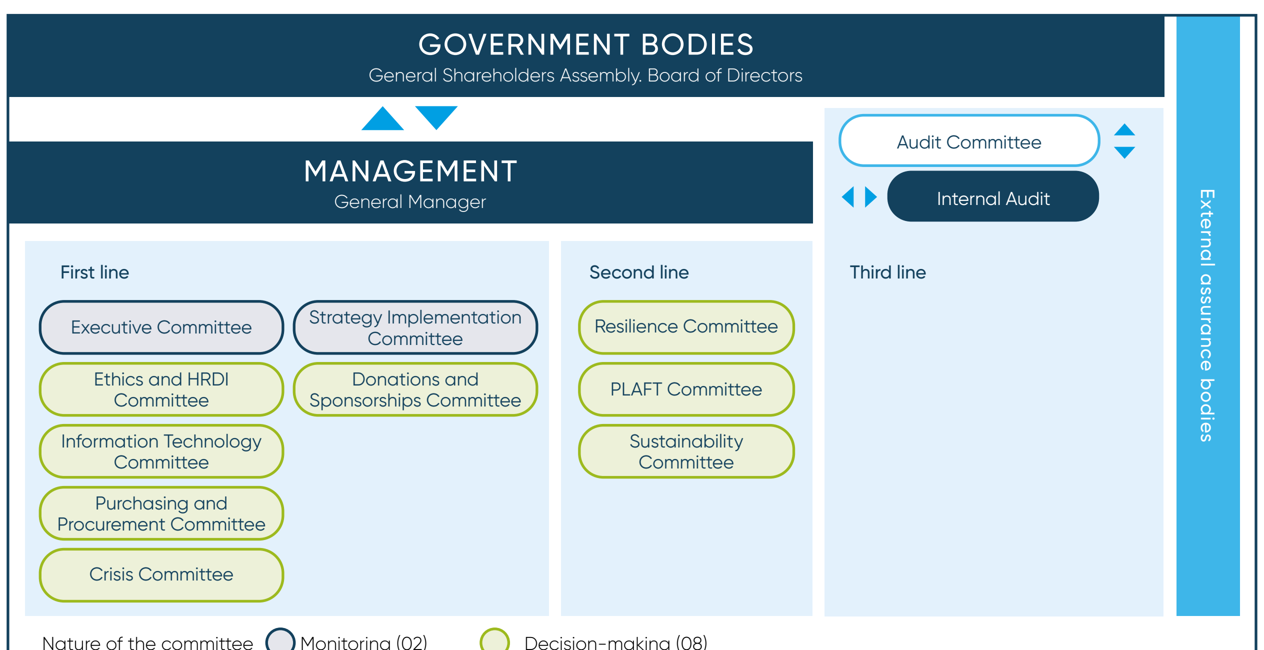
Purchasing and Procurement Committee
As an administrative body, it reviews all disbursement requests over US $10,000 in order to process their authorization. Similarly, this committee approves the bidding processes for all acquisitions of goods or services involving commitments with a value equal to or greater than US $50,000.

12 sessions 2 4

Donations and Sponsorships Committee
This committee is made up of representatives from seven areas of the company and its mission is to evaluate donation and sponsorship requests received, and approve or reject them in accordance with EGE Haina's Social Responsibility Policy. This committee documents the responses and the course of such requests and also ensures the execution of the annual budget designated for these purposes.

7 sessions 4 2

For this parity analysis of EGE Haina's committees, only permanent members with speaking and voting rights were considered. Occasional guests and those without voting rights were not included in this analysis.



Laws, Regulations, and Standards Applicable to EGE Haina's Operations

EGE Haina's management complies with the laws, regulations, and standards applicable to its operations and status as a public limited company that issues securities in the Dominican Republic's Stock Market and operates in the country's electricity subsector. Specifically, and without limiting the scope to these mentions, EGE Haina's activities are conducted in accordance with:

I. General Law of Commercial Companies and Individual Limited Liability Enterprises, No. 479-08 of December 11, 2008, and its amendment by Law 31-11 of February 10, 2011.
II. General Electricity Law, No. 125-01, dated July 26, 2001, amended by Law No. 186-07 of August 6, 2007.
III. Regulation for the Implementation of the General Electricity Law, No. 555-02 of December 19, 2002, amended by Decree No. 749-02 of September 19, 2002, and further amended by Decree No. 494-07 of August 30, 2007.
IV. Law No. 57-07 on the Promotion of Renewable Energy Sources and their Special Regimes, of May 7, 2007.
V. Regulation for the Application of Law No. 57-07 on the Promotion of Renewable Energy Sources and their Special Regimes, issued by Decree No. 202-08 of May 27, 2008.
VI. Securities Market Law, No. 19-00 of May 8, 2000.
VII. Regulation for the Application of the Securities Market Law, issued by Decree No. 664-12 of December 7, 2012.
VIII. Law No. 249-17, amending Law No. 19-00 on the Securities Market of the Dominican Republic of May 8, 2000.
IX. Law No. 155-17 against Money Laundering and Terrorism Financing of June 1, 2017.
X. EGE Haina complies with regulations regarding the right to access the company's financial information, as required by its shareholders, the securities market, and the interested public. Notably, but not limited to, the following provisions are relevant:
   - Articles 200, 201, 202, and 203 of the General Law of Commercial Companies and Individual Limited Liability Enterprises.
   - Article 19 of EGE Haina's bylaws.
   - Section J of Article 24 of the General Electricity Law, No. 125-01 of July 26, 2001, as amended by Law No. 186-07 of August 6, 2007.

Relevant Events

EGE Haina's relevant events are available in the Relevant Events section of the Superintendency of the Securities Market´s website (SIMV Virtual Office). For search purposes, you can use the following data:

- **Entity type:** Issuer of Securities
- **Entity:** Empresa Generadora de Electricidad Haina, S. A.

Relevant Information About Controlled Companies

In May 2022, EGE Haina acquired 51% of the shares of SIBA Energy Corporation, a company organized in accordance with the laws of the British Virgin Islands.

About Affiliated Companies

EGE Haina adheres to sections 40 and 41 of the company's bylaws regarding affiliated companies. Details of transactions with affiliates and subsidiaries can be found in the notes to the audited consolidated financial statements, which are available on EGE Haina's investor relations website and are included at the end of this document.

Control Environment

To ensure good corporate governance, EGE Haina has practices of transparency, governance, and comprehensive risk management and control, which contribute to the sustainability of the business. This approach recognizes the importance of good corporate governance to stakeholders, including customers, suppliers, employees, shareholders, financial institutions, regulatory authorities, and the community.

External Controls

Accounts Commissioner

The Shareholders' Assembly appoints at least one accounts commissioner, responsible for presenting a report to the General Assembly on the company's situation, as well as the balance sheet and accounts presented by the Board of Directors.

External Audit

EGE Haina has an internationally recognized external audit firm that provides an opinion on the consolidated financial statements to ensure that they accurately reflect the company's financial position.

Control and Regulatory Institutions

EGE Haina operates under the supervision of the following control and regulatory authorities:

- Ministry of Energy and Mines (MEM)
- Superintendency of Electricity (SIE)
- National Energy Commission (CNE)
- Coordinating Body (OC) of the National Energy Grid (SENI)
- Superintendency of the Securities Market (SIMV)
- Dominican Republic Stock Exchange (BVRD)
- Ministry of Finance
- Ministry of Environment and Natural Resources (MIMARENA)
- Ministry of Industry, Trade, and MSMEs (MIC)
- Superintendency of Pensions (SIPEN)
- Ministry of Labor (MT)
- General Directorate of Hygiene and Industrial Safety
- General Directorate of Internal Taxes (DGII)
- Ministry of Health

Others

In addition to these institutions, EGE Haina's operations may be supervised by other regulatory or control bodies or experts, either through contractual agreements or their participation in local and international securities markets, including credit rating agencies and external consultants appointed by investors.

The company's audited annual consolidated financial statements, as well as quarterly interim financial statements, are available on the websites of these institutions and in the investors section of EGE Haina's website.

Internal Controls

Integral Risk Management

As part of the control framework, EGE Haina is committed to integral risk management, internal control, organizational resilience, and continuous improvement, all framed within international standards for best practices. Its integral risk management model consists of three "lines of defense," making it a transversal and dynamic process applicable at the strategic level as well as to projects and initiatives required to maintain an adequate control environment. This model is discussed in more detail later.

Prevention of Money Laundering and Terrorism Financing (PLAFT)

To comply with international best practices, EGE Haina promotes an institutional culture of anti-money laundering and anti-terrorism financing among all its employees, customers, suppliers, and contractors.

Code of Ethics

The company has a Code of Ethics that establishes the conduct guidelines to be followed by EGE Haina's employees, regardless of their position, as well as consultants, contractors, and affiliated companies. This code aims to guide them in decision-making and support them in the performance of their duties, ensuring that they always maintain a behavior that reflects excellence and responsibility, based on acceptable parameters of action in the workplace. Additionally, the company has communication channels available 365 days a year, for anyone, a group, or their representative to report a complaint if they believe they have been affected by an administrative decision or the improper actions of an executive, among other actions.

Ethical and compliance leadership begins with senior management, which approves the Code of Ethics and monitors its compliance, along with the Ethics and HRDI Committee. Policies are approved by senior directors of each area.

Internal Audit

EGE Haina's Audit Department performs an objective and independent assurance and consulting function to optimize the company's operations. This area reports to the Audit Committee to ensure autonomy and added value in its activities.

Internal Regulations

EGE Haina also has internal corporate governance regulations that guide the transparent behavior of all its employees, regardless of their role. These regulations provide support and assistance in achieving short, medium, and long-term objectives. The main regulations used by the company include:

- Code of Ethics
- Corporate Policies
- Processes and Procedures

Links to policies are available on the Intranet for employees, and some policies of particular external relevance are located on EGE Haina's website under "About Us/Corporate Documents" for stakeholders.

Procedures for the resolution of internal conflicts between shareholders

As established by Article 54 of EGE Haina's bylaws, in the event of a tie vote that cannot be resolved by mutual agreement during the deliberations of a General Ordinary or Extraordinary Assembly, shareholders are obligated to resort to arbitration. Similarly, it is mandatory to resort to this procedure when differences or disputes arise among them, or if it becomes impossible to resolve issues related to the interpretation and application of the bylaws by mutual agreement.

RELEVANT FACTS OF EGE HAINA IN THE SIMV VIRTUAL OFFICE

VISIT THE INVESTORS SECTION ON THE WEBSITE

ABOUT EGE HAINA

EGE HAINA AT A GLANCE GRI 3-3, GRI 201-2

CORPORATE PHILOSOPHY

Electric power generation company focused on contributing to the development and balance of the Dominican electricity sector.

Mission: To generate electricity for the Dominican Republic in a competitive and sustainable manner.

Vision: To be a leader in sustainable energy production and management.

Values: Excellence, commitment, integrity, and initiative.

A 100% DOMINICAN COMPANY

It is the largest and most successful public-private company in the Dominican Republic.

Founded by the Public Enterprise Reform Law on October 28, 1999.

Main joint-venture company in the country (50% public and 50% private).

Its capital is 100% Dominican.

Between 1999 and 2022, it has paid the government USD 1,082 million in dividends and taxes.

INVESTMENT AND FINANCING

The company has invested over USD 1,272 million in power generation plants.

Since 2011, a total of 3,454 MW in new electricity generation capacity has been installed in the Dominican Republic. EGE Haina developed and operates nearly 20% of this capacity.

It is the largest private issuer of corporate bonds in the local capital market.

Since 2009, it has secured over USD 1.2 billion in financing (half of this amount was obtained through successful local issuances).

In 2021, EGE Haina became the first issuer of green bonds in the Dominican Republic Stock Market and the first Dominican issuer of a sustainability-linked bond in international markets.

Its financial position is supported by several international long-term credit ratings, including “Ba3 stable” by Moody’s and “BB- stable” by Fitch Ratings.

2020-2030 STRATEGY

Develop 1,000 MW of non-conventional renewable sources (both and solar photovoltaic).

Produce 400 MW of natural gas electricity generation.

Optimize some existing assets by converting them to natural gas.

RENEWABLE ENERGY LEADER IN THE ANTILLES

It is the largest producer of non-conventional renewable energy in the Antilles.

Since 2011, it has installed 387 MW of renewable energy across four wind farms and three solar parks.

The company’s installed wind capacity is 175 MW, for an approximate annual production of 550,000 MWh.

The company’s installed solar photovoltaic capacity is 211 MW, for an approximate annual production of 440,000 MWh.

With its renewable capacity in wind and solar parks, EGE Haina has the potential to annually avoid the emission of 600,000 tons of CO_2 and save the import of 1,630,000 barrels of crude oil.

OPERATIONAL EXCELLENCE

It operates 1,149 MW generated by a diversified generation matrix that includes natural gas (37.2%), wind and solar (34.7%), fuel oil (23.4%), and coal (4.7%).

Its 13 power plants are distributed along the provinces of Santo Domingo, San Pedro de Macorís, San Cristóbal, Barahona, Pedernales, and Valverde.

In 2022, it produced around 13% of the energy used by the National Energy Grid (SENI) and supplied 24% of the energy consumption of non-regulated users through contracts.

It also produced all the energy consumed by the independent Pedernales system and, through a long-term contract, delivered part of the electricity required by the Punta Cana-Macao Energy Consortium for its concession area.

CAPACITY AND COMMITMENT

It has 486 employees, with 72% performing operational functions and 28% engaged in administrative tasks. 62% of the workforce has been with the company for four years or more.

It leads the list of the most admired companies in the Dominican eletricity sector, according to the 2022 ranking by Mercado magazine, developed by the firm *Reid Investigación y Consultoría*.

SOCIAL RESPONSIBILITY

Implements a social program that benefits 27 communities near its power plants. Priority areas of action include strengthening relief agencies (especially fire departments), community infrastructures, school and technical education, the environment, health, and sports.

HISTORICAL OVERVIEW

GRI 2-1, GRI 2-2, GRI 2-6

Empresa Generadora de Electricidad Haina, S.A. (EGE Haina) was established on August 17, 1999, and incorporated under the laws of the Dominican Republic on October 28, 1999, as part of the Dominican electricity sector´s capitalization process that took place that year.

EGE Haina's shareholders are Haina Investment Company, the controlling entity (50%); the Patrimonial Fund of Reformed Companies (FONPER), an entity of the Dominican state (49.993%), and other minority shareholders (0.007%).

EGE Haina is composed of a group of companies primarily engaged in the production of electricity from renewable and conventional sources, as well as other activities related to the electrical sector. The company's headquarters are located in the Lope de Vega Avenue, No. 29, Novo-Centro Tower, 17th floor, Ensanche Naco, Santo Domingo, Dominican Republic.

The information contained in this report includes *Empresa Generadora de Electricidad Haina, S.A.*, and its subsidiaries, collectively referred to as "the company."

The following table details the list of consolidated subsidiaries directly or indirectly owned by EGE Haina as of December 31, 2022:

CONSOLIDATED SUBSIDIARIES AS OF DECEMBER 2022

Company	Activity	Year of creation	Country of incorporation	% Interest*	Method**
Haina Overseas Corporation, Inc.	Energy	2015	Cayman Islands	100 %	C
EGE Haina Renovables, S.A.S.	Energy	2021	Dominican Republic	99.994 %	C
Fideicomiso de Oferta Pública de Valores Larimar I, No. 04-FP (Fideicomiso Larimar 1)	Energy	2021	Dominican Republic	100 %	C
Siba Energy Corporation (Siba)	Energy	2022	British Virgin Islands	51 %	C

* Effective direct or indirect interest participation

** C = consolidation

LEARN MORE ABOUT THE HISTORY OF EGE HAINA

EGE HAINA´S OPERATIONS

GRI 2-6

EGE Haina is one of the most important electricity generators in the Dominican Republic in terms of installed and effective capacity. It is also the leading company in non-conventional renewable energy in the Antilles. As of July 2022, the company operates an installed capacity of 1,149 MW through 13 generation plants. Of this capacity, 1,11 5 MW are directly owned by EGE Haina, 25.6 MW are leased to Domicem and marketed by EGE Haina, and 8.3 MW are operated by EGE Haina but belong to CEPM.

EGE Haina's own installed capacity of 1,115 MW consists of 415.2 MW in natural gas generation units (representing 37.2% of the company's own matrix), 261.5 MW in fuel oil generation units (23%), 211.5 MW in solar parks (19%), 175 MW in wind parks (15.7%), and 51.9 MW in a coal-fired steam turbine generation unit (4.7% of the company's own installed capacity).

On the next page, SIBA Energy and the Esperanza Solar Park are included in the installed capacity, as they were ready at the time of this report. However, they are not considered in the generation column because in 2022, these plants were not yet producing energy.

The generation plants operated by the company are distributed along five provinces of the Dominican Republic: San Pedro de Macorís, San Cristóbal, Barahona, Pedernales, and Valverde.

POWER PLANTS

OWNED CAPACITY

1,115.1 MW

OPERATED CAPACITY*

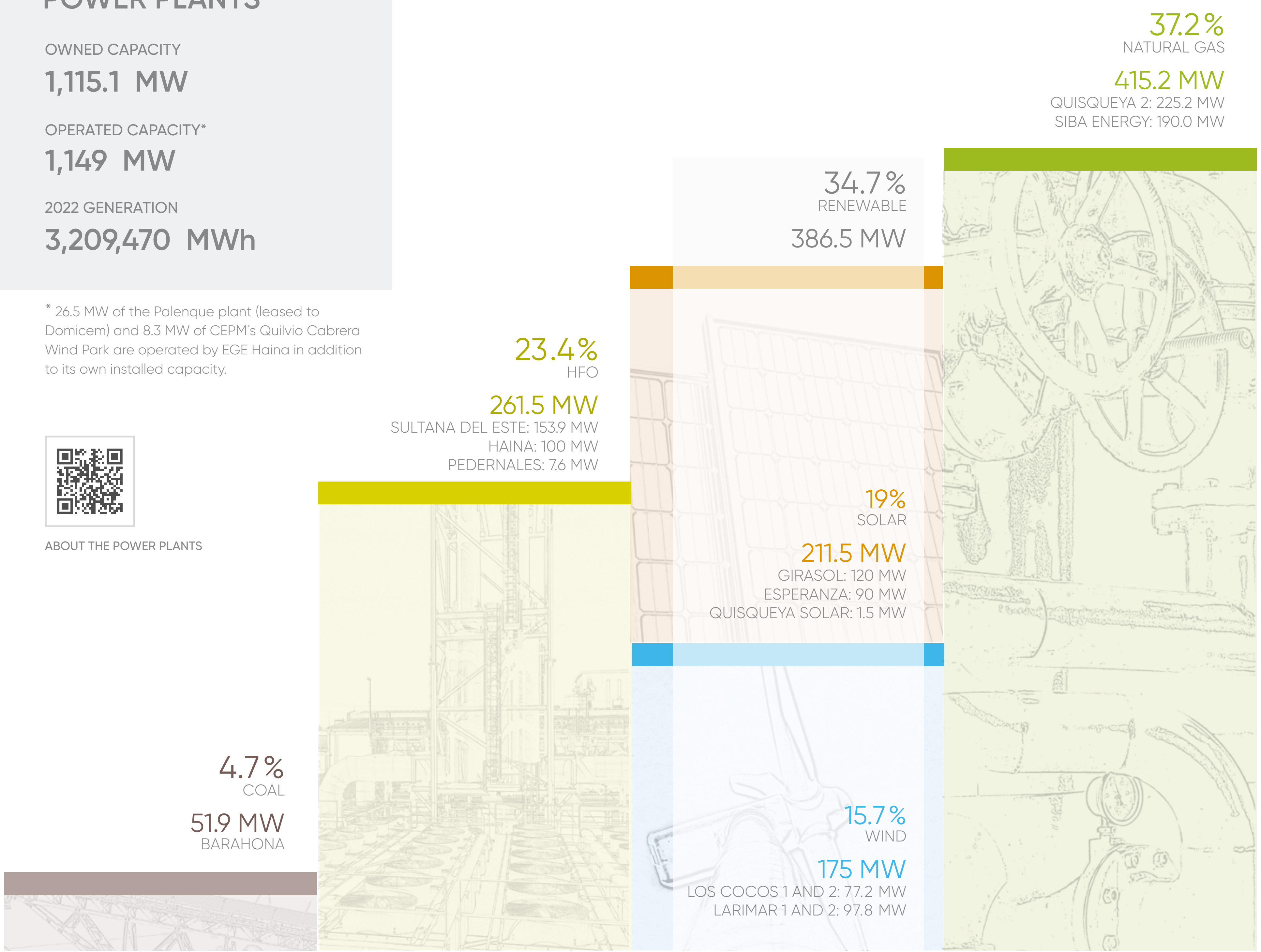
1,149 MW

2022 GENERATION

3,209,470 MWh

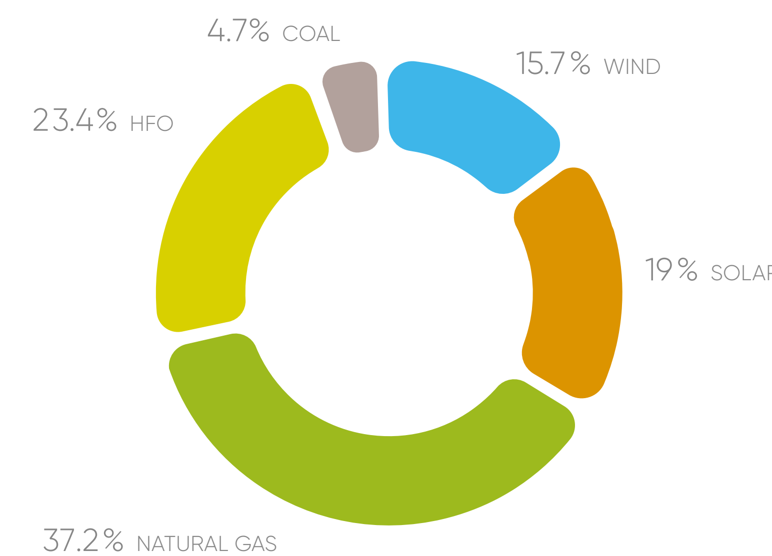
* 26.5 MW of the Palenque plant (leased to Domicem) and 8.3 MW of CEPM's Quilvio Cabrera Wind Park are operated by EGE Haina in addition to its own installed capacity.

ABOUT THE POWER PLANTS



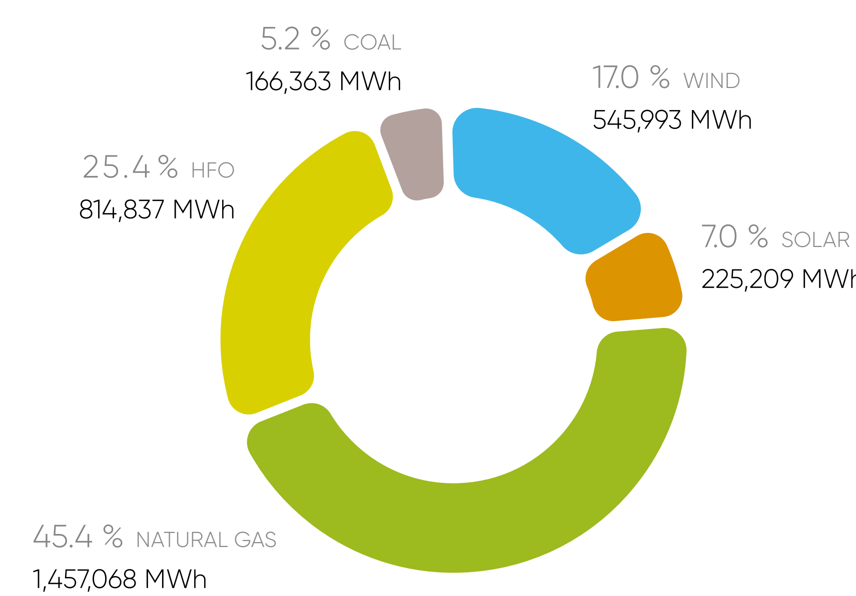
2023 INSTALLED CAPACITY

2023 CAPACITY



* The Esperanza Solar Park is included in the installed capacity chart; however, it is not reflected in the 2022 generation chart because its operations began in 2023.

2022 GENERATION



ESPERANZA SOLAR PARK

SOLAR **90 MW**
INSTALLED CAPACITY

166,670 PHOTOVOLTAIC PANELS

US$ 94 MILLION INVESTMENT

START OF OPERATIONS IN 2023

ESPERANZA
VALVERDE PROVINCE

GIRASOL SOLAR PARK

SOLAR **120 MW**
INSTALLED CAPACITY

268,200 PHOTOVOLTAIC PANELS

US$ 100 MILLION INVESTMENT

START OF OPERATIONS IN 2021

YAGUATE
SAN CRISTÓBAL PROVINCE

QUISQUEYA SOLAR

SOLAR **1.5 MW**
INSTALLED CAPACITY

4,760 JA SOLAR PANELS

US$ 3.25 MILLION INVESTMENT

START OF OPERATIONS IN 2015

SAN PEDRO DE MACORÍS
SAN PEDRO DE MACORÍS PROVINCE

LARIMAR I AND II WIND PARK

WIND 97.8 MW
INSTALLED CAPACITY

29 WIND TURBINES
15 VESTAS V112 WIND TURBINES (PHASE 1)
14 VESTAS V117 WIND TURBINES (PHASE 2)

US$ 220 MILLION INVESTMENT
US$ 120 MILLION (PHASE 1)
US$ 100 MILLION (PHASE 2)

START OF OPERATIONS: 2016 (PHASE 1) AND 2018 (PHASE 2)

ENRIQUILLO
BARAHONA PROVINCE

LOS COCOS I AND II WIND PARK

WIND **77.2 MW**
INSTALLED CAPACITY

40 WIND TURBINES

14 VESTAS V 90 TURBINES (PHASE 1)

26 GAMESA G 90 AND G 97 TURBINES (PHASE 2)

US$ 185 MILLION INVESTMENT

US$ 82 MILLION (PHASE 1)

US$ 103 MILLION (PHASE 2)

START OF OPERATIONS: 2011 (PHASE 1) AND 2013 (PHASE 2)

BETWEEN THE MUNICIPAL DISTRICTS OF JUANCHO AND LOS COCOS (PEDERNALES PROVINCE) AND ENRIQUILLO (BARAHONA PROVINCE)

SIBA

NATURAL GAS **190 MW**
INSTALLED CAPACITY

12 NATURAL GAS TURBINES CAPABLE OF OPERATING ALTERNATELY WITH DIESEL AND HYDROGEN

US$ 225 MILLION INVESTMENT

START OF OPERATIONS IN 2023

BOCA CHICA
SANTO DOMINGO PROVINCE

QUISQUEYA 2

NATURAL GAS 225.2 MW
INSTALLED CAPACITY

12 NATURAL GAS ENGINES CAPABLE OF OPERATING ALTERNATELY WITH HFO AND A STEAM TURBINE

US$ 284.7 MILLION INVESTMENT

START OF OPERATIONS IN 2013

CONVERSION TO NATURAL GAS IN 2020

QUISQUEYA
SAN PEDRO DE MACORÍS PROVINCE

SULTANA DEL ESTE

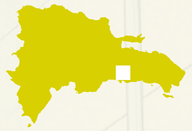
FUEL OIL NO. 6 **153.9 MW**
INSTALLED CAPACITY

9 INTERNAL COMBUSTION ENGINES THAT OPERATE WITH FUEL OIL NO. 6

US$ 120.9 MILLION INVESTMENT

START OF OPERATIONS IN 2001

SAN PEDRO DE MACORÍS
SAN PEDRO DE MACORÍS PROVINCE



PALENQUE

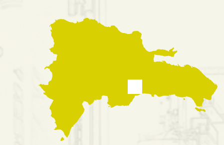
HFO (HEAVY FUEL OIL) **25.6 MW**
INSTALLED CAPACITY

4 HFO ENGINES

RENOVATION INVESTMENT: US$ 450,000

START OF OPERATIONS BY EGE HAINA IN 2018

HAINA
SAN CRISTÓBAL PROVINCE



HAINA

LFO (LIGHT FUEL OIL) 100 MW
INSTALLED CAPACITY

ONE LFO GAS TURBINE

US$ 29 MILLION INVESTMENT

START OF OPERATIONS IN 1998

HAINA
SAN CRISTÓBAL PROVINCE

PEDERNALES

DIESEL AND HFO (HEAVY FUEL OIL) 7.6 MW
INSTALLED CAPACITY

3 ENGINES
ONE DIESEL UNIT
AND TWO UNITS THAT OPERATE WITH HFO

US$ 5.4 MILLION INVESTMENT

START OF OPERATIONS IN 1978, 2003, 2014, AND 2020

PEDERNALES PROVINCE

BARAHONA

COAL **51.9 MW**
INSTALLED CAPACITY

STEAM TURBINE WITH A COAL-FIRED BOILER

US$ 77.4 MILLION INVESTMENT

START OF OPERATIONS IN 2001

REPOWERING IN 2018

BARAHONA PROVINCE

Third-party units

EGE Haina operates (under operation and maintenance contracts) 8.3 MW of the Quilvio Cabrera Wind Farm, owned by the Punta Cana - Macao Energy Consortium (CEPM). It consists of 5 wind turbines and, along with the Los Cocos Wind Farm, is a pioneer in this type of generation in the Dominican Republic.

The company oversaw Quisqueya 1 until November 30, 2022, when the operation and maintenance contracts with *Pueblo Viejo Dominicana* Corporation, a Dominican subsidiary of Barrick Gold Corporation and the plant's owner, expired.

NEW ONGOING PROJECTS

GRI 2-6

Sajoma Solar Park

The Sajoma Solar Park is being built in the central mountain range of the Dominican Republic, at an approximate elevation of 490 meters above sea level, making it the photovoltaic plant located at the highest altitude in the country.

This plant will have a peak installed capacity of 80 MW, which will produce 148,000 MWh annually, enough to supply the demand of approximately 60,000 households each year. In addition, the project will include a substation, a double-circuit transmission line, and a 14.6 km-long Greeley conductor, as well as the adaptation of two-line fields at the Naranjo substation, which operates at 138 kV/345 kV.

SOLAR 80 MW

123,100 PHOTOVOLTAIC PANELS

SAN JOSÉ DE LAS MATAS, SANTIAGO PROVINCE

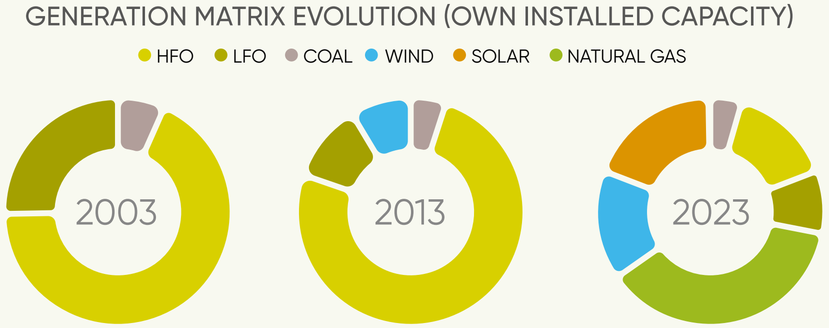
SUSTAINABILITY STRATEGY

SUSTAINABILITY COMMITMENT

GRI 3-3

Sustainability is the driving force behind EGE Haina's operations. In order to produce electricity in an efficient way, always respecting the environment, the company applies its sustainability strategy, a plan that addresses economic objectives as well as social, environmental, and governance goals. On one hand, these goals reflect the expectations of stakeholders, and on the other, they demonstrate EGE Haina's commitment to be an agent of change and transformation in the Dominican energy sector. In this regard, the sustainability actions carried out by the company aim to contribute to the reduction of fossil fuel usage and the reduction of its own carbon footprint. To achieve this, EGE Haina has defined three priority action areas: investment in zero-emission assets, technological transformation, and the development of energy efficiency projects.

GENERATION MATRIX EVOLUTION (OWN INSTALLED CAPACITY)



The installed capacity of the Esperanza Solar Park is included in 2023.

MATERIALITY

GRI 2-25, GRI 3-1, GRI 3-2, GRI 414-1

Material topics are those that directly impact EGE Haina's business model in electricity generation and the creation of value for its stakeholders. The ten topics that make up the sustainability strategy are the result of various analysis methods, including panels, working sessions, and comparative studies on good practices in environmental balance and economic development.

MATERIAL TOPICS

- **Sustainable economic performance**
- **Commitment to our people**
- **Operational excellence**
- **Environmental management and commitment**
- **Focus on renewable energy**
- **Ethics and good corporate governance**
- **Commitment to communities and society at large**
- Risk management and resilience
- Strategy against climate change
- Sustainable sourcing

- Sustainable economic performance

It is a concept linked to the creation and distribution of economic value that explains how an organization ensures its financial sustainability and generates wealth for its stakeholders.
In 1999, EGE Haina had a value of $290 million, and currently, its assets are worth more than $1,272 million, thanks to the investments in generation made by the company.

- Commitment to our people

This is reflected in the company's focus and actions on issues such as hiring, recruitment, retention, and diversity promotion, among other related practices. At EGE Haina, talent management seeks to provide its employees with a safe, healthy, inclusive, and balanced work environment. Additionally, this environment should offer equal opportunities for professional growth based on performance. The success of EGE Haina's corporate culture can be confirmed indicators of organizational climate, internal customer satisfaction, employee experience, and managerial leadership.

- Operational excellence

This topic refers to the practices, processes, and procedures aimed at optimizing the organization's results. To achieve world-class performance, EGE Haina's operations follow an approach of efficiency and effectiveness, encompassing the comprehensive management of aspects such as safety, occupational health, environment, productivity, and quality. Positive results are evident in several indicators, including the high availability rate of the company's generation assets and the continuous improvement in reducing the consolidated calorific power index used by the company for each kWh produced.

- Environmental management and commitment

This includes governance and management of the company's environmental impacts arising from the production of goods and services, as well as its management of environmental capital necessary for creating long-term value. EGE Haina's operations fully comply with the regulations established by Dominican environmental legislation. Additionally, through its Environmental Policy, the company rigorously works to ensure responsible resource management. Similarly, through its social responsibility and volunteer programs, it conducts reforestation campaigns, beach and mangrove clean-ups, as well as the sponsorship of endangered endemic plants. In addition to this, its employees and students from schools sponsored by the company receive training on climate change, environmental protection, and sustainability.

- Focus on renewable energy

During thermal production processes, power companies are responsible for greenhouse gas (GHG) emissions, and therefore have a responsibility to significantly reduce their emission levels. The use of renewable energies as clean sources, along with natural gas as a backup, helps mitigate the consequences of the electricity production process on the atmosphere. Over the past twelve years, EGE Haina has led Dominican Republic´s transition towards an increasingly decarbonized and sustainable national energy system. The company has halved its CO_2 emissions per kilowatt-hour produced, an achievement that adds to another milestone: being the Antilles´ leader in non-conventional renewable energy. Currently, 33% of the company's installed capacity is wind and solar energy.

- Ethics and good corporate governance

The term corporate governance refers to the set of rules and guidelines that guide the operating processes and decision-making in companies, with the purpose of enhancing transparency and fostering trust. Ethics play a crucial role in instilling values into corporate behavior, both for the conduct of individuals and of the organization as a whole. Following these principles of good corporate governance, EGE Haina develops best practices and complies with the highest international standards for risk management in the sector. The principles and values that underpin the ethical behavior of its professional team allow the company to maintain trusted relationships with various stakeholders.

- Commitment to communities and society at large

Creating value through social programs is only possible when a company has a clear focus on how to direct these activities towards the well-being of communities and measures several indicators, including their cost-effectiveness and their alignment with the United Nations Sustainable Development Goals of the United Nations. To ensure communication with the communities where it operates, EGE Haina has several platforms, and in these localities, it conducts or sponsors social responsibility programs to promote local development alongside community members. In 2022, these actions directly benefited more than 12,000 people, while over a million benefited indirectly in 27 communities in the provinces of Santo Domingo, San Pedro de Macorís, San Cristóbal, Barahona, Pedernales, and Valverde.

In addition to the seven material topics (due to their relevance), there are three others that are also important in terms of expectations and impact assessments: Risk management and resilience, Strategy against climate change, and Sustainable sourcing.

EGE HAINA´S STAKEHOLDER GROUPS

GRI 2-29

During its operations, EGE Haina seeks to establish and maintain close, respectful, responsible, permanent, and productive relationships with all its stakeholders: employees, local communities, regional and national authorities, financial institutions, and those in the electricity sector, customers, and other stakeholders linked to its projects or business processes. To correctly identify these groups, the organization has commissioned research on technical, legal and operational feasibility, as well as environmental impact assessments, management workshops and roundtable discussions. The selection is based on the degree of dependency and influence these individuals have on the business (and vice versa). EGE Haina's special interest in these groups stems from their level of involvement and connection to the material topics established by the company.

Shareholders

EGE Haina was established as a successful partnership between the Dominican State and the private sector, whose main shareholders are Haina Investment Company (HIC), a private company owning 50% of the shares, and the Patrimonial Fund of Reformed Companies (*Fondo Patrimonial de las Empresas Reformadas*, FONPER), a public institution holding 49.993% of the shares. To maintain a connection with its shareholders, partners, and investors, the company provides transparent information continuously, not only regarding financial results but also concerning economic, social, and environmental actions. Likewise, EGE Haina offers its support to continue generating value.

Government and authorities

The second stakeholder group of EGE Haina comprises various government bodies, including regulatory agencies, with whom it maintains a dynamic and transparent relationship based on absolute respect for the laws, regulations, and rules inherent to their functions. The public institutions with the most direct impact on the company's activities include:

- Ministry of Energy and Mines (MEM)
- Superintendency of Electricity (SIE)
- Superintendency of the Securities Market (SIMV)
- Dominican Republic Stock Exchange (BVRD)
- National Energy Commission (CNE)
- Coordinating Body (OC) of the National Energy Grid (SENI)
- Ministry of Environment and Natural Resources (MIMARENA)
- Ministry of Finance
- General Directorate of Internal Taxes (DGII)
- Ministry of Industry, Trade, and MSMEs (MIC)
- Superintendency of Pensions (SIPEN)
- Ministry of Labor (MT)
- General Directorate of Hygiene and Industrial Safety
- Ministry of Health

Employees

EGE Haina's most valuable asset is its human capital. For this reason, the company's talent management model and organizational culture focus on ensuring the safety and productivity of its employees through initiatives that stimulate efficiency, a sense of belonging, and commitment to strategic objectives. Hence, the organization works to build long-term relationships with each of them, offering opportunities for growth and well-being at work, along with a continuous flow of information about operational achievements, occupational safety, job promotions, and new benefits.

Customers

EGE Haina's customers are electricity distribution companies, airports, shopping centers, free trade zones, and cement plants, as well as companies engaged in different segments of economic activity such as food, metallurgy, fuel importation, product marketing, construction, and agribusiness. Regarding this stakeholder, diversified by medium and long-term contracts, EGE Haina's objective is to provide the best service to support the development of their respective operations, always ensuring sustainable electricity generation with competitive prices and conditions. Additionally, the company provides timely information about its economic performance, corporate governance practices, and compliance with government regulations.

Suppliers and Contractors

At EGE Haina, every supplier bidding and contracting process considers criteria for environmental management, safety, and social responsibility. The company is committed to implementing policies and practices that enable transparent and ethical management, free from favoritism and influences, in its relationship with suppliers and contractors. As of the end of 2022, the number of active and recurring suppliers was 500. EGE Haina is in constant communication with this stakeholder regarding its good corporate governance practices, occupational health guidelines, and procurement processes so that they can adopt and replicate the organizational philosophy.

Business community

As a member of the country's leading business associations, EGE Haina shares the mission of promoting competitiveness, social responsibility, and economic development in the Dominican Republic. Therefore, it is important for the company to participate in coordination and exchange spaces with other institutions in the country to generate synergies and alliances to work towards common objectives.

Financial Institutions

Developing new electricity generation projects based on renewable sources and natural gas is the foundation of EGE Haina's growth plan. Achieving this goal involves an investment exceeding one billion dollars, and to accomplish it, the company has devised a financial strategy that allows it to explore various sources of capital financing through the stock market and trusts. Since the main allies in this process are financial institutions, the company works to strengthen ties with them, based on good corporate governance policies, whose main characteristics are accountability and transparency. Communication between EGE Haina and this stakeholder group is ongoing, primarily with those financial entities involved in joint projects. These institutions have access to communication channels created for them to obtain information about the company's economic performance and market development, as well as its corporate governance practices and actions taken in favor of communities.

Communities

The company encourages sustainable development in the communities near its power plants through programs and initiatives that focus on health, education, sports, culture, technical training, income generation, construction or repair of community infrastructure, environmental conservation, and strengthening civil society organizations or relief agencies. Likewise, EGE Haina has active channels and suitable means of communication to provide information of interest to the communities.

Media

EGE Haina openly communicates its initiatives, projects, and achievements. It provides the media with accurate and timely information about its operations through press releases, reports, and interviews, among other informational resources. Furthermore, the company is always willing to respond to information requests from the media.

Civil Society

With the aim of promoting energy sustainability, competitiveness, social responsibility, and economic growth in the Dominican Republic, EGE Haina collaborates with civil society and its organizations in creating joint initiatives. To achieve this goal, the company continues to strengthen its relationships with over 50 governmental and non-governmental institutions that also seek to implement a social agenda that promotes sustainable development in the country.

MEMBERSHIP IN ASSOCIATIONS

GRI 2-28

Through its affiliation to different entities, EGE Haina contributes to promote the development of the country, the Caribbean, and Central America, particularly by supporting initiatives that contribute to the growth of the national electricity sector and the energy sustainability of the region. Currently, the company is an active member of the following associations:

- Haina and Southern Region Business Association – *Asociación de Empresas de Haina y Región Sur*
- Association of Industries of the Dominican Republic - *Asociación de Industrias de la República Dominicana (AIRD)*
- National Association of the Electrical Industry – *Asociación Nacional de la Industria Eléctrica (ADIE)*
- American Chamber of Commerce of the Dominican Republic - *Cámara Americana de Comercio de la República Dominicana (AMCHAMDR)*
- British Chamber of Commerce of the Dominican Republic - *Cámara Británica de Comercio de la República Dominicana (BRITCHAMDR)*
- Chamber of Commerce and Production of Santo Domingo - *Cámara de Comercio y Producción de Santo Domingo*
- Mining and Oil Chamber of the Dominican Republic - *Cámara Minera y Petrolera de la República Dominicana*
- Caribbean Electric Utility Services Corporation (CARILEC)
- Regional Center for Sustainable Economic Strategies - *Centro Regional de Estrategias Económicas Sostenibles (CREES)*
- Ecotourism and Production Cluster of Barahona - *Clúster Ecoturístico y de Producción de Barahona*
- Multisectoral Coalition for the Conservation of the Higuamo River - *Coalición Multisectorial para la Conservación del Río Higuamo*
- National Council of Private Enterprise - *Consejo Nacional de la Empresa Privada (CONEP)*
- Regional Energy Integration Commission - *Comisión de Integración Energética Regional (CIER)*
- CIER Regional Committee for Central America and the Caribbean - Comité Regional de CIER para Centroamérica y el Caribe (CECACIER)
- Dominican Employers' Confederation (COPARDOM) - Confederación Patronal Dominicana (COPARDOM)
- Edison Electric Institute
- Commonwealth Countries Roundtable - Mesa Redonda de Países de la Mancomunidad
- Haina Board of Industries - Patronato de Industrias de Haina
- National Business Support Network for Environmental Protection - Red Nacional de Apoyo Empresarial para la Protección Ambiental (ECORED)

CORPORATE SUSTAINABILITY PLAN 2020-2030

As a result of dialogues with stakeholders and their commitment to sustainability, EGE Haina promotes various initiatives with the aim of building a more just, egalitarian, and healthier society. These objectives are part of the Corporate Sustainability Plan 2020-2030, an essential document for the company based on the following pillars:

- **Contribute** to the energy balance of the Dominican Republic by producing electricity in an efficient and environmentally responsible manner.
- **Strengthen** the well-being of the human team by developing their talents and adhering to the values established by the organization as a core strategy for growth.
- **Promote** the sustainable development of the country by generating value among stakeholders.

This corporate sustainability plan covers each operation of EGE Haina and is executed by the areas directly related to its implementation and monitoring to ensure it is complied with throughout the value chain.

SUSTAINABILITY MODEL

	Pillars	Identified topics
Sustainable economic performance	Sustainable energy future	Ethics and good corporate governance Environmental management and commitment Operational excellence Focus on renewable energy Strategy against climate change Risk management and resilience
	Our people	Commitment to our people
	Shared value	Commitment to communities and society at large Sustainable sourcing

COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) define global development aspirations and priorities, and seek to mobilize global efforts around a set of common goals and targets by 2030. EGE Haina continues to increase its contribution to the SDGs through the following actions:

Ensure healthy lives and promote well-being for everyone at all ages

The company promotes healthy habits among its employees, their families, and the communities where its power plants operate. Details on health care and health promotion are provided in another chapter of this report. With respect to community work, in 2002, EGE Haina carried out a total of nine medical operations focused on preventive health, along with donations to hospitals and primary care centers near its power plants, with the purpose of improving the quality of their services.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

To contribute to the achievement of this SDG, the company supports 10 schools in the eastern and southern regions of the country, benefiting more than 2,000 children and adolescents. Initiatives included implementing the Eco-Schools Program, teacher and student training, and infrastructure improvements. A central activity in 2022 was the distribution of the book "*Pintemos la vida de colores*" (Let's paint life in colors), along with animation activities aimed at promoting inclusion, respect, diversity appreciation, and responsible coexistence.

Achieve gender equality and empower all women and girls

Promoting a culture of diversity and inclusion in all areas and actions of the company is an objective that guides EGE Haina's operations. Therefore, the Human Rights, Diversity, and Inclusion Policy reflects the company´s commitment to promote equal rights and opportunities among its internal and external stakeholders. This policy, along with the management system of the same name, strengthens EGE Haina's institutional culture regarding equal opportunities, ensuring that all individuals, regardless of gender or any other factor, can have the same growth and work-life balance opportunities.

For the third consecutive year, EGE Haina was certified with the Nordom 775 standard, issued by the Dominican Institute of Quality (INDOCAL), and the "*Igualando RD*" (Equalizing DR) Seal (Gold mention), awarded by the Ministry of Women and the United Nations Development Program (UNDP), as a result of its ongoing commitment to diversity and equal opportunities for all employees.

Additionally, in 2022, the company held a series of talks on ethics and topics related to its Human Rights, Diversity, and Inclusion Policy, and published the children's book "*Pintemos la vida de colores*" (Let´s paint life in colors) mentioned earlier.

Ensure the availability of water and its sustainable management and sanitation for all

In 2022, EGE Haina carried out several projects in the communities linked to its operations to provide them with proper water supply. Faced with the need for adequate water supply in schools, the company studied the impact of this deficiency and contracted services in order to analyze potential solutions. One success story was the Ismael Miranda School in the Enriquillo municipality of Barahona province. There, the repair of pipelines allowed a total of 502 girls and boys to receive running water at the school.

Guarantee access to affordable, reliable, sustainable, and modern energy for all

In order to contribute to the national energy balance, reduce energy prices in the spot market, and promote sustainable development in the Dominican Republic, the company has invested over USD $1,272,000 in efficient and environmentally responsible power generation plants. Currently, out of EGE Haina's own installed capacity of 1,115 MW, 387 MW come from wind and solar parks, meaning that 34.7% of its own capacity corresponds to clean energy. On the other hand, the addition of natural gas to renewable generation confirms that 72% of the company's generation matrix comes from sustainable sources. The projection for 2030 is that EGE Haina will have 1,175 MW of installed renewable capacity. As a result of these and other achievements, it is currently the leading company in non-conventional renewable generation in the country and the Antilles.

Promote inclusive and sustainable economic growth, employment, and decent work for all

At EGE Haina, talent management is focused on promoting productivity, well-being, and the integral development of its human resources team, composed of 486 employees, with an average seniority of 8 years and a very low turnover rate of approximately 3%. The organization promotes hiring from the communities where its power generation plants are located, both for permanent and temporary positions, with a higher number during the construction of new projects. Currently, 48.5% of its employees work in the eastern region, 27.8% in Santo Domingo, and 23.7% in the southern region. In addition to its permanent and temporary hires, the company promotes human development, income generation, and employment opportunities in the areas where it operates by sponsoring technical training programs directed at different segments of the population.

Ensure sustainable consumption and production patterns

In compliance with the guidelines set out in its Environmental Policy and, above all, by operating in accordance with Dominican legislation on environmental issues, EGE Haina works rigorously to ensure responsible management of effluents, as well as solid and oily waste; proper storage, treatment, and transportation of chemicals; control of pollutant emissions and environmental noise; and prevention and protection against spills. The company also promotes a clean production model that optimizes water use in order to reduce air, water, noise, and soil pollution in its processes. Similarly, it provides training to its employees, suppliers, and contractors in sustainable production and consumption practices, environmental education, and human rights.

Adopt urgent measures to combat climate change and its effects

Through the installed capacity of its renewable power plants, EGE Haina has the potential to prevent the emission of over 600,000 tons of CO_2 into the atmosphere. Out of these CO_2 emissions, 338,000 tons come from the annual production of its wind farms, totaling about 540,000 MWh, while 265,000 tons are saved through the company's solar photovoltaic production, estimated at 440,000 MWh.

Additionally, the conversion of Quisqueya 2 to natural gas reduced emissions from that plant by more than 60% in its first year of operation with this fuel. As a result of these investments, the company has halved its carbon dioxide emissions per kilowatt-hour produced.

The growth strategy for 2021-2030 focuses on developing 1,400 MW of sustainable sources (wind, photovoltaic, and natural gas), which will strengthen EGE Haina's contribution to reducing greenhouse gas emissions and global warming.

Revitalize the Global Partnership for Sustainable Development

As a member of the country's leading business associations, EGE Haina shares the mission of promoting competitiveness, social responsibility, and economic development in the Dominican Republic. Likewise, with the regional associations to which it also belongs, it promotes energy sustainability in the Caribbean and Central America. Nationwide, the company is also part of other organizations working for sustainable development and environmental protection in the country, especially in the areas where its power plants operate. In summary, it collaborates with more than 50 governmental and non-governmental institutions that define and develop a social agenda to achieve sustainable results in communities.

FIGHT AGAINST CLIMATE CHANGE

GRI 3-3, GRI 302-4, GRI 302-5, GRI 305-5

EGE Haina produces electricity in an efficient and environmentally responsible manner because sustainability is the driving force behind its operations. For this reason, every action of the company demonstrates its commitment to be an agent of change in the Dominican Republic's energy sector, where it fights against climate change by working to reduce dependence on fossil fuels. In this regard, the evolution of its generation matrix shows that it is making progress toward the goal because, despite doubling its installed capacity, this growth continues to be oriented towards sustainability through non-conventional renewable energy sources (wind and solar photovoltaic) and natural gas.
EGE Haina is committed to reducing its carbon footprint and has defined three priority lines of action to achieve this goal:

1 Investment in zero-emission assets

Between 2011 and 2023, the company developed four wind projects and three solar projects, with an investment exceeding US$ 600 million, which allowed it to reach nearly 400 MW of installed renewable capacity. This investment includes the Esperanza Solar Park, inaugurated in 2023. With these initiatives, EGE Haina seeks to:

- Avoid the annual generation of more than 600,000 tons of CO_2 through wind and solar production.
- Reduce fuel consumption by 1,630,000 barrels of oil per year.
- Support compliance with the Paris Agreement targets, as set out in the Intended Nationally Determined Contributions (INDC).

2 Replacement of combustion vehicles with electric vehicles

Since 2019, the company has been implementing a strategy to replace combustion vehicles with electric vehicles as part of its action plan against climate change and to reduce direct greenhouse gas emissions. This replacement is carried out gradually, in accordance with EGE Haina's Vehicle Operation Policy, with annual budget allocations for this purpose. As a result, the fleet of electric vehicles and the installation of charging stations at power plants and generation parks has been increasing. As of December 31, 2022, electric vehicles represented 19.20% of EGE Haina's total vehicle fleet. According to the company's projections, by December 31, 2030, the total figure will reach the target of 50% of the fleet.

3 Reduce the carbon footprint

Allocating financial resources to renewable technologies, consuming cleaner fuels, and reducing their use to produce the same amount of electricity have been the main objectives of the investments made by EGE Haina. Optimizing production assets to make them more efficient and renewable is part of the company's actions to reduce its carbon footprint. Due to higher-than-expected production from renewable power plants, the thermal production programmed for 2022 was reduced by 32%. The 2020-2030 Strategic Plan maintains its focus on reducing the carbon footprint through the development of 1,000 MW of renewable sources and 420 MW of natural gas, which will strengthen EGE Haina's contributions to the fight against global warming.

SUSTAINABLE ENERGY

RISKS AND RESILIENCE

GRI 3-3, GRI 404-2

At EGE Haina, the purpose of Comprehensive Risk Management (CRM) is to manage uncertainty regarding the fulfillment of the organization's objectives and contribute to the creation and preservation of value within the company. CRM follows the guidelines, practices, and standards of ISO 31000, COSO 2013, and COSO ERM 2017. It is also managed in accordance with the guidelines of the comprehensive risk management policy, risk manual, procedures, forms, and the Code of Ethics, among other tools that enable informed decision-making, add value, and enhance organizational resilience.

The Risk and Quality Board, an independent unit within the business that reports directly to the General Management, is responsible for leading the implementation and continuous improvement processes for risk management at EGE Haina. This unit advises, issues guidelines, provides consultative guidance, defines practices, exercises governance, and monitors risk management and internal control. The implementation of CRM is overseen by the Resilience Committee, which works as a monitoring and review body for the organization's risk profile, as well as a communication channel and a unit that coordinates the roles of the second line of defense.

On the other hand, the Internal Audit Management is responsible for evaluating the implementation of CRM, following the "three lines of defense" model. Likewise, the company has a multidisciplinary team of risk managers or "champions" who meet periodically to discuss risk, quality, internal control, and business continuity matters, always advocating for proactive reporting, continuous monitoring, and continuous improvement.

Risk managers belong to different processes, areas, or projects within the organization and have taken on this additional responsibility to contribute to the coordination, centralization of risk information, controls, treatment plans, materialization, indicator monitoring, and the design and review of processes in their respective areas, all of which contribute to excellence in quality and organizational resilience. These managers are appointed by senior management and functionally report to the Risk and Quality Board, which acts as a facilitating and internal consulting entity for their area in this regard.

The Comprehensive Risk Management (CRM) is a top priority principle in the performance of EGE Haina employees and is part of the proactive culture of awareness and self-control in risk management. All employees of the company are responsible for understanding the risks they are exposed to in the course of their duties and during the processes they participate in, as well as managing them appropriately. They are also responsible for understanding and complying with EGE Haina's risk policy and manual.

Comprehensive Risk Management (CRM) Model at EGE Haina

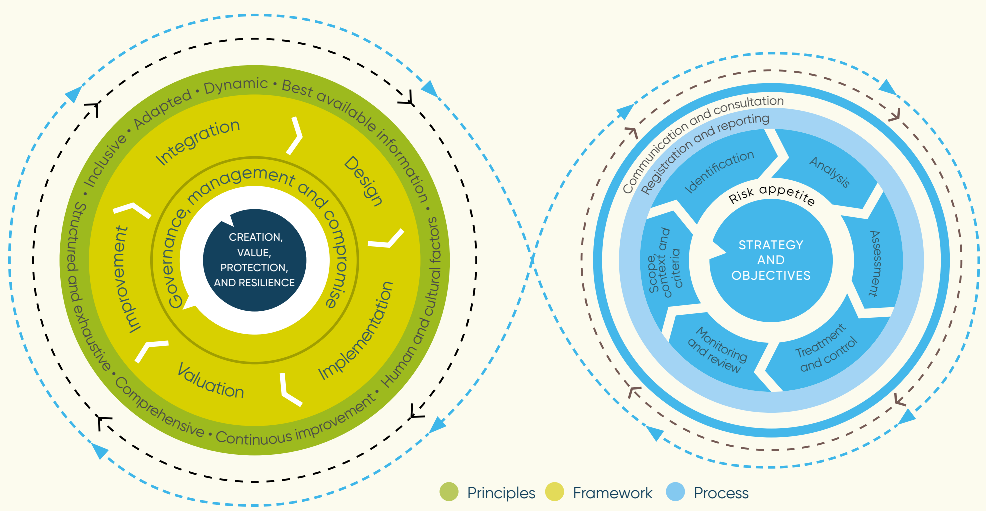
EGE Haina has principles, a framework, and processes for Comprehensive Risk Management (CRM), with implementation levels as follows:

- **Level 1: Strategic risks.** These refer to the impact of uncertainty on the company's strategic objectives.
- **Level 2: Process risks.** These are risks that affect the achievement of the company's macro-process and process objectives.
- **Level 3: Project risks.** These are risks associated with internal and external projects developed by the organization.

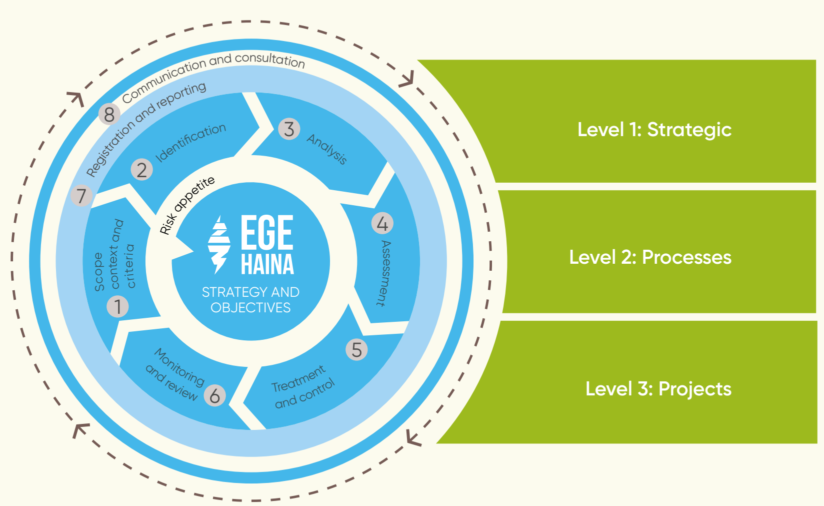
The CRM is implemented through the eight steps of the risk management process, which includes the identification, analysis, assessment, monitoring, objective review, and risk communication of risks, in order to mitigate their effects or prevent their occurrence. During this process, the relationship between objectives, risks, and controls is also reviewed to ensure that EGE Haina has an adequate control environment in the development of its operations. These are the eight steps of the process:

1. **Scope, context, and criteria.** In this step, the level of the cycle is defined, internal and external contexts are identified, and the assessment criteria or appropriate metrics for probability, impact, and control that will be used in the following steps of the process are ratified.
2. **Identification.** It involves recognizing the risks that could negatively affect the objectives, depending on the level (the organization's strategy, processes, and projects). Opportunities are also identified during this step.
3. **Analysis.** It is the estimation and justification of the probability and impact of risks to obtain their residual magnitude, i.e., the one that already takes into account the effect of controls.
4. **Assessment.** It helps determine the course of action, with the risk based on the comparison of the resulting residual magnitude, contrasted with the tolerance areas of the risk matrix and the defined evaluation criteria.
5. **Treatment and control.** It allows risk management through controls and treatment strategies, in order to to align risk exposure with the defined risk appetite.
6. **Monitoring and review.** This is a step to monitor, track, and review the risk status, the progress of treatment plans, risk indicators, control quality, and other risk-related issues, in order to make it visible and contribute to timely decision-making for its management.
7. **Recording and reporting.** The entire risk management process is recorded and reported to the appropriate bodies, along with their corresponding indicators, to facilitate proactive risk-based decision-making and ensure that the risk profile is managed appropriately.
8. **Communication and consultation.** During the process, risk management is communicated in an adequate and timely manner to the relevant bodies to strengthen the multidisciplinary participation of all stakeholders.

COMPREHENSIVE RISK MANAGEMENT (CRM) MODEL AT EGE HAINA



COMPREHENSIVE RISK MANAGEMENT



EGE Haina's Comprehensive Risk Management Policy

The commitments established in this policy are as follows:

- **Incorporating** comprehensive risk management at all levels and processes of the organization.
- **Defining and implementing** a risk appetite framework.
- **Adopting** a methodology for comprehensive risk management aligned with the best international and market practices.
- **Identifying and comprehensively managing** the relevant risks, taking into account their possible impact on the objectives, corporate governance, sustainability and operations continuity.
- **Building** a risk matrix for strategic objectives, processes and projects that meet the materiality criterion, which subsequently allow their consolidation into the corporate risk map, in favor of their scaling and timely management.
- **Having** adequate business continuity management and crisis management to ensure adequate organizational resilience.
- **Updating** the risk matrix periodically, by taking into account the different risk sources, as well as their events, causes and situations that potentiate them.
- **Providing** periodic follow-up at the Resilience Committee regarding the most important risks of the organization, as well as its treatment plans and significant materialized events.

Advances in comprehensive risk management and resilience

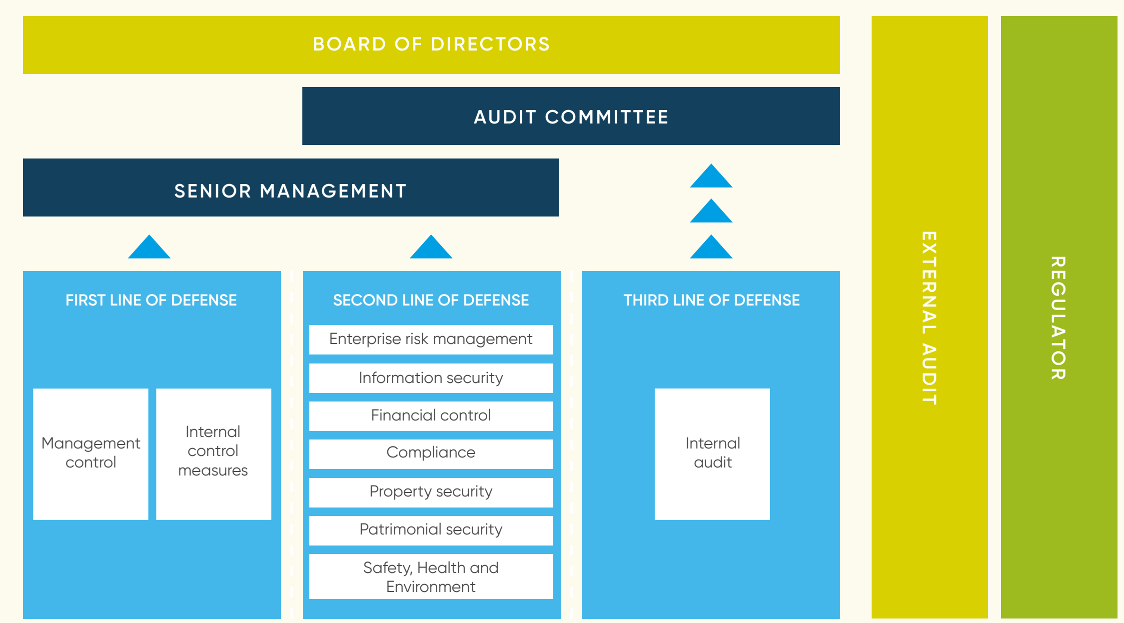
During the year 2022, EGE Haina made significant progress towards the consolidation and continuous improvement of Comprehensive Risk Management (CRM), building upon the advanced groundwork laid in 2021 and demonstrating an appropriate level of maturity through the following actions:

- **Self-monitoring and supervision** exercises through Risk Control Self Assessments (RCSAs) for level 2 processes. These self-assessment sessions reviewed both the level of process implementation and the progress of internal controls specific to each process. Topics covered included the effectiveness of these controls, the existence of additional risks, emerging and materialized risks, lessons learned, and treatment plans, among others.
- **Conducting walkthrough tests** on a sample of level 2 process controls. The sample was selected based on criteria associated with the severity or magnitude of risk and the quality of key controls, enabling self-assessment of these controls.
- **Regular updates** of risks, changes in their status, emerging risks, realized risks, progress of treatment plans, controls, and their classification through reports on processes and projects prepared by risk managers or "champions."
- **Updating** the 2022-2023 strategic risk map by the Executive Committee.
- **Resilience Committee sessions** (eight in total during 2022). In this committee, led by the General Management and coordinated by the Senior Board of Risk and Quality, EGE Haina employees submit (can directly or through risk managers in their area or process) any issues related to risk management, quality management, or organizational resilience.
- **Execution of a communication campaign** aimed at all levels of the organization to disseminate risk management with the purpose of raising awareness and further strengthening EGE Haina's risk management culture.
- **Measurement of CRM maturity** or the Enterprise Risk Management (ERM) maturity index to review improvement opportunities and contribute to comprehensive risk management.
- **Strengthening business continuity management** by updating a business continuity plan and its respective policy..
- **Continuous maintenance and updates** of the Resilience Portal, where risk managers or "champions" can access all risk management resources, including dashboards, policies, manuals, training videos, and more.
- **Measurement of the risk culture** within the organization through surveys and interviews.
- **Periodic sessions** with risk managers or "champions" for training and analysis of risk, business continuity, and quality management-related topics.
- **Risk and quality inductions** for new risk managers or "champions."
- **Application of internal control diagnostics** based on the COSO 2013 framework.

Operation of Comprehensive Risk Management (CRM) at EGE Haina

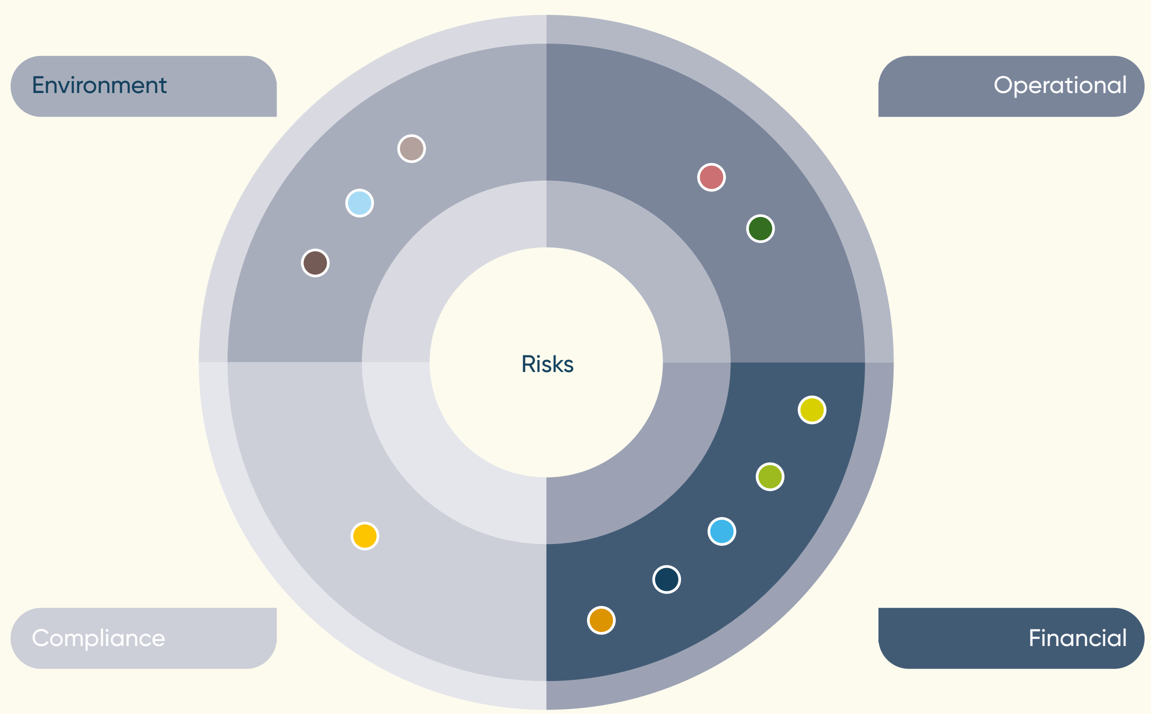
CRM at EGE Haina is a strategic and dynamic process applied across all areas and levels of the business, encompassing all processes and activities, and across all geographical locations where the organization operates. Through CRM, the company fosters its comprehensive risk management culture and promotes attitudes, values, and behaviors that contribute to both strategic and operational decision-making. EGE Haina's CRM framework follows the "three lines of defense" model.

EGE HAINA´S THREE LINES OF DEFENSE STRUCTURE



The purpose of this management model is to separate roles and responsibilities. In the first line are the so-called risk owners, in the second are those who perform supervisory and monitoring functions, and in the third, those responsible for independent reviews and internal audits. This three-line approach allows risk owners to have all the tools to manage risk appropriately and in a timely manner, supported by the other lines of defense. EGE Haina will continue to develop its CRM in the short, medium, and long term, with an emphasis on measuring, monitoring, and strengthening the maturity level of the risk management culture.

COMPREHENSIVE RISK MANAGEMENT



Risks							
Foreign currency exchange risk	E			Demand risk	E		
Interest rate risk	E			Natural disasters/business continuity	E	A	P
Liquidity risk	E			Operational risks	E	A	P
Credit risk	E			Fuel supply risk	E		
Fuel price risk	E			Compliance risk	E	A	P
Country environment risk	E	A	P				

E Economic impact A Environmental impact P Impact on people

Risk Factors

At the end of 2022, EGE Haina identified the 11 main risks, and their mitigation measures are aligned with the organization's strategy.

a) Exchange rate risk

Consists in recognizing exchange rate differences in the company's income and expenses resulting from variations in exchange rates between its functional currency and the corresponding foreign currency. To manage this risk, the company continuously monitors monetary assets and liabilities in foreign currency, holding short to neutral positions to limit exchange rate exposure.

b) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument or fair value may fluctuate due to changes in market interest rates. The company's exposure to this risk mainly pertains to long-term obligations with variable interest rates. The company maintains limited exposure to variable interest rate risks, which may periodically adjust their pricing based on market conditions. Similarly, trade receivables and other overdue accounts accrue interest at market or higher rates, thus covering the cost of financing.

c) Liquidity risk

This refers to the risk that the company may not be able to meet its obligations. To mitigate this risk, the company monitors its liquidity needs to ensure it has sufficient cash in banks and short-term investments to meet its operational requirements. It also maintains the availability of credit lines with local and international banks to be used in case of need.

d) Credit risk

Credit risk is the risk that a counterparty may not fulfill its obligations arising from a financial instrument or purchase-sale contract, resulting in financial loss. For the company, credit risk concentration mainly consists of accounts receivable from the sale of energy and power in the National Energy Grid (SENI). The main buyers are distribution companies and the Dominican Corporation of State Electrical Companies (*Corporación Dominicana de Empresas Eléctricas Estatales*, CDEEE). Although accounts receivable from the CDEEE show delays in their current payments, the company has no history of uncollectibility with this entity, and collections are being managed through the Ministry of Finance. Additionally, the company maintains power purchase agreements (PPAs) with significant industrial clients in the country, which keep their accounts payable up to date.

e) Fuel price risk

The company is exposed to the risk resulting from fluctuations in the international price of fuels. Because the Dominican Republic is not a fuel producer, the company purchases natural gas, fuel oil, and coal used for power generation from domestic and international suppliers at prices based on international indexes, plus transportation and other associated charges. In general, the cost of natural gas is determined by reference to the index published by Nymex Henry Hub, and that of fuel oil by the index published by Platts. Both indexes are used in the indexation formulas included in power sale contracts prices. Additionally, declared energy prices for transactions in the spot market include fluctuations in fuel prices. As a result, the company has reasonable coverage against these variations.

f) Geographic environment risk

If economic conditions in the Dominican Republic deteriorate, the company's financial position or operational results could be affected. Global inflation and the measures taken by various governments to control it, along with exacerbating situations like the war in Ukraine, could negatively impact the global economy and Latin American financial markets, including that of the Dominican Republic. Any adverse effect on the country's economy could affect the government's capacity or willingness to continue making subsidy payments to distribution companies. Consequently, EGE Haina's financial situation and operations could be adversely affected. Likewise, in such a scenario, there would also be a negative impact on Non-Regulated Users (NRU) and their ability to purchase electricity or make timely payments to the company. The country's macroeconomic stability in recent years has allowed the placement of debt in international markets on long-term and very favorable conditions. These sovereign issues have received high acceptance from global investors, demonstrating a high level of confidence in the nation's financial performance.

g) Demand risk

EGE Haina's sales largely depend on the aggregate demand of SENI and the demand from its contracted customers. Therefore, fluctuations in energy demand produce positive or negative variations in quantities sold. These variations also impact spot market energy prices and, consequently, product purchase or sale levels.

h) Natural disasters/business continuity

A hurricane or another natural disaster of significant magnitude could damage physical assets or cause a disruption in the company's ability to deliver electrical energy. In the event that such disruptions occur for an extended period, the company's business continuity would be affected, as well as its revenues and its ability to generate cash flows. For this reason, EGE Haina continually reinforces its business continuity management framework in accordance with the best international practices and standards, in addition to building electric power infrastructure according to standards and norms that guarantee their integrity during certain natural events. The organization has adequate insurance policies to cover property losses and potential business interruption caused by such events. Another mitigating element is the geographic distribution of generation assets, which minimizes the likelihood of failure and reduces the chances of events or natural disasters that may result in unavailability.

i) Operating risk

The operation of power generation plants is subject to various risks, including the risk of breakdown, equipment failure or underperformance. Likewise, employees´ actions, partial or total damage to power generation plants, and fuel shortages resulting from fortuitous events or force majeure, including hurricanes, earthquakes, and other natural disasters. The company may also experience operational difficulties that could affect its ability to produce electricity. This risk is mitigated by several elements, including asset operation and maintenance programs (corrective, preventive, and predictive) that ensure high unit availability, adequate insurance policies, wind farm operation and maintenance contracts, with a minimum availability guarantee, which is remunerated by the contractor in case of non-compliance. Regarding contractual obligations for power supply, if, for any reason, EGE Haina's generation units are unavailable to generate enough electricity to meet its obligations, the company can acquire it through the occasional or spot market.

j) Fuel supply risk

As EGE Haina operates in a Caribbean region affected by climatic phenomena that can occasionally be severe, the company is exposed to the possibility that vessels transporting fuel to the island may be unable to depart promptly from their ports of origin or may not be able to discharge on scheduled dates. Similarly, EGE Haina is exposed to the behavior of the fuel market, both to price fluctuations and the availability of raw materials.

In some way, the conflict in Ukraine (mentioned earlier in the Geographic environment risk) could affect fuel supply in the short term, although the company's fuels are located outside the conflict area. To prevent this, EGE Haina has monitored the risk and taken appropriate mitigating measures. This risk is mitigated with sufficient supply capacity and an internal policy that allows storing between one-third and fifty percent of monthly fuel consumption needs.

k) Compliance risk

Compliance risks are associated with fraud, corruption, bribery, money laundering, financing of terrorism, and violations of EGE Haina's Code of Ethics and Conduct. The company adheres to ethical guidelines at all levels and processes to promote these values among its employees, emphasizing internal control. This risk is addressed through prevention, detection, response, and continuous improvement. Likewise, through the management of the compliance officer and the Compliance Committee [1], which are responsible for evaluating the organization's ethical environment and making recommendations to strengthen it. About money laundering and terrorism financing risks, in accordance with Law No. 155-17, EGE Haina is not considered a obligated subjetct. However, the company maintains supervisory controls to prevent money laundering, terrorism financing, and related issues. All of this is aimed at promoting institutional transparency and good corporate governance practices.

[1] The Compliance Committee changed its name to Ethics, Human Rights, Diversity and Inclusion Committee (HRDI).

OPERATIONAL EXCELLENCE

GRI 3-3, GRI 404-2

EGE Haina's operational excellence results from a program that directly contributes to achieving goals and is aligned with creating sustainable value. Every activity included in the Operations Plan is governed by industry best practices, local and international health, industrial safety, and environmental regulations, as well as industry standards. The focus of this plan includes the following actions:

1. **Operate** our power generation plants with high efficiency.
2. **Give** continuity to the comprehensive fuel process management system.
3. **Execute** the budget effectively.
4. **Optimize** downtime during major unit maintenance.
5. **Efficiently** manage the operation and maintenance of all our facilities.
6. **Comply** with technical training for staff.
7. **Adhere** to environmental requirements and indicators.
8. **Ensure** good performance in Safety and Health.
9. **Audit** the operation and maintenance areas of all plants.

Through its action plans, in 2022, the company conducted internal audits in the areas of Operations, Maintenance, Industrial Safety, Occupational Health, and Environmental Management, following the corresponding guidelines and policies, recommendations from insurers, and other external organizations.

OPERATIONAL MANAGEMENT

GRI 2-25, GRI 3-3, GRI 307-1, GRI 302-1, GRI 302-4 A 5, GRI 305-1, GRI 305-5, GRI 306-3, GRI 303-5, GRI 403-1 A 9, GRI 404-2

In 2022, the total net energy production for commercial injection was 3,133.28 GWh, which is 1.9% higher than in 2021 when production was 3,073.81 GWh. This increase in generation compared to the previous year is the result of increased real-time dispatch and the good operational performance of the generation units.

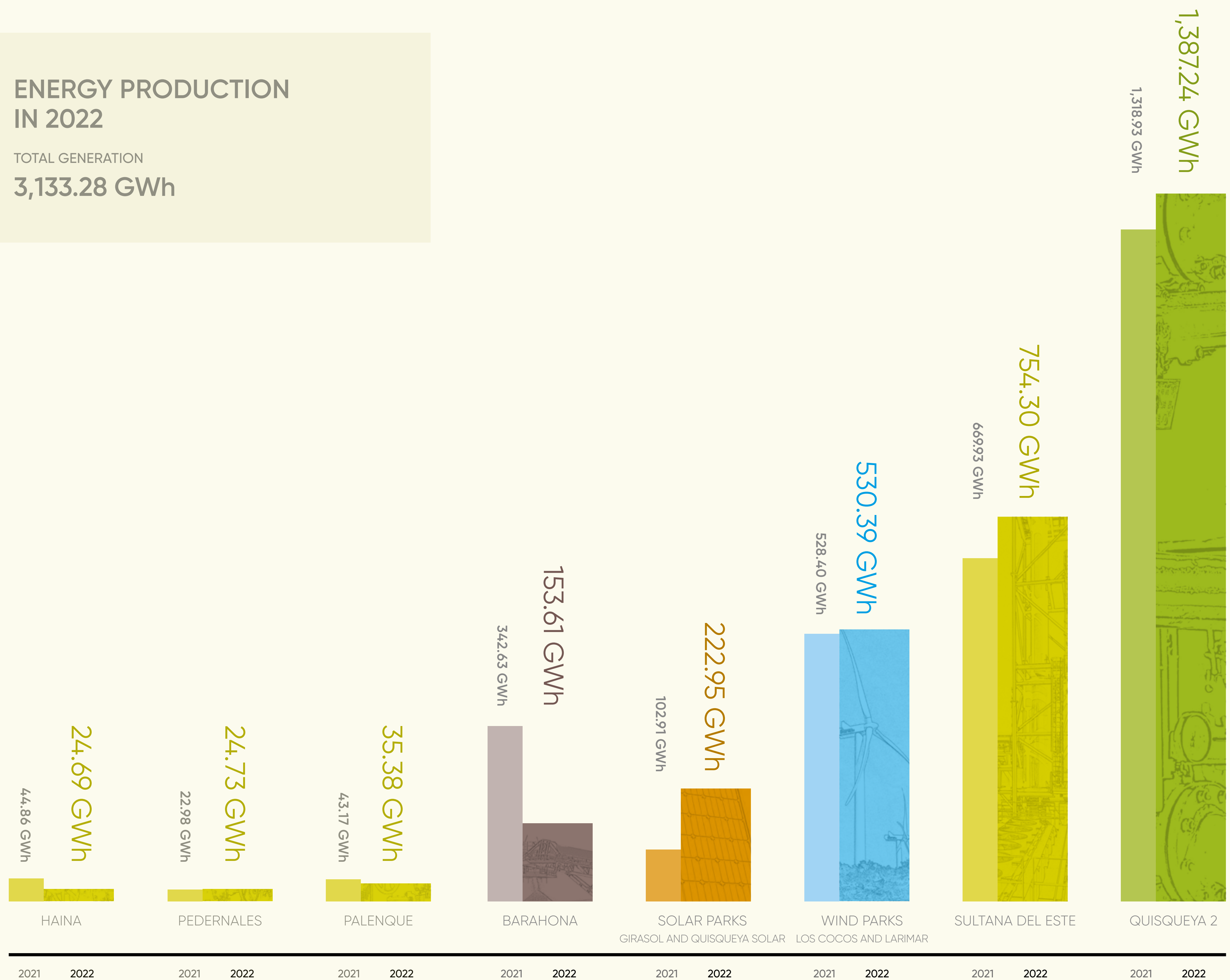
44% of EGE Haina's grid energy was produced by Quisqueya 2, 24% by Sultana del Este, and 5% by Barahona (coal). Parque Eólico Larimar 1 accounted for 6%, and Parque Eólico Los Cocos 2 contributed 5%. Larimar 2 and Los Cocos 1 wind parks contributed 4% and 2%, respectively, while Parque Solar Girasol produced 7%. Haina (turbogas) contributed 1%, Palenque 1%, and the remaining 1% was generated by the units in Pedernales that supply Edesur's isolated system located in that province.

EGE Haina's main generation units continue to actively participate in the primary and secondary frequency regulation process, contributing to the operational stability of the National Energy Grid (SENI).

ENERGY PRODUCTION IN 2022

TOTAL GENERATION

3,133.28 GWh



Efficiency

Throughout 2022, the consolidated heat rate for the units was 6,578 Btu/kWh, which is a positive figure when compared to the 7,109 Btu/kWh in 2021, representing a 7.5% reduction, thanks to the renewable energy contributions from the Girasol Solar Park, which operated throughout the year.

The heat rate for Quisqueya 2 was 8,071 Btu/kWh compared to 7,999 Btu/kWh in 2021 (0.9% less favorable due to increased cyclic operation for economic dispatch). Sultana del Este registered 8,489 Btu/kWh compared to 8,469 Btu/kWh in 2021 (0.2% less favorable also due to increased cyclic operation for economic dispatch), and the total for Barahona was 13,181 Btu/kWh compared to 12,799 Btu/kWh in 2021 (3.0% less favorable due to operating cycles at technical minimums and an increase service outages by economic dispatch in real time).

Centralized maintenance

In 2022, the following maintenance operations were carried out, meeting the allocated time and resources:

- **Quisqueya 2**

  Major maintenance of Unit 6 for 72,000 hours.

  Major maintenance of Units 3, 4, and 12 for 60,000 hours.

  Five-year maintenance of the steam turbine.

- **Sultana del Este**

  Major maintenance of Unit 8 for 132,000 hours.

  Major maintenance of Units 2, 3, and 5 for 144,000 hours.

- **Barahona (coal)**

  Major maintenance of the unit.

- **Pedernales**

  Major maintenance of Hyundai 1 Unit for 157,000 hours.

Environmental compliance

EGE Haina's environmental management system is based on ISO 14001 standards. In order to develop projects and plant operations, the company provided its Environmental Compliance Reports (*Informes de Cumplimiento Ambiental*, ICAs) in accordance with the licenses issued by the Ministry of Environment and Natural Resources, demonstrating compliance with permissible limits for effluents, emissions, and waste management, as well as the faithful execution environmental bond required by Dominican legislation in this regard.

Emissions management

EGE Haina conducts regular measurements of emissions from fixed power plants sources to ensure compliance with national permissible limits. These measurements are reported to the Ministry of Environment and Natural Resources. To calculate de CO_2 equivalent produced by the company, the US Government Energy Information Administration (EIA) method is the one that has been used. Based on the CO_2 equivalent content of the fuel used in its power generation plants, the company emitted 1,501,945 tons of CO_2 into the atmosphere in 2022.

During this same period, the combined generation from EGE Haina's renewable power plants avoided the emission of 477,597 tons of CO_2e, equivalent to 32% of the company's thermal production and a proportion greater than the 26% achieved in 2021. For this calculation, a SENI emission factor of 0.6216 tons of CO_2e per MWh generated was used, which is the one officialized by the United Nations Framework Convention on Climate Change (UNFCCC).

Input and solid waste management

Waste management

EGE Haina manages the waste resulting from its industrial processes in a responsible and appropriate manner. Consequently, all waste generated from operations is stored under controlled conditions prior to final disposal, which is carried out according to the legal guidelines of the Ministry of Environment and Natural Resources.

EMISSIONS MANAGEMENT

Plant	Installed capacity (MW)	Gross generation 2022 (MWh)	Fuel consumption				Total CO_2e tons
			Natural gas (MMBtu)	HFO (Bls)	LFO (Bls)	Coal (Ton)	
Quisqueya 2	225	1,458,692	4,879,219	1,048,315	15,752	–	763,424
Sultana del Este	154	763,234	–	1,020,438	417	–	484,611
Barahona	52	166,366	–	–	291	87,719	186,671
Haina TG	100	24,937	–	–	53,561	–	23,039
Pedernales	8	26,732	–	32,064	7,945	–	18,639
Palenque	26	36,129	–	53,249	659	–	25,563
Totals	**564**	**2,476,090**	**4,879,219**	**2,154,067**	**78,624**	**87,719**	**1,501,945**

Technology	Renewable park	Installed capacity (MW)	Gross generation 2022 (MWh)	Total CO_2e tons
Wind	Los Cocos 1	25.2	53,047	(32,974)
	Los Cocos 2	52.0	147,720	(91,823)
	Larimar 1	49.5	198,347	(123,293)
	Larimar 2	48.3	144,798	(90,006)
Solar Photovoltaic	Quisqueya Solar	1.5	1,623	(1,009)
	Girasol	120.0	222,799	(138,492)
Totals		**296.5**	**768,335**	**(477,597)**

WASTE GENERATED IN 2022

Solid waste generated	BA	CO	HA	PA	PE	Q2	SU	GI	Total
Solid waste total (m^3)	**1,444**	**29**	**74**	**24**	**18**	**399**	**424**	**101**	**2,513**
Dump total	1,444	27	74	10	10	316	360	101	2,343
Hazardous total	–	2	–	14	7	83	65	–	170
Ash total (toneladas)	**21,221**	**–**	**–**		**–**	**–**	**–**	**–**	**21,221**
Volatile ash	11,127	–	–		–	–	–	–	11,127
Background ash	10,094	–	–		–	–	–	–	10,094

BA: Barahona, CO: Wind, HA: Haina, PA: Palenque, PE: Pedernales, Q2: Quisqueya 2, SU: Sultana del Este, GI: Girasol

WASTE GENERATED IN 2022

Liquid waste (m³)	BA	CO	HA	PA	PE	Q2	SU	GI
Neutralization tank	374	–	–	–	–	–	–	–
Oily waters	–	–	–	155	123	1,871	2,538	–
Used oil	NA	5	–	–	NA	606	114	–
Residual septic waters	19	–	–	–	–	–	–	–
Total	19	5	–	155	123	2,476	2,651	–

WATER MANAGEMENT

Water (m³)	BA	CO	GI	HA	PA	PE	Q2	SU	Total
Domestic water consumption	9,980	121	236	3,000	0	2,362	594	15,479	31,772
Industrial water consumption	81,671	0	0	3,061	466	139	886,873	13,613	985,823
Total	91,651	121	236	6,061	466	2,501	887,467	29,092	1,017,595

BA: Barahona, CO: Wind, HA: Haina, PA: Palenque, PE: Pedernales, Q2: Quisqueya 2, SU: Sultana del Este, GI: Girasol

In 2022, the company's operations generated a total of 2,343 m³ of domestic solid waste, which was taken to municipal landfills. Similarly, 5,430 m³ of hazardous liquid waste and 170 m³ of hazardous solid waste were produced, and these were managed through entities authorized by the Ministry of Environment and Natural Resources.

Additionally, 21,221 tons of ashes were generated, and a portion was sent to cement companies for use as an aggregate in cement production.

Water management

In this same period, EGE Haina recorded a total water consumption of 1,017,595 m³, of which 3% was for domestic use and 97% was for industrial use.

Spills

Throughout 2022, 12 operational spills were reported without any impact on the environment.

Occupational health and industrial safety

Incident reporting

EGE Haina adheres to international compliance standards, which include the recording of incidents and accidents related to industrial safety and occupational health. Between January and December 2022, the company recorded four reportable industrial safety incidents in accordance with the United States Bureau of Labor Statistics (BLS) rules. During this period, there were no lost-time accidents.

Overall rate of reportable incidents

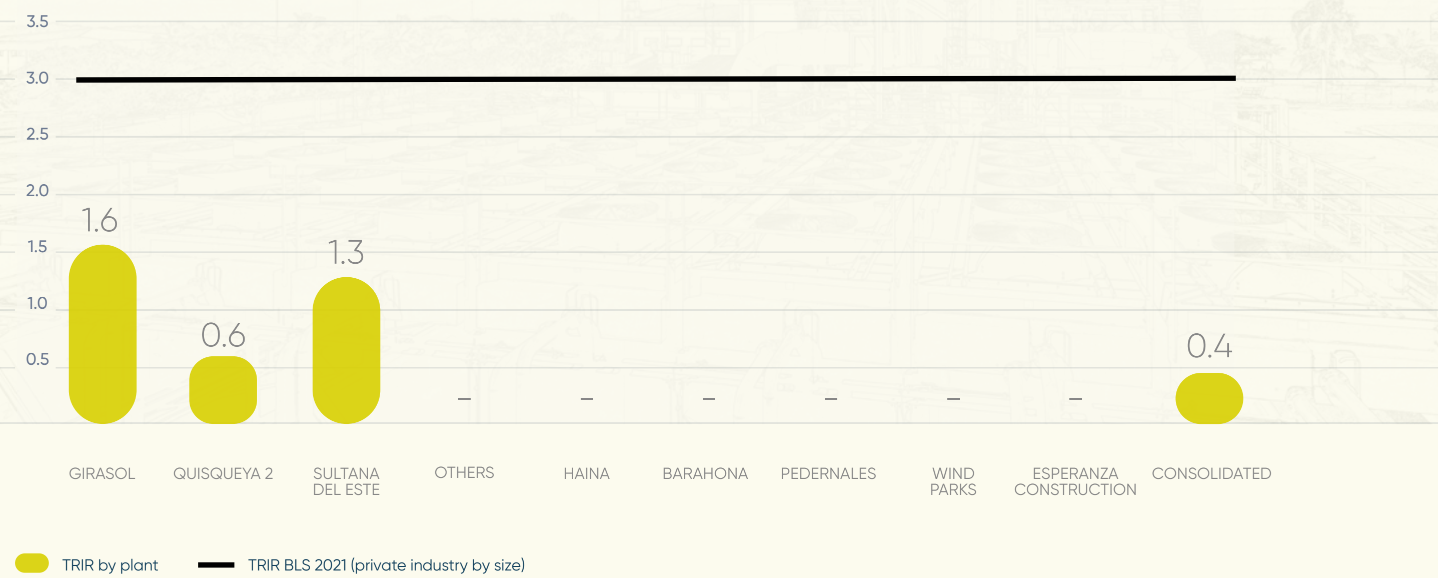
The Total Recordable Incident Rate (TRIR) for each of EGE Haina's plants is significantly lower than that of the private industry in the United States, according to the United States Bureau of Labor Statistics.

INCIDENT REPORTING

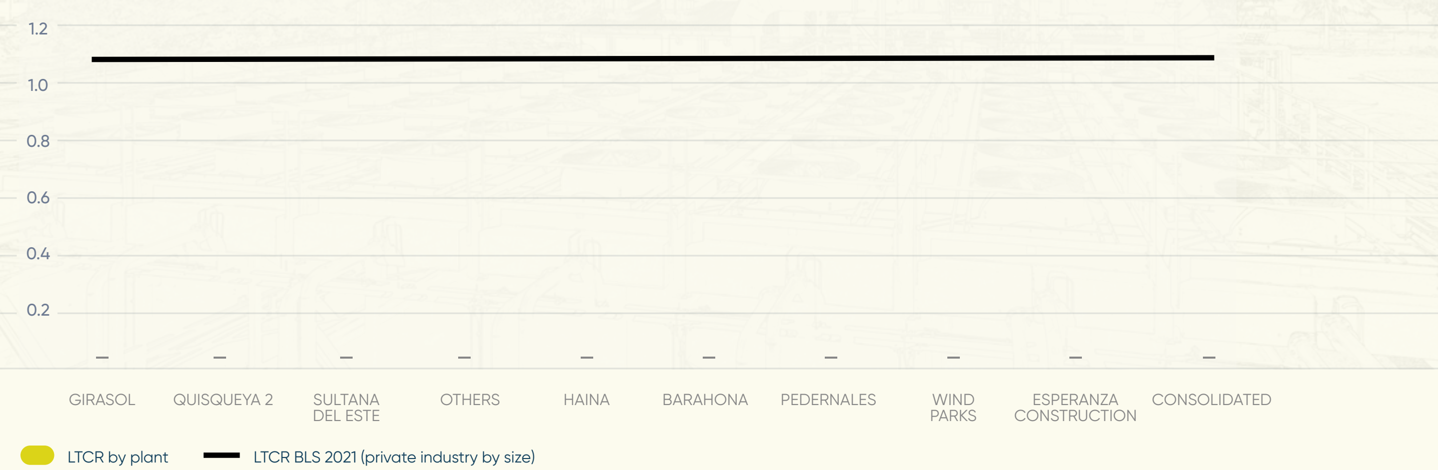
January to December 2022	GI	Q2	SU	Otros*	HA	BA	PE	CO	Esperanza Construction	Consolidated
Population: employees and contractors (monthly average)	51	109	122	104	17	91	12	68	247	**821**
Total reportable incidents	1	1	2	–	–	–	–	–	–	**4**
Incidents with lost time	–	–	–	–	–	–	–	–	–	**-**
Man-hours worked	128,814	316,485	315,795	309,245	61,894	185,140	25,390	139,836	329,455	**1,812,054**
TRIR per plant	1.6	0.6	1.3	–	–	–	–	–	–	**0.4**
TRIR BLS 2021 (private industry by size)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	**3.0**
LTCR per plant	–	–	–	–	–	–	–	–	–	**-**
LTCR BLS 2021 (private industry by size)	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	**1.1**

BA: Barahona, CO: Wind, HA: Haina, PA: Palenque, PE: Pedernales, Q2: Quisqueya 2, SU: Sultana del Este, GI: Girasol
*Directorate of Operations, P&M, Fuel Laboratory and Asset Security

TRIR BY PLANT VS. PRIVATE INDUSTRY



LTCR BY PLANT VS. PRIVATE INDUSTRY

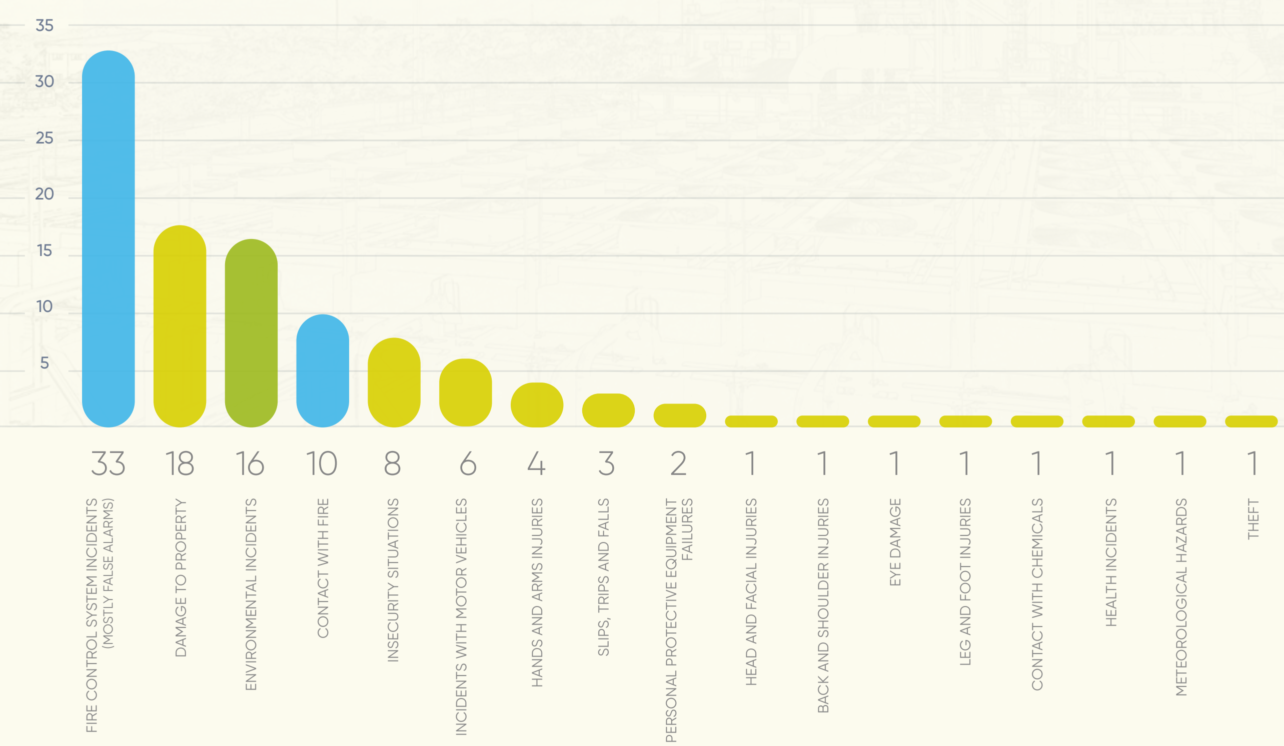


INCIDENT RATE

2022	BA	WIND	GI	HA	FUEL STATIONS	PE	PA	Q2	OTHERS	SU	TOTAL
Security	12	15	22	-	-	-	-	9	1	33	92
Environment	1	1	1	-	1	1	1	1	-	9	16

BA: Barahona, CO: Wind, HA: Haina, PA: Palenque, PE: Pedernales, Q2: Quisqueya 2, SU: Sultana del Este, GI: Girasol

OPERATIONAL ENVIRONMENTAL AND SAFETY INCIDENTS BY TYPE YEAR 2022



Lost time incident rate

In the year 2022, there were no lost-time accidents recorded in EGE Haina's operations or ongoing projects.

Safety, health and environmental incident rates

In 2022, there were a total of 92 safety and health incidents, and 16 incidents related to the environment. Most of these incidents involved small, unexpected fuel leaks, which were contained within the operational security limits (details of these events are provided in the chart on the previous page).

Occupational health and safety training

A total of 34,661 hours were invested in training across all company plants during the year 2022. Both employees and contractors benefited from these training sessions.

Industrial safety coordinators are trained in industrial safety and occupational health, while our wind farms´ operators have received training in safety, health, and emergency response for wind turbines. Before entering any EGE Haina facility, every employee, contractor, or visitor undergoes an induction on the Safety and Environmental Management Systems through an in-person session conducted by the responsible personnel.

To control potential emergency situations, EGE Haina´s plants have fire brigades, rescue teams, first-aid teams, spill control teams, and communication teams. Similarly, to ensure compliance with the Safety and Environmental Management Systems in the plants, the Senior Operations Management conducts both scheduled and unannounced audits. These audits confirm any deviations or non-conformities with the management systems and their procedures. Continuous follow-up is also conducted for the closure of these deviations. By the end of 2022, the plants had closed over 93% of the findings recorded during the audits.

Furthermore, the company's insurance broker conducts compliance audits at all EGE Haina plants and recommends improvements to ensure the safety of their assets. By December 2022, all recommended improvements by the insurance company had been implemented.

OCCUPATIONAL HEALTH AND SAFETY TRAINING

Training time by type	Employees	Contractors
Total number of individuals	443	739
Hours of training with Dupont E-Learning Solutions	930	-
Hours of training with 5-minute talks	3,921	19,337
Induction and reinduction hours	274	1,286
SSMA training hours	2,746	5,568
OSHA 511 training hours	570	30
Total training hours	**8,440**	**26,221**
Average hours per employee	**19.1**	**35.5**

Total population	Total
Number of individuals	**1,182**
Total training hours	**34,661**
Average hours per employee	**29.3**

Health services

The implementation of EGE Haina's Occupational Health Program is the responsibility of the Safety, Health, and Environment Management, in collaboration with the Talent Management Department. For the Occupational Health Service (OHS), the company has an outsourced health insurance provider, which manages medical dispensaries, conducts annual medical surveillance for employees, organizes health campaigns, provides ongoing training, and coordinates periodic medical visits at each of the company's facilities.

The program focuses on preventing risk factors that could be harmful to human health, as well as diagnosing, organizing, and executing the necessary actions in response to any identified health issues. This program also complies with Dominican Republic legislation, especially Law No. 42-01 on General Health, Law 87-01 which creates the Social Security System, and Regulation 522-06 on Occupational Health and Safety.

Each year, the company conducts medical surveillance for all its employees, during which the OHS provider performs voluntary health examinations to detect potential health impacts related to working conditions, identification of occupational risks, and monitor individual medical conditions identified in previous surveillance.

Furthermore, an occupational physician from EGE Haina´s OHS provider visits all company facilities and the corporate office every month. During these visits, both permanent an non-permanent employees have access to specific consultations regarding their medical conditions. These consultations follow up on known or detected findings during medical surveillance and may result in referrals to external specialists.

EGE Haina has a medical dispensary at the Quisqueya Thermal Power Plant, which provides 24-hour medical care. This facility is licensed by the Ministry of Health as a primary care center. The company also has an Occupational Health Committee, which meets monthly to follow up on the OHS provider's periodic reports. In compliance with Regulation 522-06, each of the power plants, as well as the corporate office, has a joint Safety and Health Committee. These committees meet monthly, and their meeting minutes are submitted to the Ministry of Labor of the Dominican Republic. Likewise, these committees create plans to address any identified gaps and are responsible for monitoring cases until their final resolution.

Finally, the company conducts periodic occupational monitoring to ensure that workspaces meet optimal conditions for noise levels, lighting, and ergonomics, promoting the well-being of employees. In 2022, 193 medical incapacities were recorded, resulting in the loss of 2,166 workdays.

ELECTRICITY MARKET

EGE Haina's commercial activity aims to identify and meet the energy needs in the National Energy Grid (SENI), and for this purpose, the company maintains relationships with:

- Non-regulated users
- Regulatory and supervising institutions in the electric subsector
- Electric Distribution Companies (EDEs)
- Other electric power generation companies

In the development of its functions, the company operates in both the contract market and the spot market. These operations are conducted under very specific rules of the Dominican Republic's electricity subsector, which have historically been applied in a stable manner.

Most of the electricity used by the country is produced and distributed in the National Energy Grid (SENI), and the rest in some isolated systems. For its commercial role, EGE Haina also maintains continuous relationships with the Superintendency of Electricity (SIE), the National Energy Commission (CNE), the Ministry of Energy and Mines (MEM), and the Coordinating Body of SENI (OC-SENI).

Key players in the electricity market

The electric subsector in the Dominican Republic consists of regulatory entities such as the Ministry of Energy and Mines, the National Energy Commission, and the Superintendency of Electricity, in addition to entities that produce, transmit, distribute, and

SECTORS SUPPLIED BY EGE HAINA

- Wholesale Electricity Market (MEM)
- Commercial
- Industrial
- Manufacturing
- Fuel
- State-owned
- Mining

PRODUCTS AND SERVICES PROVIDED

- Sale of energy
- Sale of capacity
- Frequency regulation compensation
- Third-party asset operation services
- Leasing of High Sulfur Fuel Oil (HSFO) storage assets
- Operation and maintenance (O&M) services

TYPES OF CUSTOMERS AND BENEFICIARIES OF EGE HAINA'S PRODUCTION

- Electricity generation and distribution companies
- Local electricity distribution companies and local generation companies
- Airports
- Mining companies
- Cement manufacturers
- Local free trade zones
- Food production and distribution companies
- Metallurgical companies
- Fuel importers
- Product marketers
- Construction material companies

consume electricity. There is also a coordinating entity for the operation of SENI called the Coordinating Body.

SENI has five electricity distribution companies: EDE Norte, EDE Sur, and EDE Este, as well as the *Compañía de Luz y Fuerza de Las Terrenas* and the *Empresa Distribuidora el Progreso del Limón*. The first three are state-owned, while the last two are privately owned. In addition to SENI, there are operators of isolated systems, such as the *Consorcio Energético Punta Cana-Macao* (CEPM) and EDE Sur, which also supply electricity in the isolated system of Pedernales.

Both hydroelectric generation and electricity transmission are reserved for the state through the Dominican Hydroelectric Generation Company (EGEHID) and the Dominican Electric Transmission Company (ETED), respectively. Additionally, the Dominican state participates in the Wholesale Electricity Market (MEM) as the owner of the Punta Catalina Thermal Power Plant and as a distribution agent.

Users with an installed capacity equal to or greater than 1 MW may apply to the Superintendency of Electricity for certification as non-regulated users and negotiate directly with generation and distribution companies' agents on energy supply prices.

Wholesale Electricity Market transactions

Purchases and sales in the electricity market can be made through:

- Private contracts or PPA (Power Purchase Agreements), through which specific energy and capacity transactions are agreed upon. These contracts are governed by commercial law and can be long-term (five years or more) or short-term (one to two years). Negotiated terms include duration, price, payment terms, guarantees, and other standard provisions. Contracts between generating companies and distribution companies, as well as with non-regulated users, are registered and managed by OC-SENI.
- Direct transactions in the opportunity or spot market at the short-term marginal cost of energy, based on the declared variable dispatch costs of thermal generating units. In order of merit or economic dispatch, OC-SENI schedules the dispatch of available generating units in the market to match the supply and demand of energy at a particular moment, optimizing the relationship between the cost of supplying demand and system security. Each month, OC-SENI reconciles the quantities of electricity injected into the system (through generation) and withdrawn (through contracts or spot sales) by each agent and determines the resulting balance of energy and capacity buyers and sellers in the spot market.

SUPPLY CHAIN

GRI 2-6, GRI 3-3, GRI 414-1

In 2022, the energy produced by the company was allocated to the National Energy Grid (SENI), two isolated systems (the Punta Cana-Macao Energy Consortium and the Pedernales Electric System), and Non-regulated Users (NRU). EGE Haina supplied 13.13% of SENI's energy demand and 24.27% of the energy used by NRU.

EGE Haina recognizes its purchasing power in the market and leverages it to make the company's supply chain increasingly sustainable and a means of inclusive growth. To achieve this sustainable supply, it is necessary to include best practices and key elements in value creation.

In this regard, one of the measures the company has taken is to control the economic, social, and environmental impact in supply management by adopting broad criteria for environmental, safety, and social responsibility in supplier selection. Ethical business conduct is one of the basic areas of sustainable supply chain, promoting good practices throughout the life cycle of goods and services.

EGE Haina incorporates sustainability criteria into the evaluation processes for tenders and supplier contracts. As a responsible organization, it ensures that all its suppliers align with and adhere to the company's Code of Ethics, as well as with all local regulations regarding environmental conservation, human rights, and occupational safety. These conditions are verified at the beginning of the business relationship and continuously throughout its duration.

Similarly, EGE Haina has a policy and implements an effective program for the Prevention of Money Laundering and the Financing of Terrorism (PLAFT). This program is based on adequate customer or supplier knowledge and due diligence to strengthen internal controls and minimize the risks of financial, operational, and reputational losses, as well as to avoid administrative, civil, and criminal sanctions for both the company and its officials and employees.

One of the fundamental pillars of sustainability in EGE Haina's supply chain and project execution strategy is directly related to the hiring, whenever possible, of suppliers, clients, and community members from the areas where the company operates. The company's comprehensive purchasing process, which is part of the supply chain, is based on an annual budget of expenses approved by the Board of Directors. The first step in this process is to plan the operational, administrative, and human resources management needs.

Throughout the year, the company´s areas make their requests for materials, equipment, services, and other inputs through a digital platform designed for these purposes. These requests initiate the quotation, evaluation, selection, and contracting process of suppliers, based on the criteria mentioned earlier, including sustainability principles. EGE Haina contracts approximately US $242 million per year for goods and services required for its operations, primarily composed of expenses related to fuels, lubricants, spare parts, and technical services.

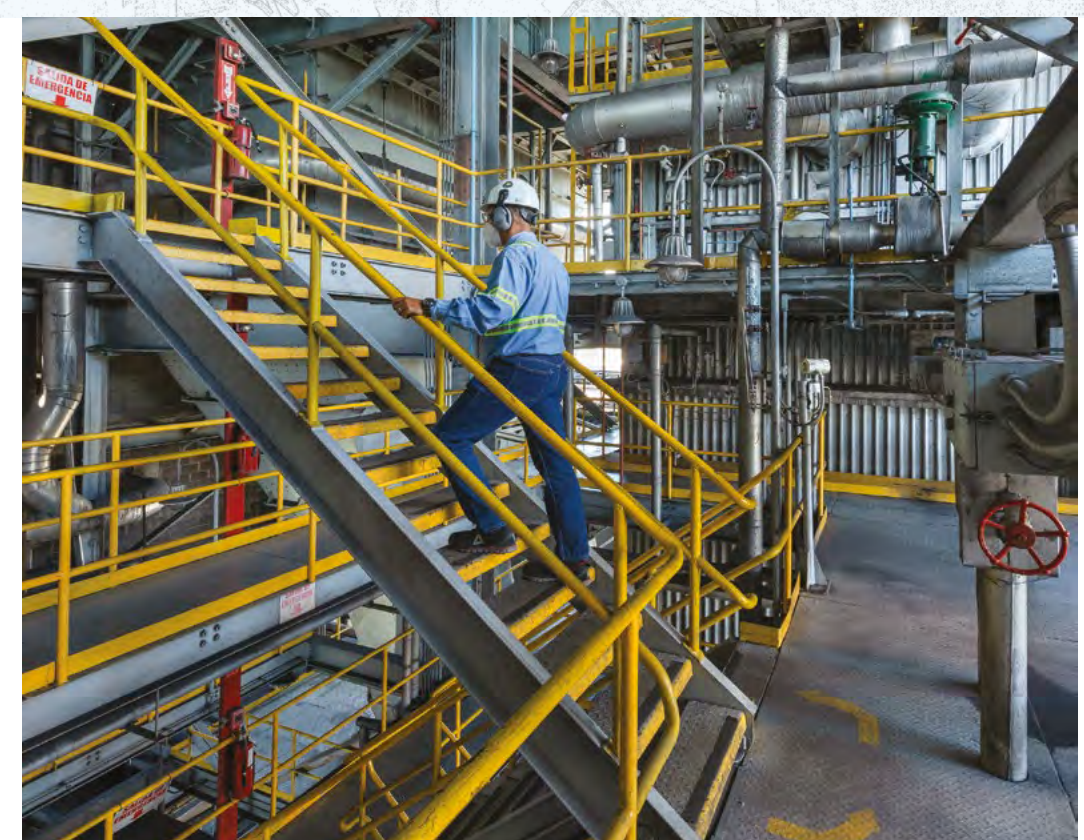
The main goods and services used for energy generation are acquired through long-term and medium-term contracts or purchase orders. This strategy aims not only to ensure the supply of spare parts, fuels, and lubricants in the required time and manner but also to achieve greater logistics efficiency, reducing the number of shipments and transports contracted in the supply chain. The company's procurement policies include provisions for minimum stock levels, including fuel availability, which are adjusted or increased during hurricane seasons. Similarly, provisions for critical equipment and materials are made in case of emergencies.

Currently, EGE Haina has around 500 active and recurring suppliers. Among them, 15 to 20 could be considered key or strategic. The sustainable supply program primarily focuses on these suppliers because their goods and services are essential for maintaining and operating the company's assets. Some of these suppliers are renowned firms from American or European origin (Germany, Finland, and Sweden) and from other parts of the world, including Wärtsilä Corporation, Siemens AG, ABB Group, Kurita Water Industries Ltd. (formerly U.S. Water Services), and ESD Korea (Hyundai representative), all with clearly defined sustainability policies, as evidenced by their annual reports.

The Dominican Republic has regular maritime and air routes, facilitating the logistics of supplying the spare parts, fuels, and lubricants needed by the country. Many of EGE Haina's major suppliers concentrate their dispatch and storage operations in the Caribbean and the Gulf of Mexico, which helps reduce costs and transit times for maritime cargo, resulting in greater operational efficiency.

HUMAN TEAM

TALENT MANAGEMENT
EGE HAINA'S COLLABORATORS



TALENT MANAGEMENT

GRI 3-3

The capacity, dedication, and commitment of EGE Haina's human team were decisive factors in the company's ability to carry out its operations in line with its sustainability commitment and achieve its projected objectives in a context of constant change during 2022.

As is usual every year, EGE Haina reviewed and updated talent management processes to ensure their speed and effectiveness. During the last quarter of 2022, the implementation of SAP SuccessFactors began, and will be completed in September 2023. This system provides real-time data and will enable the company to automate its processes, a fundamental aspect to optimize the recording of online transactions and ensure compliance with the organization's policies.

Furthermore, with the aim of contributing to the quality of life of employees and their families, the company continues to promote a culture of human rights, diversity, and inclusion through various activities. Likewise, EGE Haina promoted initiatives to take care of the physical and mental health of its employees and to help them achieve a balance between personal and work life.

EGE Haina encourages open and transparent communication at all levels of the organization. Similarly, aware of its importance, it maintains a secure and confidential channel to address cases of discrimination, violence, or unfair treatment.

EGE HAINA'S COLLABORATORS

GRI 2-7, GRI 3-3, GRI 401-1, GRI 401-2, GRI 404-1, GRI 404-2, GRI 405-1

As of May 31, 2023, EGE Haina's team consisted of 486 people, with 472 on permanent employment contracts and 14 on fixed-term contracts.

NATIONALITY

- DOMINICAN REPUBLIC: 96.9 % — 471 PEOPLE
- OTHER COUNTRIES: 3.1 % — 15 PEOPLE

5 from Colombia, 3 from Venezuela, and 1 from each of the following countries: Peru, Argentina, Chile, Costa Rica, Spain, Uruguay, and Brazil

SEX

- MALES: 82.1% — 399 PEOPLE
- FEMALES: 17.9 % — 87 PEOPLE

ROLES

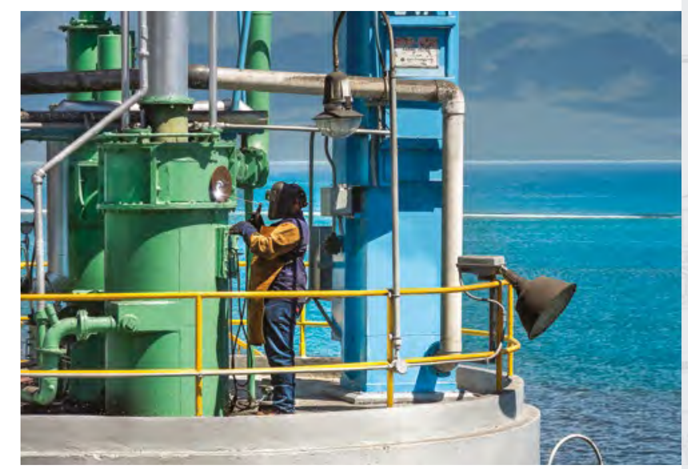
- OPERATIONS: 72.2% — 351 PEOPLE
- ADMINISTRATION: 27.8 % — 135 PEOPLE

TIME AT THE COMPANY

- 9 + YEARS: 45.0 % — 219 PEOPLE
- 4 - 8 YEARS: 17.3 % — 84 PEOPLE
- 0 - 3 YEARS: 37.7 % — 183 PEOPLE

AGES

- BABY BOOMERS: 8.6 % — 42 PEOPLE
- GENERATION X: 30.3 % — 147 PEOPLE
- MILLENNIALS: 52.9 % — 257 PEOPLE
- CENTENNIALS: 8.2 % — 40 PEOPLE



LOCATIONS

- EAST: 48.5 % — 236 PEOPLE
- SANTO DOMINGO: 27.8 % — 135 PEOPLE
- SOUTH: 23.7 % — 115 PEOPLE

PERMANENCE

- INVOLUNTARY ROTATION: 1.7 %
- VOLUNTARY ROTATION: 1.9 %
- TALENT RETENTION: 96.4 %

Employment

EGE Haina has strengthened its position as an employer brand through the use of social and professional networks. As a result, more and more people are becoming familiar with the company and showing interest in joining the team. Additionally, the organization works closely with the National Institute of Technical and Vocational Training (INFOTEP) to ensure that job offers reach graduates living in the provinces where EGE Haina operates.

The company organized its first virtual job fair, which attracted 198 participants. Many professionals and technicians took advantage of this initiative to apply for different positions.

Thanks to recruitment and selection policies based on equal opportunities, EGE Haina increased the percentage of women hired in 2022. For example, the Technology team structure had only 18% women, and this figure increased to 36%. Similarly, the company hired women for key positions in the Maintenance and Asset Security Supervision areas.

Diversity and equal opportunities

EGE Haina's commitment to fostering a climate of diversity and equal growth opportunities for all its staff is consistent and socially recognized. In 2022, the Dominican Institute of Quality (INDOCAL) awarded the company the NORDOM 775 certification for the third consecutive year. This recognition was added to the new "*Igualando RD*" Seal, Gold mention, granted by the Ministry of Women and the United Nations Development Program (UNDP).

Furthermore, building upon its Human Rights, Diversity, and Inclusion Policy (HRDI), the organization has launched various initiatives to promote work-life balance, equal access to employment, equal pay, the elimination of discrimination associated with sexual and workplace harassment, as well as the prevention of domestic violence and violence against women.

EGE Haina also organized lectures on ethics and related topics in line with this policy. Additionally, the company published the educational book "*Pintemos la vida de colores*" (Let's paint life with colors), which addresses topics like equality, inclusion, respect for human rights, and sign language in simple language for children under ten years old. This book was widely distributed among employees' children and was also presented in schools in communities near EGE Haina's plants. It is available for free download on the company's website or by scanning the QR code on this page.

DOWNLOAD THE BOOK
"PINTEMOS LA VIDA DE COLORES"

Leadership and people development

Contributing to the development of employees' skills is fundamental for EGE Haina. Therefore, the company's training strategy focuses on supporting the personal and professional growth of its collaborators. To achieve this goal, the company has implemented individual development plans that identify key talents in each area to accompany them during their respective learning processes, ensuring that these plans align with established training goals.

Additionally, through the LinkedIn Learning platform, the organization encouraged its professionals to develop soft skills and leadership skills through continuous training. In the operational areas, the Talent Management department researched and defined specific needs related to the processes in each location of the company to execute the most suitable training programs, especially in technical and safety-related topics.

The annual performance evaluation is an integral component of the employee development program.

Training

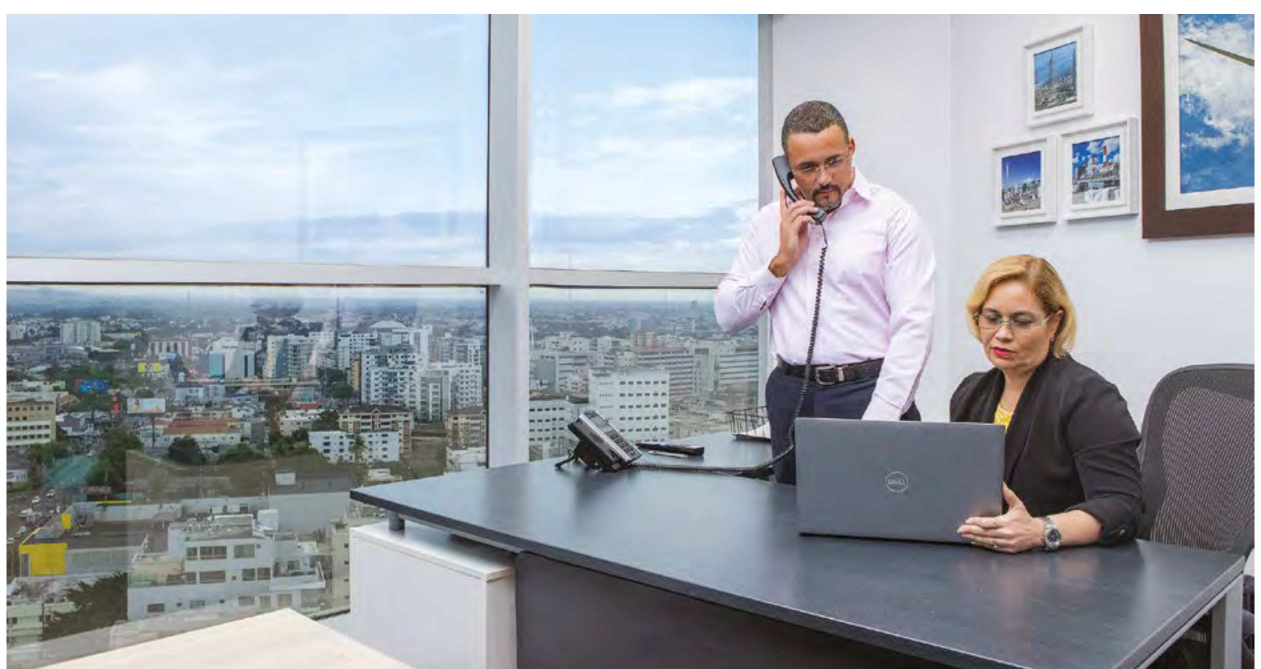
Promoting inclusive and equitable education that supports sustainable development and offers employees more learning opportunities to improve their quality of life is a top priority for EGE Haina. The company's educational objectives include:

- **Filling** vacant positions in line with plans to develop the staff.
- **Promoting** a philosophy of values so that employees and their children can achieve excellence through new and better growth opportunities.
- **Establishing** strategic partnerships with educational institutions to facilitate participation in technical training, internships, and job offers.
- **Improving** employees' skills through initiatives that facilitate their participation in projects, the exchange of experiences, and continuous training.

EGE Haina invests an annual average of approximately $400,000 in staff training. In 2022, the company remained focused on training its employees to develop their skills and conducted a total of 4,658 training activities (both internal and external), benefiting 100% of its staff at that time, consisting of 457 people. These training activities accounted for 37,903 hours of training, averaging 82.9 hours per person in training modalities that included bachelor's and master's degrees, postgraduate studies, specializations, executive programs, continuous education, language courses, certifications, fairs, congresses, conventions, seminars, and workshops.

With the purpose of strengthening the technical and behavioral competencies necessary for the effective performance for each job position, these training activities arise from the specific needs identified by Talent Management in the departments. These training sessions also covered relevant topics for employees, including specializations on technical aspects, well-being, sustainability, safety and health, risk prevention, leadership, inclusion, ethics, and gender-based violence prevention.

Additionally, as a result of the partnership between EGE Haina and INFOTEP, a dual and technical internship program was launched in the operations area, providing opportunities for young people from the eastern and southern regions of the country where the company operates. This program allowed them to put into practice the knowledge acquired in the classroom during their first work experience while promoting gender equality.



Attraction and retention of talent

Regarding this topic, during the year 2022, EGE Haina attracted and retained key talent for the organization, filling a total of 92 vacancies through both internal and external processes. 53 of these were filled through internal promotions, and 68 were filled by integrating new collaborators (13 women and 55 men).

The company used social media as a tool to reach a broader audience and facilitate external recruitment processes. Additionally, with the goal of encouraging employees' involvement in talent search, EGE Haina implemented the "*Referidos*" (Referrals) program. In order to do this, many of its policies were updated and disseminated through the organization's communication channels.

EGE Haina is committed to attracting and retaining the best talent. Therefore, it remains firm in its purpose to implement rigorous and innovative selection processes that help identify and choose the most suitable candidates for each position. It will also continue to encourage staff participation in talent search and promote a culture of equal opportunities for all.

Compensation

Thanks to the 100% compliance with the established goals, compensation for EGE Haina employees was positive in 2022, and performance-based bonuses were paid after evaluating the performance of all staff. Furthermore, to compensate for the increase in the cost of the family basket, the company applied the annual salary increase. Regarding the organizational structure, some positions were reviewed based on their new responsibilities, resulting in several positions being moved to higher levels. Finally, a total of 29 job positions were added to the administrative areas to ensure the company's operability and the execution of its new projects.

Employee benefits

EGE Haina offers various benefits to its employees, especially during times of increased expenses. For example, during the summer, bonuses are provided for school-related expenses, and additionally, the company assists individuals with significant expenses by purchasing textbooks for their children's upcoming school year. Furthermore, in December, Christmas bonuses are given to all employees to express

appreciation for their dedication and efforts. These benefits demonstrate the organization's commitment to the well-being of its employees and their families.

Organizational climate

Another component of utmost importance to the company is the organizational climate. Therefore, every year, EGE Haina measures several factors related to leadership, employee experience, and satisfaction with the work environment. These results are fundamental in developing action plans to address identified gaps in the aforementioned areas, as well as in soft skills required for supervisory levels. The goal is to promote well-being and maintain a pleasant work environment for all employees.

The response rate of employees who received the organizational climate survey was 94.3%, covering all areas. Regarding the results, the overall organizational climate index obtained was 90.1%, indicating the satisfaction felt by employees in their work areas. Most importantly, this survey revealed that 90.6% of employees would recommend EGE Haina as a good place to work to their family, friends, and acquaintances.

Externally, the organization's efforts to strengthen its talent management continue to be recognized in the region and the country. EGE Haina once again appeared in the ranking of the best workplaces, selected by Mercado magazine.

Change management

EGE Haina is committed to digital transformation. Therefore, in 2022, it launched the Polaris Project, which will transform its corporate culture and the organization's systems and processes so that real-time information contributes to better recording and control of generated transactions. To achieve this, Talent Management has been working with the consulting firm in charge of implementing the project, monitoring its progress alongside the Information Technology team and internal project leaders.

Actions carried out to date include an initial meeting to determine the project's name, as well as group and individual meetings to define its objectives and principles. These steps are essential to ensure smooth interaction and mediate potential conflicts arising from the implementation. The departments involved in this process are working to ensure that digital transformation is successful and benefits each member of the company.

Internal celebrations

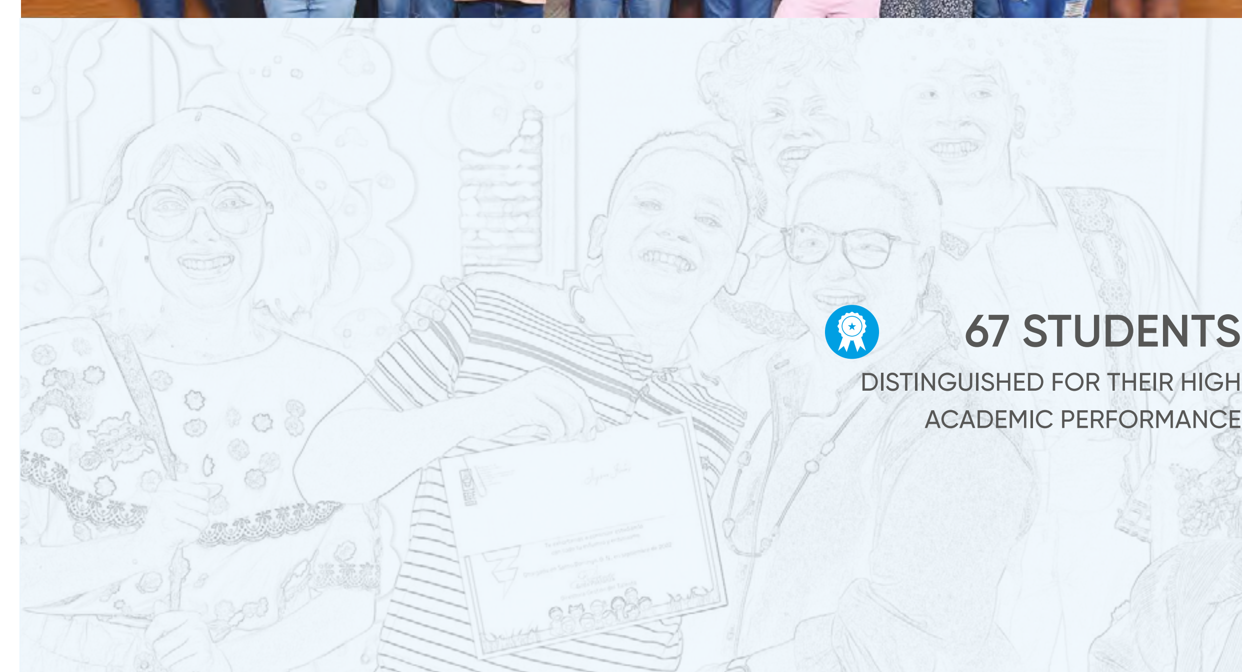
In 2022, EGE Haina resumed some internal celebrations in face-to-face formats under special protocols. These celebrations included gift-giving on occasions such as Valentine's Day, International Women's Day, Mother's Day, and Father's Day.

Additionally, during the summer, a workshop on etiquette and protocol was offered to employees' children in Santo Domingo, San Pedro de Macorís, and Barahona.

The academic excellence of employees' children was recognized with three in-person events: one in the eastern region, another at the Novocentro headquarters for Santo Domingo, Haina, Palenque, and Girasol, and the last one in Barahona for the entire southern region. At these recognition events, EGE Haina rewarded the dedication and performance of 67 students who excelled in their academic performance, with 17 of them achieving scores above 95 points.

Additionally, recognition events were also held to honor employees based on their years of service and merits. Throughout 2022, 16 employees celebrated ten years of uninterrupted work, 23 reached 15 years of service in the company, and 3 celebrated 20 years of service. During this activity, 31 employees received merit recognition for their dedication, commitment, and contributions to the organization's objectives.

In conclusion, in 2022, EGE Haina achieved its goals and made progress in the development of its medium and long-term plans and projects. The continuous review and updating of talent management processes have allowed the company to stay at the forefront and implement automation



projects. Additionally, the company continues to strengthen its culture of human rights, diversity, and inclusion, promoting physical and mental health, as well as work-life balance for its employees.

Open communication and the promotion of a discrimination-free and violence-free environment have also strengthened the work atmosphere and employees' trust. For all these reasons, EGE Haina is a leading company in successful talent management, committed to the well-being of its employees.

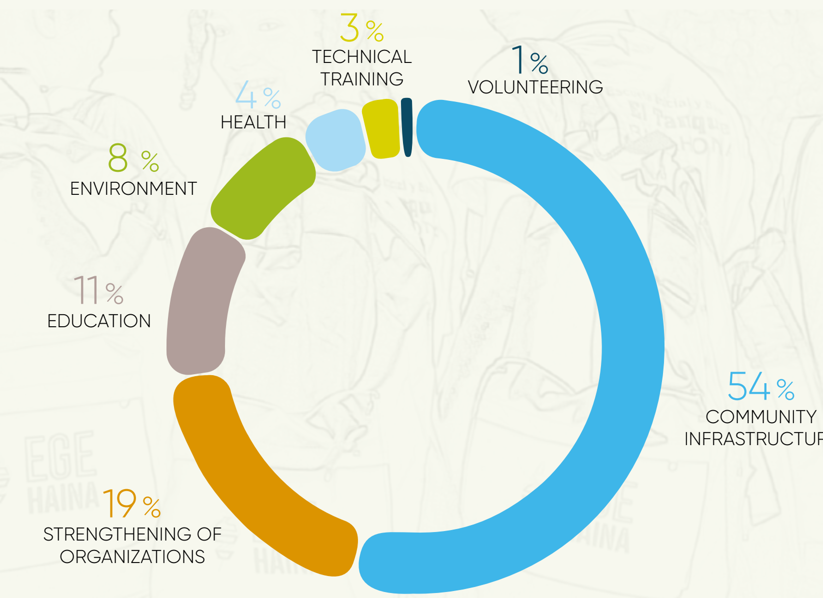
10 YEARS
16 EMPLOYEES

15 YEARS
23 EMPLOYEES

20 YEARS
3 EMPLOYEES

SHARED VALUE

COMMITMENT TO COMMUNITIES
COMMUNICATIONS



Note: The "Community Infrastructure" category inlcudes construction of the Enriquillo fire station and other projects developed in Yaguate, Esperanza, Juancho, and San Pedro de Macorís, as detailed below.

COMMITMENT TO COMMUNITIES

GRI 2-25, GRI 3-3, GRI 304-3, GRI 304-4, GRI 413-1

EGE Haina's sustainability strategy includes the development of partnerships with communities near its power generation plants, with the purpose of protecting the environment, improving people's quality of life, and contributing to collective development. The company seeks to produce energy in communities that become increasingly sustainable, where the dynamics of growth and well-being are continuously strengthened. Through its Social Responsibility Program, it is contributing to improving community infrastructure, expanding access to healthcare services, promoting sports activities and environmental conservation, as well as strengthening relief agencies and civil society organizations.

In all community development projects that the company initiated or sponsored during 2022, the communities themselves participated actively, directly benefiting more than 12,000 people and indirectly benefiting more than one million. These activities were carried out in 27 communities in the provinces of San Pedro de Macorís, San Cristóbal, Barahona, Pedernales, Santo Domingo, and Valverde.

EGE Haina carries out social and environmental impact assessments, and the results are presented to the communities in public meetings. During these meetings, the company engages in constructive dialogue with all involved parties to establish clear and effective guidelines for action. Currently, EGE Haina implements various community participation programs in all the locations where its power plants operate. The company has direct contact channels for complaints and grievances, along with a defined process for resolution.

Social management

In 2022, the company made an investment of approximately US$ 820,000 in collective benefit projects, distributed as follows: US$ 415,000 for corporate social responsibility projects and US$ 406,000 for donations and sponsorships.

The corporate social responsibility projects carried out in 2022 were aligned with the priority action lines established by the company in collaboration with communities. These were the main ones:

School sponsorship

Educational materials and school supplies

In July 2022, EGE Haina introduced the book "*Pintemos la vida de colores*" (Let's paint life with colors), conceived as an educational tool to promote inclusion, respect for diversity, and responsible coexistence among children. Additionally, at the beginning of the 2022-2023 school year, the company distributed over 2,000 copies of this book and colored pencils to schools including Punta Pescadora Basic School, Batey II Basic School, and Hoyo del Toro Basic School in the San Pedro de Macorís province in the eastern region. It was also distributed to Profesor José Eugenio Pérez Terrero Elementary School, Dora Corcia Sánchez Elementary School, Profesora Bienvenida Cuevas Ruiz Elementary School, Ismael Miranda Elementary School, Álvida Marina Santana Acosta, and the Juancho community in the Pedernales and Barahona provinces in the southern region. By providing these resources, EGE Haina has contributed to the education of students in vulnerable situations and the achievement of Sustainable Development Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

The distribution of coloring books to different sponsored schools was accompanied by recreational activities and games for the children, including an introduction to sign language, dynamic talks on values and empathy, and the involvement of teaching staff to ensure that everyone enjoyed the essence of the book.

"Eco Escuelas" Environmental Education Program

The company continued to develop the Eco-Schools environmental education program in five sponsored centers in 2022, an initiative of the Institute of Environmental Law of the Dominican Republic (IDARD) whose purpose is to promote the conservation of natural resources. Support was also provided to environmental committees to guide them in the program's methodology. The educational centers that participated in this program in 2022 were El Tanque Basic School in Barahona, Ismael Miranda Basic School in Enriquillo, Eugenio Pérez Terrero Basic School in Juancho, Punta Pescadora Basic School in San Pedro de Macorís, and Fray Bartolomé de las Casas Basic School in Yaguate. In these centers, over 3,000 people received environmental lectures, and tree-planting events were organized.

Support for fire departments

Another initiative that continued from previous years was the Program for the Strengthening of Relief Agencies. During the first half of 2022, the company donated a modern compressor to the Barahona Fire Department, facilitating the supply of pure air for firefighting equipment used during large-scale fires or in situations with low oxygen levels.

The cost of purchasing and installing this compressor was US$ 40,000. In addition to strengthening the emergency response provided by the firefighters in the southern region, the machine represents significant time and resource savings, as it was previously necessary to travel long distances to fill individual equipment with breathable compressed air.

Similarly, EGE Haina funded the engine repairs for the Paraíso Fire Department truck in Barahona. Additionally, in collaboration with the San José de los Llanos Fire Department in San Pedro de Macorís, the company sponsored the importation of a 20-foot container with supplies donated by American institutions, which were distributed among 40 fire departments across the country.

With an investment of over RD$ 12,000,000, the company began the construction of the new Enriquillo Fire Station in 2022, in Barahona. The facility was inaugurated in March 2023 and is one of the most modern of its kind, featuring a reception area, an office for the fire chief, a kitchen, bedrooms for both men and women, bathrooms, a laundry room, separate spaces for the Civil Defense and the Red Cross. The project also includes a garage for the fire truck, a dining area, and a terrace for training and other activities. It is also equipped with a water well with a submersible pump that supplies a cistern.

Community infrastructure

Entrance sign

Yaguate Municipality, San Cristóbal Province

To support the tourist activity in the municipality, EGE Haina made a contribution of more than RD$ 800,000 to the Yaguate Municipality for the construction of this photographic stop that highlights, through beautiful drawings, the natural, cultural, and economic attractions of the area.

Perimeter fence and basketball court renovation

Esperanza Municipality, Valverde Province

As part of the collaboration agreement with the Mayor´s Office of Esperanza, the company built the perimeter fence for the Ángela Guzmán School and sponsored the renovation of the basketball court in Juan Bosch Park. The investment in these projects was approximately US$ 45,000.

Repair of the Community Training Center
Juancho Municipal District, Pedernales Province

Remodeling works in this community training center began in 2022 and were completed in February 2023. The purpose of the center is to provide suitable spaces for community members to carry out their workshops and other educational activities.

Water supply at Ismael Miranda School
Enriquillo Municipality, Barahona Province

EGE Haina also sponsored the repair of the water supply pipelines at the Ismael Miranda School in this municipality, a project that has covered a basic for the 502 children who attend this educational center.

Public streetlights
Quisqueya and San Pedro de Macorís Municipalities, San Pedro de Macorís Province

With the aim of contributing to public space lighting and, therefore, the safety of the residents, EGE Haina financed the purchase of outdoor LED lamps for the Quisqueya City Hall and the Provincial Governor´s Office of San Pedro de Macorís.

Technical Training Program

Aware of the importance of education in transforming lives and developing communities under a sustainable model, the company partnered with INFOTEP to provide 16 courses in different areas, including industrial safety, computer basics, basic English, industrial electrical installations, and basic office program operations. These training sessions were attended by 589 young people (400 women and 189 men) from six communities in the south and east of the country: Juancho, Enriquillo, Pedernales, Oviedo, Quisqueya, and Hoyo del Toro.

Health

EGE Haina promoted and sponsored a series of dental health campaigns in the Villa Central, Jaquimeyes, and Barahona communities. The population had access to these services free of charge, and more than 1,000 oral treatments were performed, benefiting a total of 900 people.

Likewise, in October, Breast Cancer Awareness Month, the company collaborated with the Pro Development Patronage of Haina (PADESHA) in prevention talks and the performance of more than 100 mammograms free of charge for beneficiaries, with immediate results provided.

Sports

Several clubs, teams, tournaments, and sports leagues received sponsorships from the company in 2022. In the seventh tournament of the Barahona Baseball Club, participating teams competed for the EGE Haina Cup, named after the support offered by the organization. In response to a request from the sports coordinator of Villa Central, the company sponsored the repair of the dugout and the maintenance of the scoreboard at the softball stadium in that Barahona locality.

Also in this province, the Juan Carlos Montero Sports League received uniforms, trophies, and balls for its February 27th tournament. On the other hand, the Los Delfines Softball League in the municipality of Las Salinas, Barahona, and the Nueva Era Women's Softball Team in the Juancho municipal district of Pedernales, received contributions for the purchase of sports equipment.

The Savica Sports and Cultural Club in Barahona acquired volleyball balls and antennas for their practices, thanks to EGE Haina´s sponsorship. Similarly, the company made contributions to the Las Broncas Sports League, the RC3 Women's Volleyball Team, the José Gómez Baseball League, and the Los Plataneros Basketball Club in this province of the southern region. Lastly, in Quisqueya, a municipality in San Pedro de Macorís, EGE Haina donated medals, plaques, and trophies to reward outstanding players.

In San Pedro de Macorís, contributions were made to the Basketball Association, the Villa Providencia Basketball Team, the Punta Pescadora Softball Sports Club, and Petromacorisanos Athletes Hall of Fame.

Environment

"Misión Rescate Lista Roja" Project

EGE Haina continues to collaborate with the Ministry of Environment and Natural Resources, the National Botanical Garden, the German International Technical Cooperation (GIZ), and the National Network for Business Support for Environmental Protection (ECORED) with the aim of protecting endangered Dominican flora. This includes efforts to conserve the cacheíto de Oviedo palm (Pseudophenix ekmanii), a species sponsored by the company.

Several conservation actions continue to be carried out through this project, including cacheíto seed reproduction and germination trials coordinated by the National Botanical Garden, as well as talks and symbolic plantings of this native palm, which have been carried out together with the organizations that participate in Misión Rescate Lista Roja. The company will sponsor an additional species from the Red List to increase its commitment to the conservation of Dominican flora.

Arboretum in the Girasol Solar Park

An important environmental achievement for EGE Haina in 2022 was the completion of the first stage of the arboretum at the Girasol Solar Park, a project stemming from the 2030 Corporate Sustainability Plan and became a reality under a strategic partnership with ECORED, the Sur Futuro Foundation, and the National Botanical Garden.

In an area of 37,000 m^2 within the park (3.7 hectares), 6,114 plants of 74 species were planted, 43% of which belong to the list of endangered plants. The remaining 57% were selected for being native, many with nectar and pollen-rich characteristics, attracting bees for their high nectar and pollen production. Others provide food for birds or are seed producers that will contribute to area diversity.

"El Buen Pastor" Project

In 2022, the company initiated a pilot project on sheep farming in the Girasol Solar Park lands to analyze the effectiveness of these mammals in controlling weeds. As a sustainable alternative, it is a practice already carried out in other photovoltaic parks worldwide, with the aim of utilizing the large expanses of power plants and, at the same time, promoting the circular economy through the symbiotic relationship between the energy sector and sheep farming while avoiding the use of products that could contaminate the land.

Baseline study on the status of marine species

EGE Haina continued to support the Ministry of Environment and Natural Resources in the second part of the study on herbivorous fish populations, aiming to provide a comparative diagnosis between 2021 and 2022. This documents the results of the implementation of Decree 481-21, which establishes a two-year ban on fishing, consumption, and sale of certain species. The study was conducted in several coastal provinces, including San Pedro de Macorís, San Cristóbal, Azua, and Barahona.

Corporate Volunteer Program

This program formalized by EGE Haina in 2020, with the objectives of contributing to environmental preservation and sustainable development of the communities where the company operates, was officially launched in May 2022, with the participation of more than 105 employees from across the country. During this event, the non-profit organization Servir-D provided a motivational workshop that served as a starting point for the activities that have been carried out as part of the volunteering program since then.

Reforestation day at the Girasol Solar Park

EGE Haina volunteers joined this campaign, which was carried out in coordination with ECORED, the Sur Futuro Foundation, and the National Botanical Garden, to plant endangered endemic plants on the grounds of the Girasol Solar Park.

Donations to nursing homes

In celebration of Seniors' Week, the company's volunteers visited La Milagrosa Nursing Home and the Dr. Carl George Geriatric Residence, both located in San Pedro de Macorís, where they delivered washer-dryers, mattress sets, bed linens, pillows, and bath towels.

Beach cleaning campaign

To commemorate World Oceans Day, the company's volunteers participated in the beach cleaning campaign organized by the Multisector Coalition for the Conservation of the Higuamo River Basin, which was attended by 300 volunteers from 20 institutions. This event took place on the El Faro municipal beach, in San Pedro de Macorís. In addition, on World Beach Cleaning Day, more than 100 volunteers from EGE Haina, along with their families, enthusiastically participated in the cleaning of El Cayo beach in Barahona and Marota beach in San Pedro de Macorís. These activities reaffirm the commitment to care for and preserve the environment.

Training

Similarly, the group responsible for the training of corporate volunteers organized a film forum to share impressions about the documentary "Plastic Island". It was an event to analyze the current disposal of waste, learn about the environmental reality of the country and raise awareness about the negative impact of humans on nature. Finally, EGE Haina´s volunteers participated in a conference-workshop entitled "Corporate Volunteering: caring for our common home", organized by Servir-D and ECORED, in order to raise awareness about the value of this type of initiative and to learn from successful examples.

Donations and sponsorships

In 2022, EGE Haina received approximately 194 requests for support, of which 117 were approved by the Donations and Sponsorships Committee (60%). Forty-eight percent of the available funds were allocated to donations, while the remaining 52% went to sponsorships, totaling US$ 406,000.

COMMUNICATIONS

At EGE Haina, communication represents a key factor for efficient operational performance, as it facilitates maintaining a permanent relationship with its internal and external audiences, based on principles of coherence, honesty and transparency. The company disseminates information of interest to its stakeholders and the general public through different media and supports, including print, audiovisual media and its own digital channels (website, LinkedIn, YouTube, Instagram, Facebook and Twitter).

Each year, the company publishes a management report and a sustainability report, while producing advertising campaigns, audiovisual materials and other pieces that are shared through various channels to reach its internal and external partners. Internally, communication is also a fundamental pillar that contributes to generating a climate of trust and keeping employees informed on various topics of interest concerning the organization. For this reason, EGE Haina uses multiple communication channels, including e-mail, internal chats, information murals, the website and the intranet, as well as virtual and face-to-face activities. The internal magazine "*En linea*" is published quarterly and has become one of the most important communication channels for the company.

Management Report and Sustainability Report

In April 2022, EGE Haina delivered its annual Management Report for 2021 to its shareholders. In addition, for the third time, it published its Sustainability Report, in accordance with the Global Reporting Initiative (GRI) model, both in Spanish and English. This report presents its progress in sustainability and details the company's economic, social and environmental impacts. The document also highlights important achievements in operational, commercial, talent management, risk management, information technology, and community development initiatives. The report also shows the power plants and the progress made in diversifying the generation matrix, as well as the company's financial results. It is a key tool in EGE Haina's relationship with its stakeholders; essential in its objective of transparently and efficiently communicating the company's commitment to sustainability in all its aspects.

Organizational culture platform

EGE Haina's organizational culture has been strengthened after almost 24 years since its founding, always placing its collaborators at the center of all initiatives. In the year 2022, the company began to develop a new institutional culture platform that included the implementation of different actions, among them work sessions, surveys, presentations, the creation of a new institutional campaign, the design of POP materials and updates in the different communication channels.

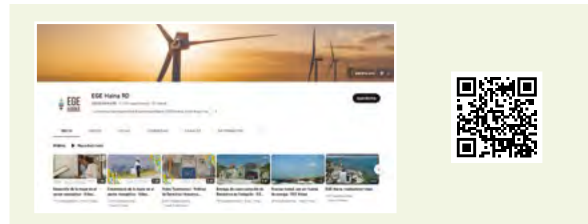
During this exercise, two important pillars of the company were renewed: its vision and values. As a result, the "EH Generation" was created, a concept that encompasses the almost 500 people who make up EGE Haina and share its values of excellence, commitment, integrity and initiative. "EH Generation" is

made up of collaborators with different characteristics, but united by a common mission and focused on achieving the same goals.

The communication plan of the institutional culture platform contemplated the creation of several informative materials such as arts, speeches, institutional presentations, videos, animations and POP materials, which have been shared through internal channels (mail, chats, online magazine, etc.).

Digital community

EGE Haina's digital community is made up of 50,832 followers. During 2022, it experienced a 21.75% growth in its Instagram, Facebook, Twitter, LinkedIn and YouTube accounts. Throughout the year, the company disseminated, through these platforms, around 756 publications, with an average reach of 2,400 users per post, for a total reach of approximately 1,809,665 unique accounts.



DIRECT LINK TO YOUTUBE CHANNEL

Audiovisual material

With the purpose of communicating relevant messages to the entire organization and stakeholders in a clear, attractive and accessible manner, EGE Haina coordinated the design and production of several audiovisual pieces throughout the year that were published internally and through social networks.

"*En Línea*" Magazine

The quarterly "*En línea*" magazine is an important channel for disseminating relevant company internal information, including good news, recognitions, current and future projects, performance results, and other topics of interest. In 2022, four editions were published, featuring content such as the successful placement of the first portion of the green trust "Larimar I" in partnership with Banco Popular Dominicano, the start of construction of the Esperanza Solar Park, and activities carried out throughout the year by the Corporate Volunteer Program.

The magazine's pages also featured reports that emphasized various areas reflecting the firm commitment to operate with sustainability as its guiding principle, benefiting current and future generations. It also highlighted contributions and projects undertaken to contribute to the development of communities near the company's operations, including the donation of a pure air filling compressor in Barahona and the refurbishment of the *Álvida Marina Santana* School's sports field. Additionally, this publication shared the construction work on a new and modern fire station for the Enriquillo municipality in the Barahona province.

Internal communication campaigns

In the year 2022, EGE Haina published internal communication campaigns focused on conveying the company's main initiatives, strengthening employee commitment and a sense of belonging, enhancing knowledge in specific areas, and introducing new services provided internally.

To support these campaigns, more than 100 different communication materials were created in various formats, which were shared through internal institutional email, chats, brochures, "En línea" magazine, as well as on social networks.

Among the main topics addressed in these communications were the Corporate Volunteer

LINK TO READ THE MAGAZINE

Program, the Code of Ethics, risk management and quality, the "I Am Sustainable" campaign, well-being initiatives for employees, and communication regarding the implementation process of the new ERP (SAP) through the Polaris project.

Participation in forums and trade fairs

As usual, EGE Haina participates in fairs, seminars, talks and congresses to share experiences. In 2022, several executives represented the company in activities such as Latam Future Energy, where several players in the electricity sector met to discuss the importance of renewable energies, their reality and vision for the future. Likewise, the company was also present at the Sector Eléctrico Summit 2022, organized by Mercado magazine, and then in the panel "Financial innovation to combat climate change", held as part of the Latin America and the Caribbean Climate Week 2022.

It subsequently participated in the third edition of Energyear Caribe 2022, a platform that has been leading renewable energy congresses in the region since 2013. In addition, the company also participated in *Ganancias Sostenibles 2022*, the most important annual event of the National Network for Business Support to Environmental Protection (ECORED).

Similarly, EGE Haina carried out its usual official sponsorship of the Estrellas Orientales, the flagship baseball team of the eastern region of the country.

Recognitions

During 2022, EGE Haina's work for sustainability and inclusion was recognized by important organizations, institutions and business publications. These distinctions highlight the excellent results of the strategies and policies implemented up to this date.

GOBIERNO DE LA REPÚBLICA DOMINICANA
Consejo Nacional para el Cambio Climático

SPECIAL RECOGNITION FOR CONTRIBUTING TO THE MITIGATION OF NATIONAL GREENHOUSE GAS EMISSIONS

Consejo Nacional para el Cambio Climático y el Mecanismo de Desarrollo (National Council for Climate Change and Development Mechanism)

CREF 2022

GIRASOL SOLAR PARK RECOGNIZED AS THE BEST LARGE SCALE ENERGY PROJECT 2022

Caribbean Renewable Energy Forum

cier

HIGHEST TALENT MANAGEMENT QUALITY INDEX

Regional Energy Integration Commission Survey

LATINFINANCE

AWARD FOR EGE HAINA'S INTERNATIONAL SUSTAINABILITY-LINKED BOND

–The first of its kind for a Dominican company –

Latin Finance

CONEP PNUD

CATALOG OF PROMISING SUSTAINABILITY PRACTICES

–For the sustainability-linked bond–

National Council of Private Enterprise and the United Nations Development Program

MERCADO MEDIA NETWORK

MOST ADMIRED COMPANY IN THE DOMINICAN REPUBLIC'S ELECTRICITY SECTOR AND ONE OF THE BEST PLACES TO WORK IN THE COUNTRY

Mercado Magazine

IGUALANDO RD · GOBIERNO DE LA REPÚBLICA DOMINICANA · PNUD

GOLD MENTION FOR THE IGUALANDO RD SEAL FOR HUMAN RIGHTS, DIVERSITY AND INCLUSION PRACTICES

–Third consecutive year–

Ministry of Women and the United Nations Development Program

RD Incluye · PNUD · CONADIS

BRONZE MENTION FOR THE RD INCLUYE SEAL, FOR RAISING AWARENESS OF THE IMPACT AND IMPORTANCE OF EMPLOYING PEOPLE WITH DISABILITIES

National Council on Disability and the United Nations Development Program

REVISTA Summa

FIRST PLACE IN CORPORATE REPUTATION IN CENTRAL AMERICA AND THE DOMINICAN REPUBLIC AMONG NATIONAL ELECTRICITY SECTOR COMPANIES

RECOGNITION FOR BEING ONE OF THE MOST DIVERSE, EQUITABLE AND INCLUSIVE COMPANIES IN THE DOMINICAN REPUBLIC

Summa Magazine

ECONOMIC PERFORMANCE

CONTRIBUTION TO THE ECONOMIC DEVELOPMENT OF THE COUNTRY

GRI 3-3

EGE Haina is the leading joint venture company in the Dominican Republic (50% public and 50% private) in terms of assets, investment, and contributions to the state. It is a permanent ally in the country's social and economic development. Between 1999 and 2022, EGE Haina paid a total of USD 1,082 million in dividends and taxes to the Dominican state. Through its tax contributions and the promotion of employee well-being and equal opportunities, the company contributes to the development of the communities where it operates. Likewise, these communities benefit from the hiring of suppliers and contractors, sponsorships for the construction of community infrastructure, and the social projects executed by the company.

By investing in these projects, EGE Haina seeks to ensure that the populations affected by its operations have the necessary tools to promote their own development and thus generate shared value. In addition, with this work the company also aspires to contribute to the achievement of the global goals defined by the Sustainable Development Goals (SDGs), adopted by the United Nations, as a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

DIRECT ECONOMIC VALUE GENERATED, DISTRIBUTED, AND RETAINED BY EGE HAINA

(Figures in USD)	**2022**	**2021**
Sales	513,538,656	411,289,955
Other income	5,108,876	4,342,781
Direct economic value generated	**518,647,532**	**415,632,736**
Operating expenses	(403,418,404)	(299,854,105)
Employee compensation	(21,034,564)	(18,617,921)
Payments to capital providers	(73,233,255)	(144,552,925)
Payments to public administrations	(13,126,271)	(12,941,814)
Investments for the benefit of communities	(840,310)	(722,385)
Distributed economic value	**(511,652,804)**	**(476,689,150)**
Retained economic value	**6,994,728**	**(61,056,414)**

OPERATING RESULTS

GRI 3-3, GRI 201-1

2022 was a year of investment and stable growth for EGE Haina, marked by improved operating results and significant investment in generation assets that will contribute to results starting in 2023. Due to the company's increase in power generation and EBITDA during the period, EGE Haina reported EBITDA and net income that were 8% and 19% higher, respectively, compared to 2021. As of December 2022, the company's liquidity position was adequate, with a cash and cash equivalent balance of USD 94.5 million. EGE Haina made capital investments, mainly in generation assets, totaling USD 214.1 million, representing a significant increase of 480% compared to the previous year, mainly due to the construction of the SIBA thermal plant and the Esperanza Solar Park. These favorable operating results and adequate collection levels allowed the company to maintain healthy cash levels and a healthy net debt-to-EBITDA ratio of 3.4 times, which is higher than the previous year but aligned with expectations during the construction of capital-intensive generation assets.

During 2022, the company generated revenue from customer contracts totaling USD 513.5 million, compared to USD 411.3 million in 2021. The increase was mainly due to the net effect of:

- A USD 83 million increase in the price of sold energy (compared to 2021), as a result of rising fuel prices.
- A USD 25.1 million increase in revenue from the new natural gas marketing segment.
- A USD 1.7 million decrease in ancillary services revenue, due to a decrease in frequency regulation income.

OPERATING RESULTS

(Figures in USD)

	2022	2021	Variation	%
Revenue from customer contracts	513,538,656	411,289,955	102,248,701	25
Fuel and energy purchase costs	(298,512,938)	(223,081,697)	(75,431,241)	34
Operating and general expenses, and employee benefits	(80,815,683)	(63,960,143)	(16,855,540)	26
Depreciation and amortization	(47,224,571)	(48,259,218)	1,034,647	-2
Foreign exchange loss, net, and other expenses, net	335,504	(270,297)	605,801	-224
Operating profit	87,320,968	75,718,600	11,602,368	15
Net financial expenses	(23,122,847)	(35,213,978)	12,091,131	-34
Profit before income tax	64,198,121	40,504,622	23,693,499	58
Income tax	(12,201,861)	3,435,130	(15,636,991)	-455
Net profit	**51,996,260**	**43,939,752**	**8,056,508**	**18**
Other comprehensive income, net of taxes	(39,632)	(325,735)	286,103	-88
Comprehensive income	**51,956,628**	**43,614,017**	**8,342,611**	**19**

(Figures in USD)

	2022	2021	Variation	%
Other consolidated financial information and operational data:				
EBITDA	134,210,035	124,248,114	9,961,921	8
Capital investments	214,086,983	36,940,022	177,146,961	480
Energy generated	3,120.40	3,070.70	49.7	2
Renewable energy generated	753.3	631.3	122	19
Energy sold through contracts	3,082.60	3,184.60	-102	-3
Average price of energy sold under contracts	122.5	102.3	20.2	20

As a result of its operations in 2022, the company achieved an EBITDA of USD 134.3 million, compared to USD 124.2 million in 2021. The increase was attributed to:

- A USD 102.2 million increase (compared to 2021) in revenue from customer contracts, as explained earlier. This effect was partially offset by:
- A USD 72 million increase in fuel and energy purchase costs, mainly due to rising fuel prices (compared to 2021).
- A net increase of USD 16.9 million in consolidated operating and general expenses and employee benefits, compared to the same period in the previous year. This increase was mainly due to:

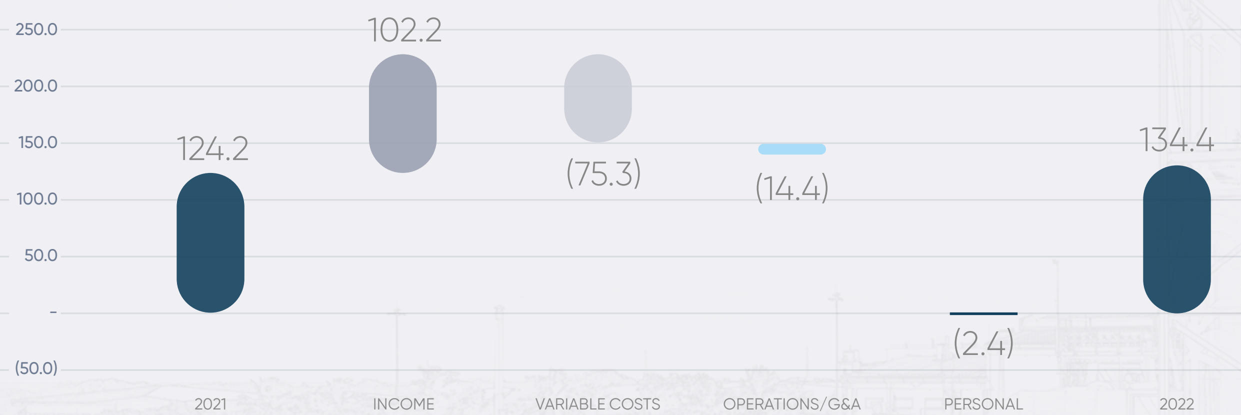
1) Higher maintenance expenses, especially at the Sultana del Este plant, whose Unit 9 was repaired following a breakdown in late 2021.
2) Increased operating expenses due to changes in maintenance cycles for Quisqueya 2 and increased consumption of oils and lubricants.
3) Higher research and development expenses related to non-capitalizable expenses of SIBA and the implementation of a new ERP project (SAP).
4) An increase in general and administrative expenses related to professional fees for an ongoing arbitration process as of December 31, 2022.
5) An increase in insurance expenses due to higher total insured amounts and insurance rates.

At the end of the 2022 fiscal year, EGE Haina reported a net profit of USD 52 million, compared to USD 43.9 million for the year 2021. The increase in net profits is primarily attributed to:

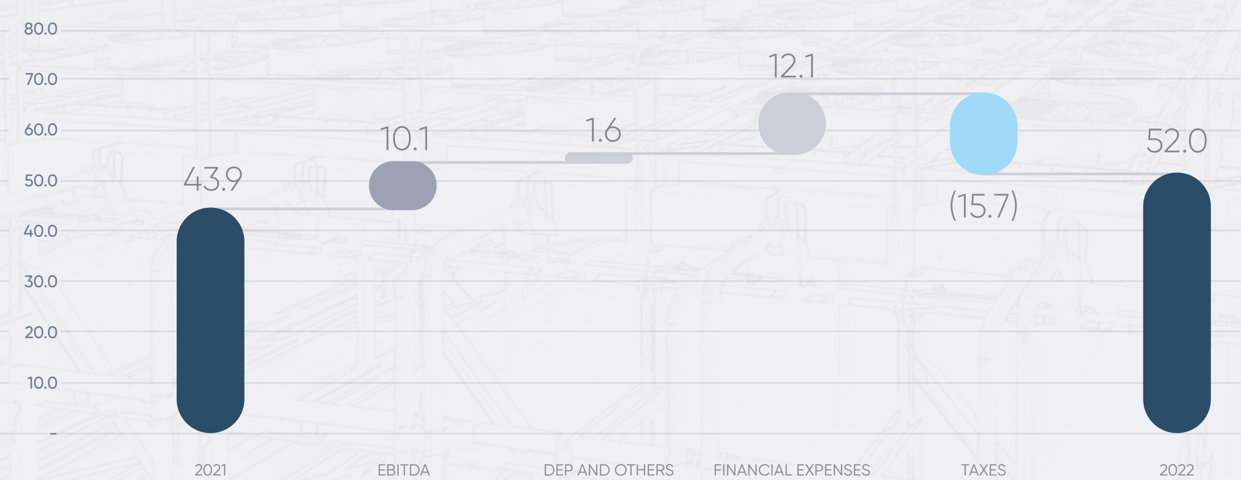
- The increase in EBITDA (as explained earlier).
- A decrease in net financial expenses due to the refinancing of financial debt at the end of 2021. This effect was partially offset by the increase in income tax expenses associated with the increase in taxable income and the foreign exchange variation effect.

REVENUE FROM CONTRACTS WITH CLIENTS

EBITDA



NET PROFIT



FINANCIAL SITUATION

GRI 3-3

Cash Management

The table shows the cash and cash equivalents position.

At the end of 2022, EGE Haina presented cash and cash equivalents of USD 94.5 million. These balances are adequate for the correct operation of the business and sufficient to meet short and medium-term commitments. Additionally, this balance represents an increase of USD 34.1 million compared to the end of 2021, primarily due to the effects described below.

Net cash provided by operating activities

In this period, net cash provided by operating activities increased by USD 98.0 million or 194% compared to 2021. This increase is due to:

- An increase in collections, resulting from invoice balances from previous years, mainly from distributors and the Dominican Corporation of State Electrical Companies (*Corporación Dominicana de Empresas Eléctricas Estatales, CDEEE*), and from increased revenue.
- Lower purchases of energy in the spot market.

These effects were partially offset by:

- Higher fuel payments (due to rising international prices) and increased consumption of generation units.
- Higher tax payments to the government at the end of the 2022 fiscal year, as previous period tax receivables were offset.
- Increased payments associated with operational maintenance, as well as general and administrative expenses.

Net cash used by operating activities

Net cash used by operating activities increased by USD 178.5 million, equivalent to 475%, compared to 2021, primarily due to:

- Higher disbursements associated with the SIBA and Parque Solar Esperanza projects.

Net cash used by financing activities

Net cash provided by financing activities increased by USD 165.9 million, equivalent to 260%, compared to 2021. The reason for this increase is mainly due to:

- Lower dividends paid in 2022 compared to 2021.
- Lower debt issuance costs in 2022 compared to 2021.
- Early redemption costs in 2021.

These effects were partially offset by a decrease in proceeds from new debt, as in 2021, international bonds were issued to refinance the existing local debt as of that date, which were higher than the funds obtained from new debt in 2022.

(Figures in USD)

	2022	2021	Variation	%
Net cash provided by operating activities	148,579,540	50,619,009	97,960,531	194
Net cash used in investing activities	-216,156,717	-37,616,543	-178,540,174	475
Net cash provided by (used in) financing activities	101,942,444	-63,913,644	165,856,088	-260
Net increase (decrease) in cash and cash equivalents	34,365,267	-50,911,178	85,276,445	248
Cash and cash equivalents at the beginning of the year	60,320,914	111,232,092	-50,911,178	-46
Effect of exchange rate changes on cash and cash equivalents	-218,386	-	-218,386	100
Cash and cash equivalents at the end of the year	94,467,795	60,320,914	34,146,881	57

Debt Management

Financial Debt

As of the end of 2022, EGE Haina's financial debt consisted of short-term notes of USD 22.9 million, short-term bank loans with joint guarantees of USD 30.0 million, corporate bonds issued on the Dominican Republic Securities Market amounting to USD 66.0 million, an unsecured corporate bond issued in international markets under Rule 144A and Regulation S of the United States Securities Act for USD 300 million, long-term bank loans with guarantees of USD 127.9 million, for a total financial debt of USD 556.8 million (excluding debt issuance costs), with an increase of USD 151.8 million compared to the financial debt reported as of December 31, 2021.

The variation in the total financial debt is mainly due to the placement of two tranches of the green bond authorized to the Larimar 1 Trust, for USD 50 million, the issuance of bank loans and promissory notes for the financing of the SIBA construction project, for USD 180.8 million, the repayment of credit lines totaling USD 75 million, and the scheduled annual repayment of local corporate bonds.

Credit rating

The company holds international long-term ratings of Ba3 with a stable outlook from Moody's and BB- with a stable outlook from Fitch Ratings. Both ratings indicate a strong credit quality relative to other issuers or issues in the country, as well as a good ability to meet its obligations on the agreed terms and deadlines.

Dividends

Note 21 of the audited consolidated financial statements accompanying this annual management report includes disclosures related to dividends declared and paid in 2022.

SUSTAINABLE FINANCING

GRI 3-3

Green Securities Framework

On April 27, 2021, the Superintendency of the Securities Market of the Dominican Republic (SIMV) approved, through resolution R-SIMV-2021-10-FP, the Larimar 1 Trust and its green bond issuance program for up to USD 100 million.

As of the publication date of this report, Larimar 1 Trust bonds for USD 90.0 million have been placed, of which USD 88.0 million has been reimbursed to EGE Haina, leaving USD 2.0 million to be reimbursed and up to USD 10.0 million to be placed.

EGE Haina, in accordance with the Green Securities Framework associated with this issuance program, has allocated all the reimbursed funds to the refinancing of the Girasol and Esperanza solar parks.

- Girasol: It has an installed capacity of 120 MW, started operations in 2021, and is estimated to produce an average of 240,000 MWh each year of its useful life while contributing to the avoidance of 150,000 tons of CO_2 equivalent emissions annually.
- Esperanza: It has an installed capacity of 90 MW, began commercial operation in 2023. It is estimated to produce an average of 200,000 MWh each year of its useful life while contributing to the avoidance of 125,000 tons of CO_2 equivalent emissions annually.

EGE Haina declares that as of the publication date of this report, it has complied with the guidelines outlined in the Green Securities Framework. Likewise, it ensures that both the Girasol Solar Park and the Esperanza Solar Park, to which the raised funds have been allocated, have valid environmental licenses and comply with the requirements of the relevant environmental compliance reports, with no identified gaps.

Considering that the Esperanza solar park did not operate during 2022, the following figures are presented considering the operation of the Girasol solar park and the proportion of the allocated amounts to it:

Figures in USD millions	Total	Proportion	Percentage
Amount approved and placed under issuance program	100.0	90.0	90.0 %
Amount placed and refunded	90.0	88.0	97.7 %
Amount refunded and allocated	88.0	88.0	100.0 %
Total investment and allocated proportion	169.9	88.0	51.8 %

	Unit	2022	Proportion
Installed capacity	MW	120.0	99.4
Total energy generated	GWh	222.8	183.3
Avoided annual emissions*	Tons CO_2e	138.5	113.9

EGE Haina recognizes its responsibility towards the environment and has embraced a commitment to sustainability, the Sustainable Development Goals (SDGs), and the 2030 Agenda (which conceptualizes and formulates the vision, objectives, and goals of the National Development Strategy 2030 in the Dominican Republic). In this regard, the funds raised through the issuance program associated with the Green Securities Framework have contributed to the achievement of the SDGs in 2022, as shown in the graph.

Sustainability-linked financing framework

On November 8, 2021, EGE Haina issued an unsecured sustainability-linked bond in the international markets for USD 300.0 million, under Rule 144A and Regulation S of the Securities Act of the United States of America, due on November 8, 2028. This bond was listed on the Luxembourg Stock Exchange and traded on its Euro MTF Market of that exchange.

In accordance with the Sustainable Performance Target (SPT) included in the Sustainability-Linked Financing Framework and the international bond issuance contract, EGE Haina has committed to achieving an installed capacity of renewable sources of 526.5 MW as of December 31, 2026, based on the manufacturer's nameplate capacity and regulatory verification.

As disclosed in the audited consolidated financial statements and in this report, EGE Haina had a renewable installed capacity of 296.5 MW as of December 31, 2022. It increased by 90 MW in 2023 with the Esperanza Solar Park, for a total of 386.5 MW of renewable installed capacity as of the closing date of this report. It is composed as follows:

Information regarding EGE Haina's CO_2e emissions in 2022 appears in the emissions management tables located on page 93.

During the first quarter of 2023, EGE Haina initiated the construction of the Sajoma Solar Park, which will have an installed capacity of 80 MW, leaving 60 MW to reach the SPT once it commences operations.

SDG	Description	Methodology	Indicator
SDG 7: Affordable and clean energy	Share of renewable energy in total final energy consumption	Total energy generated in GWh, as measured at injection point / Total energy consumption in GWh, as reported by the Coordinating Body.	0.92% (proportional)
SDG 13: Climate action	Invested capital attributable to the Green Bond.	Amount of USD mobilized per year from 2020.	USD 88.0 million

Technology	Renewable park	Installed capacity, MW	Entry year
Wind	Los Cocos 1	25.2	2011
	Los Cocos 2	52.0	2013
	Larimar 1	49.5	2016
	Larimar 2	48.3	2018
Solar photovoltaic	Quisqueya Solar	1.5	2015
	Girasol	120	2021
	Esperanza	90	2023
Total		**386.5**	

CONSOLIDATED FINANCIAL STATEMENTS

GRI 3-3, GRI 201-2

Consolidated financial statements and report of the Independent Auditors

Empresa generadora de Electricidad Haina, S. A. y Subsidiarias

December 31, 2022

Empresa Generadora de Electricidad Haina, S. A. and Subsidiaries
Consolidated Financial Statements

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Independent Auditors' Report

To the Shareholders and Board of Directors of
Empresa Generadora de Electricidad Haina, S. A.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Empresa Generadora de Electricidad Haina, S. A. and its subsidiaries (hereinafter "the Company") as at December 31, 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Instituto de Contadores Públicos Autorizados de la República Dominicana (ICPARD) that are relevant to our audit of the consolidated financial statements in the Dominican Republic. We have fulfilled our ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the ICPARD.

*PricewaterhouseCoopers República Dominicana, S. R. L., Ave. Lope de Vega No. 29, Edificio Novo-Centro, Piso PwC, Apartado Postal 1286, Santo Domingo, República Dominicana
Teléfono (809) 567-7741, Telefax (809) 541-1210, RNC 132-09535-9*

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To the Shareholders and
Board of Directors of
Empresa Generadora de Electricidad Haina, S. A.
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Key audit matters

We have determined that there are no Key Audit Matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the Sustainability Report, but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Sustainability Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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To the Shareholders and
Board of Directors of
Empresa Generadora de Electricidad Haina, S. A.
Page 3

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 Company'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 Company 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company 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 in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats of safeguards applied.

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To the Shareholders and
Board of Directors of
Empresa Generadora de Electricidad Haina, S. A.
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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Aneurys de los Santos.

PricewaterhouseCoopers

Registration Code SIV: SVAE-006

March 29, 2023

Empresa Generadora de Electricidad Haina, S. A. and Subsidiaries
Consolidated Statement of Financial Position
December 31, 2022

(Amounts expressed in United States dollars - USD)

	Note	2022	2021
Assets			
Current assets			
Cash and cash equivalents	8	94,467,795	60,320,914
Short term investment		260,999	243,468
Trade receivables and other	9	109,449,273	131,069,357
Inventories	11	55,821,213	55,799,972
Prepaid expenses	12	8,868,781	5,029,922
Total current assets		268,868,061	252,463,633
Non current assets			
Property, plant and equipment, net	13	819,725,916	628,486,751
Right of use assets	14	13,893,820	10,273,976
Intangibles and other assets	15	17,102,586	16,594,954
Total non current assets		850,722,322	655,355,681
Total Assets		**1,119,590,383**	**907,819,314**
Liabilities and Equity			
Current liabilities			
Financial debt	16	57,442,571	76,333,333
Accounts payable	17	163,967,274	109,878,331
Income tax payable	20	2,561,274	3,317,036
Lease liabilities	14	1,093,754	746,582
Other liabilities	18	3,435,820	3,413,097
Total current liabilities		228,500,693	193,688,379
Non current liabilities			
Financial debt	16	479,528,839	312,040,602
Deferred tax liabilities	20	66,151,178	67,075,588
Lease liabilities	14	14,492,123	10,702,727
Other liabilities	18	5,541,753	5,892,849
Total non current liabilities		565,713,893	395,711,766
Total liabilities		794,214,586	589,400,145
Equity	21		
Share capital		289,000,000	289,000,000
Legal reserve		28,900,000	28,900,000
Retained earnings		8,209,797	893,466
Other comprehensive income		(413,929)	(374,297)
Controlling interests		325,695,868	318,419,169
Non controlling interests		(320,071)	-
Total equity		325,375,797	318,419,169
Total Liabilities and Equity		**1,119,590,383**	**907,819,314**

The accompanying notes are an integral part of these consolidated financial statements.

Empresa Generadora de Electricidad Haina, S. A. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the year ended December 31, 2022
(Amounts expressed in United States dollars - USD)

	Note	2022	2021
Revenue from contracts with customers	22	513,538,656	411,289,955
Cost of fuel and energy purchases	23	(298,512,938)	(223,081,697)
Operating and general expenses	24	(59,781,119)	(45,342,222)
Personnel expenses	25	(21,034,564)	(18,617,921)
Depreciation and amortization	13, 14 & 15	(47,224,571)	(48,259,217)
Gain (loss) on foreign currency exchange, net		468,397	(171,219)
Other expenses, net	26	(132,893)	(99,079)
Operating income		87,320,968	75,718,600
Financial income	27	5,108,876	4,342,781
Financial expenses	28	(28,231,723)	(35,708,748)
Loss on foreign currency exchange, net	29	-	(3,848,011)
Financial expenses, net		(23,122,847)	(35,213,978)
Income before tax		64,198,121	40,504,622
Income tax expense	20	(12,201,861)	3,435,130
Net income		51,996,260	43,939,752
Attributable to shareholders of EGE Haina		52,316,331	43,939,752
Attributable to non controlling interests		(320,071)	-
Net income		51,996,260	43,939,752
Other comprehensive income, net of tax			
Items that may not be subsequently reclassified to profit or loss			
Actuarial loss	25	(39,632)	(325,735)
Comprehensive income		51,956,628	43,614,017
Attributable to shareholders of EGE Haina		52,276,699	43,614,017
Attributable to non controlling interests		(320,071)	-

Net profit per share attributable to shareholders of Empresa Generadora de Electricidad Haina, S. A.:

	Note	2022	2021
Basic and diluted earnings per share[1]	21	1.14	0.96

The accompanying notes are an integral part of these consolidated financial statements.

[1] Amounts expressed in cents of USD.

Empresa Generadora de Electricidad Haina, S. A. and Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended December 31, 2022
(Amounts expressed in United States dollars - USD)

	Note	Share capital	Legal reserve	Retained earnings	Other comprehensive income	Controlling interests	Non controlling interests	Total equity
At January 1, 2021		289,000,000	28,900,000	61,953,714	(48,562)	379,805,152	-	379,805,152
Net income		-	-	43,939,752	-	43,939,752	-	43,939,752
Declared dividends	21	-	-	(105,000,000)	-	(105,000,000)	-	(105,000,000)
Actuarial loss	25	-	-	-	(325,735)	(325,735)	-	(325,735)
At December 31, 2021		289,000,000	28,900,000	893,466	(374,297)	318,419,169	-	318,419,169
Net income		-	-	52,316,331	-	52,316,331	(320,071)	51,996,260
Declared dividends	21	-	-	(45,000,000)	-	(45,000,000)	-	(45,000,000)
Actuarial loss	25	-	-	-	(39,632)	(39,632)	-	(39,632)
At December 31, 2022		289,000,000	28,900,000	8,209,797	(413,929)	325,695,868	(320,071)	325,375,797

The accompanying notes are an integral part of these consolidated financial statements.

Empresa Generadora de Electricidad Haina, S. A. and Subsidiaries
Consolidated Statement of Cash Flows
For the year ended December 31, 2022

(Amounts expressed in United States dollars - USD)

	Note	2022	2021
Cash flows from operating activities			
Income before tax		64,198,121	40,504,622
Adjustments to reconcile income before tax to net cash provided by operating activities			
Depreciation and amortization	13, 14 & 15	47,224,571	48,259,217
Disposal and sale of property, plant and equipment	13 & 26	75,765	(27,208)
Financial expenses, net	27 & 28	23,076,437	35,213,978
Unrealized gain on foreign currency exchange, net		(557,485)	(33,068)
Impairment of property, plant and equipment	26	179,552	99,436
Short term and low value leases		-	43,381
Tax on assets	20 & 24	-	48,779
Changes in assets and liabilities			
Trade receivables and other		23,980,333	(55,040,656)
Inventories		(2,909,139)	(20,615,480)
Prepaid expenses		(3,838,859)	4,645,255
Accounts payable		29,744,104	24,877,867
Other liabilities		256,922	(147,749)
Cash provided by operating activities		181,430,322	77,828,374
Interest received		3,821,065	3,529,857
Interest paid		(23,315,794)	(26,012,412)
Taxes paid		(13,356,053)	(4,726,810)
Net cash provided by operating activities		148,579,540	50,619,009
Cash flows from investing activities			
Additions to property, plant and equipment	13	(214,086,983)	(36,940,022)
Cash received from the sale of property, plant and equipment		110,300	43,684
Additions of intangibles	15	(2,167,149)	(476,737)
Short term investments		(12,885)	(243,468)
Net cash used in investing activities		(216,156,717)	(37,616,543)
Cash flows from financing activities			
Debt proceeds	29	261,337,338	350,000,000
Debt repayments	29	(109,000,200)	(291,671,812)
Dividends paid	10 & 29	(45,001,532)	(104,996,166)
Early redemption costs	16 & 28	-	(9,881,689)
Financing costs payments	16	(4,797,849)	(6,322,984)
Lease payments	29	(595,313)	(1,040,993)
Net cash provided by (used in) financing activities		101,942,444	(63,913,644)
Net increase (decrease) in cash and cash equivalents		34,365,267	(50,911,178)
Cash and cash equivalents at the beginning of the year		60,320,914	111,232,092
Effects of exchange rate changes on cash and cash equivalents		(218,386)	-
Cash and cash equivalents at the end of the year	8	**94,467,795**	**60,320,914**

The accompanying notes are an integral part of these consolidated financial statements.

Empresa Generadora de Electricidad Haina, S. A. and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2022

(Amounts expressed in United States dollars - USD)

1. Corporate Information

Empresa Generadora de Electricidad Haina, S. A. ("EGE Haina") was established on August 17, 1999 and incorporated on October 28, 1999 in conformity with the laws of the Dominican Republic, as part of the electric sector's capitalization process executed in that year.

The Company's registered office is located at Lope de Vega Avenue, Novo-Centro Tower, 17th floor, Naco, Santo Domingo, Dominican Republic. The shareholders of EGE Haina are Haina Investment Co. Ltd. ("HIC") (50 %) - the controlling entity, Fondo Patrimonial de las Empresas Reformadas ("FONPER") - an entity of the Dominican State (49.993 %), and other minority shareholders (0.007 %).

1.1. Our Subsidiaries

The consolidated financial statements at December 31, 2022 include the financial statements of Empresa Generadora de Electricidad Haina, S. A. and its controlled subsidiaries (collectively "the Company").

EGE Haina is a parent of a group of companies mainly dedicated to the production of electricity from renewable and conventional sources, and other activities related to the energy sector.

The table below details the list of consolidated subsidiaries directly or indirectly owned by EGE Haina at December 31, 2022:

Company	Activity	Year of incorporation	Country of incorporation	% interests*	Method**
Haina Overseas Corporation, Inc.	Energy	2015	Cayman Islands	100 %	C
EGE Haina Renovables, S.A.S.	Energy	2021	Dominican Republic	99.994 %	C
Fideicomiso de Oferta Pública de Valores Larimar I No. 04-FP ("Larimar 1 Trust")	Energy	2021	Dominican Republic	100 %	C
Siba Corporation ("Siba")	Energy	2022	British Virgin Islands	51 %	C

* Direct or indirect effective interests' participation

** C-Full consolidation

1.2. Our Power Plants

The Company operates an aggregate installed capacity of 869 MW, of which:

i) 835.1 MW are directly owned by EGE Haina, made up of ten generation facilities in the Dominican Republic; which are commercially available and distributed in different regions of the country: Sultana del Este, Quisqueya 2 and Quisqueya Solar in the eastern region; Haina and Girasol in the south-central region; and Barahona, Pedernales, Los Cocos 1, Los Cocos 2, Larimar 1 and Larimar 2 in the southwest region.

ii) 25.6 MW are leased and commercialized by EGE Haina through the Palenque plant, under a lease agreement with DOMICEM, S. A. ("DOMICEM"). This power plant, located in the south-central region of the country, has four light fuel oil engines.

iii) 8.3 MW are operated by EGE Haina and owned by third parties. This net installed capacity corresponds to Quilvio Cabrera wind farm – operated and maintained under a contract signed with Consorcio Energético Punta Cana Macao. This farm is located in the southwest region of the country and has five wind turbines.

These facilities in commercial operation consist of a number of conventional generation sources operated with natural gas, high sulfur fuel oil ("HSFO"), light fuel oil ("LFO") and coal, as well as renewable energy sources such as wind and solar. The table below shows the diversified portfolio at the date of the consolidated financial statements:

Source	Installed capacity (MW)	% Installed capacity
Natural gas	225.2	25.9 %
HSFO	187.1	21.5 %
Wind	183.3	21.1 %
Solar	121.5	14.0 %
LFO	100.0	11.5 %
Coal	51.9	6.0 %
Total	**869.0**	**100.0 %**

The Company operated Quisqueya 1 - a combined cycle plant with dual fuel (high sulfur fuel oil and natural gas) located in the eastern region of the country, with a net installed capacity of 225.2 MW, a 230/138 KV substation and a 230 KV transmission line - until November 30, 2022: date of expiration of the operation and maintenance services contracts signed with Pueblo Viejo Dominicana Corporation Branch ("PVDC") a Dominican subsidiary of Barrick Gold Corporation and power plant owner.

1.3. Regulatory Framework

The Company complies with all laws, regulations and standards that apply to its operations and constitution, as a public limited company, issuer of securities and agent of the electric sector in the Dominican Republic.

Electric sector

It is composed of regulatory entities, including the Ministry of Energy and Mines, the National Energy Commission, the Superintendence of Electricity ("SIE"), the Coordinating Office of the National Interconnected Electric System ("OCSENI" by its Spanish acronym) and entities that produce, transport, distribute and consume electricity.

Financial sector

As an entity of public interest, due to its condition of issuer in the Dominican Republic and in international financial markets, the Company complies with all the regulatory provisions required by regulatory entities or by best corporate practices associated to the Company's financial information right of access.

1.4. Authorization of Consolidated Financial Statements

The Company's Board of Directors authorized Management the issuance of the consolidated financial statements on March 29, 2023. These consolidated financial statements must be submitted to the Shareholders' General Assembly for definite approval. They are expected to be approved without changes.

2. Basis of Preparation of the Consolidated Financial Statements

2.1. Basis of Preparation

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

The Company's consolidated financial statements have been prepared on a historical cost basis; except for items measured at fair value, and monetary assets and liabilities in foreign currency in conformity with IFRS.

The consolidated financial statements are presented in United States dollars (USD). The integer amounts do not include decimal places and have been rounded to the nearest unit of one dollar (USD 1), unless otherwise stated.

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates; it also requires Management to use its judgment while applying the Company's accounting policies. The areas that involve a greater degree of judgment or complexity, or areas where assumptions or estimates are important for the consolidated financial statements, are disclosed in Note 6.

2.2. Basis of Consolidation

A subsidiary is an entity over which EGE Haina has control. EGE Haina controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A subsidiary is consolidated as of the date on which control is transferred to EGE Haina, and it is deconsolidated from the date that control ceases.

The financial statements of the subsidiaries were prepared at and for the same years as EGE Haina, using consistent accounting policies.

All balances, transactions, income, expenses, earnings or losses related to intercompany activities, have been fully eliminated in the consolidation process.

3. Adoption of Accounting Policies

The accounting policies adopted by the Company to prepare its consolidated financial statements at December 31, 2022 are consistent with those that were used for the preparation of the consolidated financial statements at December 31, 2021.

The Company adopted the following amendments and interpretations at January 1, 2022; without significant impact on the amounts recognized in the previous or current periods:

- Amendments to IAS 16 -Property, Plant and Equipment, Revenue before intended use.
- Amendments IAS 37 – Onerous Contracts — Cost of Fulfilling a Contract.
- Annual Improvements 2018–2020 cycle.

For the reporting period ending December 31, 2021, the Company early adopted the Amendments to IFRS 3 -Reference to the Conceptual Framework.

4. Summary of the Significant Accounting Policies

4.1. Currency, Foreign Currency Transactions and Financial Statements Conversion

The items included in the consolidated financial statements are valued using the currency of the primary economic environment in which the Company operates ("functional currency"). The Company determines as its functional currency, the currency which influences the way in which its main operating, financial and investment transactions are denominated and converted into cash.

The Company reviews its functional currency annually or when facts or circumstances so indicate. At December 31, 2022, the Company's functional currency is the United States dollar ("USD").

The Company records its transactions in currencies other than the functional currency using the exchange rates prevailing on the date of the transaction.

At the end of the reporting period, to determine its financial position and operating results, the Company remeasure and adjusts its monetary assets and liabilities in foreign currency using the closing period exchange rate. Foreign exchange differences that may result from the application of this policy are recognized in the consolidated statement of comprehensive income.

Non monetary items in currencies other than the functional currency and measured at historical cost, are translated to the functional currency using the spot exchange rates. Non monetary items in currencies other than the functional currency and measured at fair value, are translated to the functional currency using the spot exchange rates when the fair value was determined.

The exchange rates used by the Company at December 31, 2022, to translate balances in foreign currency ("DOP") and euros ("€") to United States dollar were DOP 56.22 (2021: DOP 57.34) for USD 1.00 and € 0.91 (2021: € 0.86) for USD 1.00.

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4.2. Classification Current – Non Current

The Company presents assets and liabilities in the consolidated statement of financial position based on a current or non current classification.

An asset is classified as current when:

- It is held primarily for the purpose of trading.
- It is expected to be realized or sold within the twelve months following the reporting period or in its normal cycle of operation.
- It is cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current.

A liability is classified as current when:

- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period or in its normal cycle of operation.
- There is no unconditional right to defer the settlement of the liability, for at least twelve months after the reporting period.

All other liabilities are classified as non current.

Deferred tax assets and liabilities are classified as non current assets and liabilities.

4.3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash and highly liquid short term investments, with a maturity equal to or less than three months from their date of acquisition, and are subject to an insignificant risk of changes in value.

For purposes of the consolidated statement of cash flows, cash and cash equivalents are presented by the Company net of bank overdrafts, if any.

4.4. 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.

The Company’s financial assets include cash and cash equivalents, short term investments and trade receivables and other. The trade receivables and other are non derivative financial assets with fixed or determined payments that are not quoted in an active market.

The Company’s financial liabilities include financial debt, accounts payable, lease liabilities and other liabilities.

4.4.1. Initial Recognition and Measurement

Financial instruments are initially recognized when the Company becomes a contractual party to the instrument, except for trade receivables and other that are initially recognized when they originate, according to the provisions of the contracts with the customers.

A financial instrument (asset or liability) - except for a receivable that does not contain a significant financing component - is initially measured at fair value through profit or loss, plus or less transaction costs directly attributable to its acquisition or issuance. Trade receivables and other that do not contain a significant financing component are initially measured at the amount of the unconditional consideration.

4.4.2. Fair Value Measurement

Fair value estimates are calculated based on relevant market information and information related to the financial instruments. These estimates do not reflect a premium or discount that could result in holding financial instruments as available for sale.

The nature of these estimates is subjective and involves uncertain aspects and Management's judgment, thus these figures cannot be determined with absolute accuracy. Consequently, should there be changes in the assumptions on which the estimates are based, these could differ from the final results.

Fair value hierarchy

The Company uses the following hierarchy, at its lowest level of significant information, to determine and disclose the fair value of its financial instruments:

- Level 1: Quoted prices (unadjusted) in active markets for identical financial assets or liabilities.
- Level 2: Valuation techniques using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3: Valuation techniques that include inputs with a significant effect on the fair value that are not based on observable market data.

4.4.3. Offsetting Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position if currently there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis the assets and liabilities simultaneously.

4.4.4. Financial Assets

4.4.4.1. Financial Assets – Business Model

The Company performs an annual evaluation of its operations to determine how it manages its financial assets to generate cash flows and to designate business models by groups of assets that achieve a particular business objective, which do not depend on Management's intentions for an individual instrument, but on a higher level of aggregation.

The levels of aggregation considered by Management to evaluate the business model are four: 1) cash and cash equivalents and short-term investment; 2) accounts receivable from government distribution companies, Corporación Dominicana de Empresas Eléctricas Estatales

("CDEEE"), power generation companies and other electric market agents; 3) accounts receivable from unregulated users ("UNR") and other receivables; and 4) accounts receivable from related parties.

The business model consists of recovering contractual cash flows at maturity in order to fulfill Management's objectives. In situations of credit or liquidity risks, the Company may consider the sale of financial assets. However, the frequency, value and timing of sales of financial assets in prior periods are evaluated to determine if they represent a change in the way financial assets are managed.

4.4.4.2. Financial Assets – Test of Solely Payment of Principal and Interest ("SPPI")

As part of the classification process of its financial assets, the Company evaluates the contractual terms to identify if the SPPI test is met or not.

- Principal: The objective of this test is to define whether the fair value of the financial assets initially recognized has changed over the estimated life of the financial asset.
- Interest: The most significant elements to perform the evaluation of the SPPI are typically the time value of money and the credit risk. The Company apply estimates and other factors that are considered relevant for the test, such as: the currency in which the financial asset is specified and the period for which the interest rate is defined.

While executing this test, it is also evaluated whether the financial asset contains any contractual terms that could change the timing or amount of contractual cash flows in order to determine if the test is met or not, such as: contingent events, terms that can adjust the rate, payment characteristics and extension options; and convertibility.

A prepaid characteristic is consistent with the characteristics of solely payments of principal and interest if the prepaid amount represents substantially the outstanding amounts of principal and interest, which may include reasonable additional compensation for early termination of the contract.

4.4.4.3. Financial Assets – Classification and Subsequent Measurement

The Company determines the classification of its financial assets at the date of its initial recognition.

Financial assets are not reclassified after initial recognition unless the Company changes the business model, in which case all affected financial assets are reclassified on the first day of the first reporting period after the model change.

Subsequent measurement considerations due to changes in the business model

a) A financial asset is subsequently measured at amortized cost if it meets the following two conditions:

- It is managed within a business model whose objective consists in maintaining assets to recover contractual cash flows; and
- Its contractual terms are only payments of principal and interest on the amount of outstanding principal.

Financial assets at amortized cost are subsequently measured using the effective interest method (the calculation takes any premium or discount on the acquisition and includes transaction costs and fees that are an integral part of the effective interest rate). The amortized cost is reduced by impairment losses.

Subsequent recognition: Interest income, and gains or losses on foreign currency exchange, disposal of assets or impairment are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and it can be objectively related to an event subsequent to the recognition of the impairment, the impairment loss is reversed. Once the reversal has been recorded, the carrying amount of the financial asset must not exceed the original amount recorded. The amount of the reversal is recognized in profit or loss for the year in which it occurs.

b) A financial asset is subsequently measured at fair value through other comprehensive income if both of the following conditions are met:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms are solely payments of principal and interest on the principal amount outstanding.

The fair value of an investment that is traded in an organized financial market is determined by references to quoted prices in that financial market of trades executed at the date of the consolidated statement of financial position. For those financial instruments of which there is no active financial market, the fair value is determined using valuation techniques. Such techniques include recent market transactions between concerned and informed parties that operate under conditions of mutual independence; references to the fair value of another substantially similar financial instrument; and discounted cash flows or other valuation models.

Investments in equity instruments recognized at fair value through other comprehensive income are subsequently measured at fair value.

Subsequent recognition: dividends are recognized as income in profit or loss unless the dividend represents a recovery of the investment cost. When the assets are derecognized, gains or losses accumulated in other comprehensive income are reclassified to profit or loss.

c) All financial assets that are not measured at amortized cost or fair value through other comprehensive income, as described above, are measured at fair value through profit or loss. This category of measurement includes all financial derivative instruments.

The Company opts out to irrevocably designate the measurement of financial assets at fair value through profit or loss or other comprehensive income.

4.4.4.4. Financial Assets – Impairment

A financial asset or group of financial assets is considered impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the financial asset and that the event of loss detected has an impact in the estimated future cash flows for the financial asset or group of financial assets that can be reliably estimated.

The Company recognizes an allowance for expected credit losses on all financial assets not measured at fair value through profit or loss, except for cash and cash equivalents due to their high liquidity or maturity date proximity. The expected credit losses matrix is based on the difference between the contractual cash flows and the cash flows that the Company expects to receive, discounted at the appropriate effective rate.

For the determination and valuation of the expected credit losses, the Company adopts the simplified approach and the rebuttable presumption of "default" after 90 days; except for assets in the second business model (accounts receivable from government distribution companies, CDEEE, power generation companies and other electric market agents) for which the default was defined after 365 days.

While estimating the impairment, the Company uses historical information on the portfolio's behavior and recoveries during the last three years, excluding balances with guarantees and payment agreements. This matrix is reviewed every three years unless there are new conditions or changes that materially affect the behavior of the financial assets' recovery.

With the objective of incorporating forward-looking information and other applicable conditions, the Company analyzes variables that affect and help predicting the behavior of the defaulted financial assets' recovery that could impact the impairment recognition. In this regard, the Company periodically performs qualitative risk analyses to identify changes in the estimated losses.

4.4.4.5. Financial Assets – Derecognition

Financial assets are derecognized by the Company only when the contractual rights to receive cash flows from the asset have expired; or when the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity and has transferred the contractual rights to receive cash flows from the asset; or when the Company retains the contractual rights to receive cash flows and assumes the obligation to pay them to one or more parties.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also a liability according to a criterion that reflect the rights and obligations that it has retained.

4.4.5. Financial Liabilities

4.4.5.1. Financial Liabilities – Classification and Subsequent Measurement

The Company determines the classification of its financial liabilities at the date of its initial recognition.

After initial recognition, the financial liabilities are measured at amortized cost using the effective interest rate method. The Company recognized gains or losses in the period's profit or loss when the financial liability is derecognized as well as through the amortization process.

4.4.5.2. Financial Liabilities – Derecognition

Financial liabilities are derecognized when the obligation has been paid, canceled or expired. When a financial liability is replaced by another, the Company derecognizes the original and recognizes a new financial liability. Differences that may result from replacements of financial liabilities are recognized in profit or loss for the year in which they occur.

4.5. Inventories

Inventories consist of spare parts and bulk fuels (coal, HSFO and LFO); and are measured at the lower of cost or its net realizable value. The cost is determined using the average cost method.

Inventory costs include all costs derived from their acquisition, as well as other costs incurred to bring them to their present condition and location. Merchandise in transit is recorded at its invoiced cost.

If it is expected that inventories will not be recovered through operating income, the Company recognizes an impairment loss in the consolidated statement of comprehensive income. In addition, the carrying amount of spare parts inventories is reduced only if an obsolescence has been identified.

4.6. Property, Plant and Equipment, Net

Initial recognition and measurement

- Initial recognition costs, as well as subsequent ones, are included in the book value of the asset or as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will be transferred to the Company, that the cost of such item can be reliably measured and that such economic benefits are provided for more than one year.
- Property, plant and equipment are recorded at historical cost. The historical cost includes expenditures directly attributable to the acquisition of the items; also includes the estimated costs of decommissioning liabilities of assets on leased land, which are capitalized to the respective assets and amortized over the term of the land lease.
- Construction and installation costs are charged to temporary accounts and subsequently transferred to the respective asset accounts once the works are completed. These works in process include all disbursements directly related to the design, development and financial costs attributable to the asset.
- Interest expenses related to general and specific loans that are directly attributable to the acquisition or construction of property, plant and equipment, are capitalized as part of the cost until the assets are substantially ready for use.
- Proceeds before the intended use of assets under construction, and related cost incurred, are recognized as other income in the consolidated statement of comprehensive income.

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Subsequent measurement

- After the initial recognition, the Company has chosen to use the cost model for the valuation of property, plant and equipment components, less accumulated depreciation and the accumulated amount of any impairment loss.
- The costs of maintenance expenses (including those incurred in the reconditioning of the generation assets as major and minor maintenance) are charged directly to the consolidated statements of comprehensive income in the period in which they are incurred.
- Depreciation is calculated on a straight-line basis, over the estimated useful life of each asset. The estimated useful lives of the Company's assets are as follows:

Category	Useful life (years)
Buildings	05 – 32
Generation assets, including capital spare parts*	01 – 40
Transportation equipment	03 – 10
Furniture and office equipment	02 – 10
Minor equipment	02 – 20

* Capital spare parts, as opposed to inventory spare parts, are those that can be repaired and reused. Their estimated useful life is 5-20 years and do not exceed the useful life of the underlying generation assets.

- The impairment, estimated useful life, decommissioning obligations and depreciation methods of assets in this category are reviewed annually by the Company, or when facts or circumstances indicate that the values recorded may not be recoverable and are prospectively adjusted when it results relevant. To determine the fair value of the decommissioning, the Company makes estimates of the expected cost, the discount rate, and the expected date that these costs will be incurred.

Derecognition of property, plant and equipment

A component of property, plant and equipment is derecognized when it is expropriated, sold, or when no future economic benefits are expected from its use or disposal. Any loss or gain arising from the derecognition of an item of property, plant and equipment (determined as the difference between its carrying amount and the sales proceeds) is recognized in profit or loss for the year in which the transaction occurs.

4.7. Intangibles and Other Assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost and are capitalized based on the amount incurred to acquire or put them into operation. The recognition of the costs in the carrying amount will end when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the Company.

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The intangible assets held by the Company corresponds to:

- Software.
- Easement contracts, which correspond to payments to third parties for an indefinite period of time for the use of land. These assets are subject to amortization based on the useful lives of the underlying assets owned by the Company.
- Right of use contracts, which grant the Company the shared use of assets such as substations and pipelines.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed and classified as either finite or indefinite.

Intangible assets with finite lives are amortized under the straight line method over the estimated useful economic life of the assets, which are reviewed annually by the Company. The amortization expenses on intangible assets are recognized in profit or loss for the year in which they are incurred. The useful lives of the intangible assets are as follows:

Category	Useful life (years)
Software	01 – 10
Easement contracts	22 – 25
Right of use contracts	05 – 25
Leasehold improvements	05 – 06

4.8 Impairment of Non-Financial Assets

Impairment is recognized when the carrying amount of a non-financial asset (property, plant and equipment, and intangible assets) exceeds its recoverable amount. A recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In order to assess for impairment, the assets are grouped at the lowest levels for which the cash flows are highly independent (cash generating units) and the recoverable value is estimated using the expected future flows discounted at present value.

If the impairment analysis indicates recoverable values higher than the existing carrying amount, the Company recognizes reversals up to the amount of impairment losses previously recognized as long as they do not exceed the original acquisition cost.

4.9 Leases

At the beginning of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company reevaluates whether a contract is, or contains, a lease only if the terms and conditions of the contract change.

The Company chose to apply the consideration of IFRS 16-Leases for the classifications of short term and low value lease contracts. Lease contracts for which the term of the lease ends within 12 months from the date of initial application and lease contracts for which the underlying asset is of low value are recognized as straight-line expenses in the consolidated statement of comprehensive income. In determining the lease term, the Company considers all the facts and circumstances that create an economic incentive to exercise an extension option or not to exercise it.

<u>For lease contracts in which the Company is a lessee</u>:

- A right of use asset and its corresponding lease liability are recognized on the date the leased asset is available for use.
- At the commencement date, a right of use asset is measured at cost and the lease liability is measured at the present value of the lease payments that have not been paid on that date.
- After the commencement date, the Company measure:
  - The right of use asset applying a cost model. The right of use asset depreciates in a straight line over the lesser of the lease term or the estimated useful life of the asset; an impairment loss is recognized, when applicable; and is adjusted for any new measurement of the lease liability when the contract has been modified.
  - Its lease liability is recognized including the financial cost of the contract, the executed lease payments and the effect of modifications to the contract. The financial cost is recognized in the period's profit or loss, for the remaining value of the liability in each period. Lease payments are discounted using the interest rate implicit in the contract or the incremental rate of the Company's financial debt.

The useful lives of the Company's lease contracts are as follows:

Category	Useful life (years)*
Land	03 – 35
Generation assets	06
Other	24

* The maturities of the contracts are individually negotiated and contain different terms and conditions, which include renewal options that were evaluated by the Company to determine the maturity of the leases.

- The Company recognizes variable payments that do not depend on an index or rate at the time they are incurred and are presented as operating and general expenses in the consolidated statement of comprehensive income. This presentation applies to short term and low value leases.

4.10 Provisions

Provisions are recognized: i) when the Company has a present obligation, either legal or implicit, as a result of a past event; ii) it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation; and iii) a reliable estimate of the obligation's amount can be made.

Long-term provisions are recognized based on the present value of the disbursements expected to be required to settle the obligation using the incremental rate of the Company's financial debt and the specific risks of the obligation. The increase in the provision due to the passage of time is recognized as a financial expense.

The amount of recorded provisions is assessed periodically, and the required adjustments are recorded in the period's profit or loss.

4.11 Equity

Share capital

The Law 479-08 of the Dominican Republic, *Commercial and Limited Liability Corporations Law*, establishes that the amount of share capital is recognized when it is issued, in accordance with the value of all the contributions of its common shareholders.

Legal reserve

The Law 479-08 establishes that at least 5 % of the annual net income should be segregated as part of the Company's legal reserve until the balance is equal to 10 % of the outstanding capital. This reserve cannot be capitalized, reassigned to retained earnings or used for the payment of dividends. In 2016, the Company reached the maximum legal amount required.

Dividends

The Foreign Investment Law of the Dominican Republic establishes the right to repatriate share capital and remit benefits in freely convertible currencies. Dividends may be declared each fiscal year, up to the total amount of accumulated earnings and net benefits of the year, and are subject to a 10 % withholding tax payment. Dividends distributed and not paid are recognized as a liability in the consolidated financial statements until the disbursements are made.

4.12 Revenue

The Company classifies its operating income as revenue from contracts with customers. These operating income are subclassified as: revenue from direct contracts with customers and revenue from sales in the spot market.

The Company recognizes, in the period's profit or loss, other non-operating income related mainly to financial components of operating income, investment income, proceeds of assets under construction before their intended use and income from the sale of tangible assets.

4.12.1 Revenue from Contracts with Customers

The Company recognizes revenue from contracts with customers under the terms and conditions established by *IFRS 15 – Revenue from Contracts with Customers*.

Revenue from direct contracts

The Company mainly classifies as revenue from direct contracts with customers, income related to:

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- Sales of electricity. This category includes revenue from sales of energy, capacity and other ancillary services.
- Gas sales. This category includes revenue from the commercialization of natural gas.
- Revenue from services. This category includes mainly the revenue from the operation and maintenance of third-party assets, and the fuel storage service.
- Other operating income. This category mainly includes the sales of fuel's sub products.

For these contracts or any other included in this category, revenue is recognized when the control of the goods and services has been transferred to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue from sales in the spot market

Revenue from sales of electricity (energy, capacity and other ancillary services), both contracted directly with the customers and through transactions in the spot market, are recognized based on the electricity produced and demanded by customers on each calendar month.

OCSENI, which is the entity in charge of reporting system transactions, schedules the dispatch of the generating units declared available in the market in order of merit or economic dispatch, to match the supply and demand of energy at a particular time, optimizing the existing relationship between the cost of supplying the demand and the security of the system.

Each entity in the National Interconnected Electric System ("SENI" according to its acronym in Spanish) reports the end of month metering reading to the OCSENI. This entity reconciles the amounts of electricity injected (by generation) and withdrawn (by sales) in the system and determines the quantity of energy sold by direct contracts and energy sold in the spot market. Direct contracted energy sales are priced according to the contract's specifications and those sales made in the spot market are priced according to the prices declared by the marginal generation units.

4.12.2 Financial Income

This category includes interest on financial instruments (mostly related to trade receivables) and investments considered as cash equivalents in the consolidated statement of financial position.

Income arising from financial instruments are recognized in relation to the passage of time, calculated over the average monthly balances for the invested principal and applying the interest rate applicable to each financial instrument.

4.13 Segment Information

Operating segments are components that involve business activities that could obtain revenue or incur in expenses, whose operating results are regularly reviewed by Management, and for which discrete financial information is available. Management decides which resources should be assigned to an operating segment and assesses on a regular basis the Company's operational performance and returns based on cash flows, contracts and agreements with suppliers of equipment, services and operators, and plans for advertising and growth.

Management has determined on the basis of quantitative and percentages thresholds of its earnings before interest, tax, depreciation and amortization (EBITDA) that the Company has two operating segments: production and sale of electricity, and sale of gas. These segments are operated in a single geographical location: Dominican Republic.

4.14 Employee Benefits

Post-employment and termination benefits

The Company maintains a defined contribution post-employment plan in accordance with the Dominican law, which is operated by independent administrators selected by the employees. In addition, the Company maintains an internal plan for the recognition of termination benefits ("mutual agreement").

- Pension plan: starting on the effective date of Law 87-01, which establishes the Dominican Social Security Administration ("SDSS" according to its acronym in Spanish), the Company recognizes as personnel expenses the monthly contributions. These contributions, as well as employee contributions, are remitted to the entity responsible for the collection, distribution and payment of the financial resources of the SDSS; which are deposited in the individual capitalization accounts of the employees managed by the fund administrators. Obligations are measured on an undiscounted basis. Under this defined contribution plan, the Company has no legal or implicit obligation to make additional contributions, in the event that the fund does not have sufficient assets to attend the benefits of employees that are related to the services they have provided in the current or past periods.
- Mutual agreement policy: to estimate this obligation, the Company uses an actuarial method under the projected credit unit method. These estimates are performed annually by an independent actuary. Remeasurements of gains or losses from actuarial reviews are recognized as other comprehensive income.

Other benefits

The Company grants other benefits to its employees, such as bonus, vacations, Christmas bonus, among others, in accordance with the provisions of the Dominican Labor Code and its internal policies. These benefits are recognized as a personnel expense when incurred.

4.15 Taxes

The Company recognizes taxes payable, withheld, or collected based on the provisions of Law 11-92, *Tax Code of the Dominican Republic*, its rules and modifications, and accepts exemptions that are attributable to the type of operation it executes.

The Tax Code requires taxpayers to maintain their accounting records and prepare tax returns in Dominican pesos (local currency). This requirement also applies for those who use a functional currency different from the Dominican peso. The tax authorities annually indicate the foreign exchange rate to be used in the measurement of monetary items originated in foreign currencies.

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The foreign subsidiary's operations are exempt from income tax in its country of incorporation, since its operations take place outside said jurisdiction.

Current income tax

The Company calculates this amount by applying to income before tax the adjustments of certain tax deductible or nondeductible items, in accordance with current tax regulations. The current income tax is recognized by the Company as a liability net of tax advanced payments and the applicable carryforward of unused tax losses or credits. If the net amount paid at the end of the year exceeds the amount to be paid for that period, the excess is recognized as an asset.

Deferred income tax

Deferred income tax is recognized for the temporary differences that arise between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred tax is determined using tax rates in effect, or substantially in effect, at the date of the consolidated financial statements and which are expected to be applicable when the corresponding deferred tax asset is realized or the tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that there will be available future taxable income to apply against the temporary differences.

The Company offsets its assets and liabilities for deferred taxes, when it has the legally enforceable right to offset the amounts recognized before the same tax authority and when it intends to liquidate them for the net amount or to realize the asset and cancel the liability simultaneously.

Asset tax

The tax on assets established by the Dominican legislature, is an alternative or minimum tax calculated for energy generation, transmission and distribution companies - as defined in the *General Electricity Law* No. 125-01, based on 1 % of the balance in Dominican pesos of property, plant and equipment, net of depreciation.

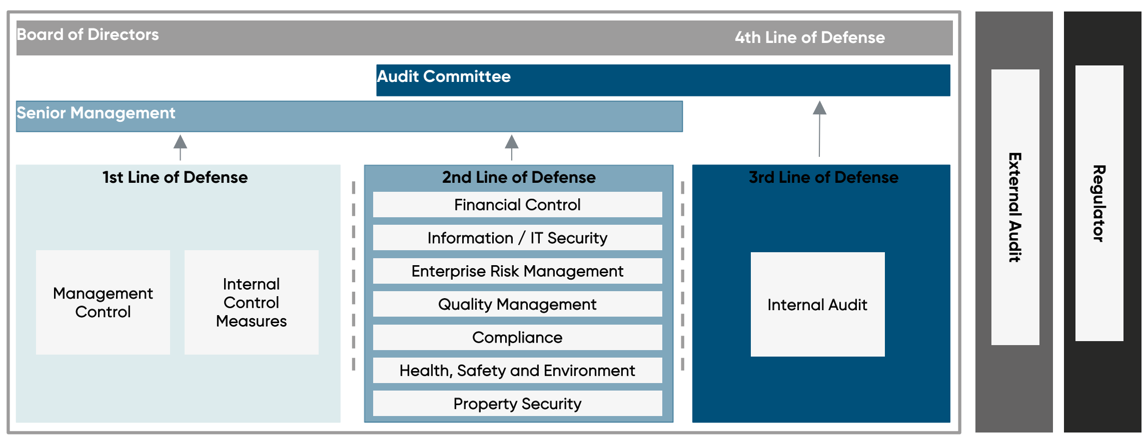
Tax on assets co-exists with current income tax, and taxpayers must pay the higher of the two each year. If for the year, the Company's tax obligation is to pay tax on assets, the excess over the current income tax is recorded as an operating expense in the consolidated statement of comprehensive income.

(Amounts expressed in United States dollars - USD)

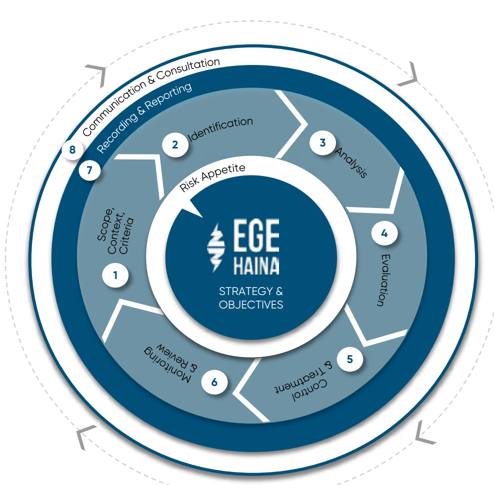
4.16 Enterprise Risk Management

The Company is committed to a comprehensive enterprise risk management approach, which strives towards organizational resilience, and continuous improvement. Our risk management framework is based upon international standards and best practices on risk management, resilience, as well as internal control, and corporate governance. The Company's risk management model ensures the determination and management of its risks based on ISO 31000:2018 - *Risk Management* and COSO ERM 2017 (Enterprise Risk Management), which are aligned with the organization's strategic framework.

The Company has designed its risk management framework based on the three lines of defense model.



The Company executes the risk management as a strategic and dynamic process, which is carried out at the different levels within the organization. The Company promotes a culture of integrated risk management, fostering attitudes, values, and risk-based behaviors for strategic and operational decision-making.



Risk management

To ensure that all risks are properly identified, assessed, and managed, the Company identifies risks to focus adequate financial and human resources on what is a priority, to guarantee the achievement of its short, medium, and long term objectives. For such purposes, it conducts the 8 steps of the risk management process illustrated above. The Company is exposed to a universe of risks that may be of operational, financial, compliance, environmental or external nature (Note 30).

5. Future Changes in Accounting Policies

Standards, interpretations or amendments, which have been issued but have not become effective at December 31, 2022, are described below. The Company has the intention of adopting them when they become effective, if applicable.

Standard	Description	Adoption date	Status and/or estimated effect
IFRS 17 – Insurance Contracts (including amendments of June 2020)	This standard replaces IFRS 4. It applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; however, a few scope exceptions will apply.	01/01/2023 early application is permitted	Under evaluation, no early application or changes are expected.
Amendments IAS 1 – Classification of Liabilities as Current or Non current	This amendment modifies the conditions for classifying liabilities into current and non current, and clarifies the right to defer liabilities and compensation.	01/01/2023 early application is permitted	Under evaluation, no early application or changes are expected.
Amendments IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction.	The amendment reduces the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.	01/01/2023 early application is permitted	Under evaluation, no early application or changes are expected.
Amendments IAS 8 – Accounting Policies, Changes in Estimates.	The amendment helps entities to distinguish between accounting policies and accounting estimates.	01/01/2023 early application is permitted	Under evaluation, no early application or changes are expected.
Amendments IAS 1 – Presentation of Financial Statements and Statement of Practice IFRS 2, on Judgments on Materiality or Materiality Relative Importance	This amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to the IFRS 2 Statement of Practice provide guidance on how to apply the concept of materiality to accounting policy disclosures.	01/01/2023 early application is permitted	Under evaluation, no early application or changes are expected.
Non-current Liabilities with Covenants	The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.	01/01/2024 early application is permitted	Under evaluation, no early application or changes are expected.
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	This amendment explains how an entity accounts for a sale and leaseback after the date of the transaction.	01/01/2024 early application is permitted	Under evaluation, no early application or changes are expected.
IFRS Accounting Taxonomy 2021	Amendments to Initial Application of IFRS 17 and IFRS 9—Comparative Information, Technology Update and Disclosure of Accounting Policies and Definition of Accounting Estimates.	01/01/2024 early application is permitted	Under evaluation, no early application or changes are expected.
Sale or contribution of assets	Amendments to IFRS 10 and IAS 28. These amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint venture.	Deferred	Not applicable

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6. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements requires Management to conduct judgments, estimates and assumptions affecting the reported figures of revenue, expenses, assets and liabilities and their corresponding disclosures, as well as the disclosure of contingent liabilities. However, given the implicit uncertainty of these judgments, estimates and assumptions, it could derive in situations requiring adjustments of significant impact on the amounts of assets and liabilities recognized in future periods.

In the process of applying its accounting policies for the consolidated financial statements at December 31, 2022, the Company has considered the following relevant judgments, estimates or assumptions:

Significant judgments, estimates and assumptions	Note
Functional currency	4.1
Fair value, business model and expected credit losses on financial instruments	4.4
Estimated useful life and decommissioning provision of property, plant and equipment	4.6
Impairment of non-financial assets	4.8
Leases term	4.9
Actuarial valuation of mutual agreement policy	4.14
Deferred tax assets	4.15

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7. Segment Reporting[2]

Performance by business segment

	Energy	Gas	Total
Revenue	488,484,393	25,054,263	513,538,656
Cost of fuel and energy purchases	(298,512,938)	-	(298,512,938)
Operating and general expenses	(59,781,119)	-	(59,781,119)
Personnel expenses	(21,034,564)	-	(21,034,564)
Depreciation and amortization	(47,224,571)	-	(47,224,571)
Loss on foreign currency exchange, net	468,397	-	468,397
Other expenses, net	(132,893)	-	(132,893)
Operating income	62,266,705	25,054,263	87,320,968
Financial expenses, net	(23,122,847)	-	(23,122,847)
Income before tax	39,143,858	25,054,263	64,198,121
Income tax expense	(11,606,563)	(595,298)	(12,201,861)
Net income	**27,537,295**	**24,458,965**	**51,996,260**

Financial position by business segment

	Energy	Gas	Total
Segment assets	-	-	-
Non segment assets			
Cash and cash equivalents	94,467,795	-	94,467,795
Short term investment	260,999	-	260,999
Trade receivables and other	109,449,273	-	109,449,273
Inventories	55,821,213	-	55,821,213
Prepaid expenses	8,868,781	-	8,868,781
Property, plant and equipment, net	819,725,916	-	819,725,916
Right of use assets	13,893,820	-	13,893,820
Intangibles and other assets	17,102,586	-	17,102,586
Total Assets	**1,119,590,383**	**-**	**1,119,590,383**
Segment liabilities	-	-	-
Non segment liabilities			
Financial debt current	57,442,571	-	57,442,571
Accounts payable	163,967,274	-	163,967,274
Income tax payable	2,561,274	-	2,561,274
Lease liabilities current	1,093,754	-	1,093,754
Other liabilities current	3,435,820	-	3,435,820
Financial debt non current	479,528,839	-	479,528,839
Deferred tax liabilities	66,151,178	-	66,151,178
Lease liabilities non current	14,492,123	-	14,492,123
Other liabilities non current	5,541,753	-	5,541,753
Total liabilities	**794,214,586**	**-**	**794,214,586**

[2] In 2021, Management determined that the Company had a single operating segment: production and sale of electricity; therefore, the comparative information is not disclosed. The consolidated financial statements for the year then ended contain the information required to evaluate the nature and financial effects of the business activities.

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8. Cash and Cash Equivalents

	2022	2021
Cash on hand		
Denominated in United States dollars	1,500	1,500
Denominated in Dominican pesos	14,675	14,562
Denominated in euros	1,533	1,626
Cash in banks[3]		
Denominated in United States dollars	13,837,068	36,585,629
Denominated in Dominican pesos	50,210,380	3,475,225
Denominated in euros	46,444	242,372
Cash equivalents[4]		
Denominated in United States dollars	25,000,000	20,000,000
Denominated in Dominican pesos	5,356,195	-
Cash and cash equivalents	94,467,795	60,320,914

At December 31, 2022, there was no difference between the carrying amount and the fair value of these financial assets.

[3] The deposits earn interest based on daily rates determined by the corresponding banks. These accounts generated an interest of USD 0.2 million in 2022 (2021: USD 0.1 million) (Note 27).
[4] Certificates of deposit that expire in three months or less, which accrue interest at weighted average annual rates in Dominican pesos of 2022: 6.3 % (2021: 5.9 %) and 2.1 % (2021: 0.7 %) in United States dollars. These certificates, and those cancelled during the year, generated interest of USD 0.7 million in 2022 (2021: USD 0.3 million) (Note 27).

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9. Trade Receivables and Other

	Note	2022	2021
Trade receivables			
Related parties	10	42,181,924	52,786,763
Third parties		64,260,995	76,195,981
		106,442,919	128,982,744
Other receivables			
Third parties		195,817	591,169
Related parties	10	82,486	20,844
Advances to suppliers		420,991	399,895
Fuel tax[5]		2,506,659	1,274,304
		3,205,953	2,286,212
Expected credit losses allowance	26 & 30	(199,599)	(199,599)
		109,449,273	131,069,357

The detailed maturity of the trade receivables and other is as follows:

Year	Not expired	1-30 days	31-60 days	61-90 days	> 90 days	Total
2022	61,518,810	7,457,664	2,221,814	1,019,717	37,231,268	**109,449,273**
2021	63,962,567	7,605,249	4,164,619	15,093,231	40,243,691	**131,069,357**

Past due trade receivables generate interest equivalent to the average commercial banking active rate published by the Central Bank of the Dominican Republic. For the year ended December 31, 2022, the annual average rate was 11.9 % (2021: 9.6 %) for balances in Dominican pesos, and 4.7 % (2021: 3.5 %) for balances in United States dollars.

For the year ended December 31, 2022, interest generated by trade receivables amount USD 4.3 million (2021: USD 4.0 million) (Note 27). This interest is reported as financial income in the consolidated statement of comprehensive income.

[5] After the enactment of Decree No. 275-16, which regulated the reimbursement process of selective consumption taxes on fossil fuels and petroleum derivatives created through Law 253-12, the payment of taxes for import of fuels began. These amounts are reimbursed to the extent that fuels are consumed.

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10. Balances and Transactions with Related Parties

The Company has significant balances and transactions with related parties. These transactions are conducted under terms agreed by the parties, equivalent to transactions' terms with independent parties.

The transactions that the Company conducts with related entities and shareholders consist mainly of energy and capacity sales, operation services, payment of management fees, fuel purchases, land leases, among others.

The balances and transactions with related parties and shareholders are as follows:

	Relationship	2022	2021
<u>Balances</u>			
Trade receivables			
Gerdau Metaldom, S. A.[6]	Related	576,731	654,944
DOMICEM[6]	Related	1,525,669	1,266,274
Pasteurizadora Rica, S. A. ("RICA")[6]	Related	1,130,983	700,648
Empresa Distribuidora de Electricidad del Este, S. A. ("EDE Este")[7]	Related	925,949	3,521,639
EDENORTE Dominicana, S. A. ("EDE Norte")[7]	Related	32,185,413	32,274,933
EDESUR Dominicana, S. A. ("EDE Sur")[7]	Related	5,837,179	14,368,325
		42,181,924	52,786,763
Other receivables			
HIC	Shareholder	82,486	20,844
Balances of accounts receivable		**42,264,410**	**52,807,607**
Trade payables			
IT Global Enterprise Services, Inc.[6]	Related	2,427,804	-
DOMICEM	Related	122,791	122,791
Cristóbal Colon, S. A.[6]	Related	9,000	4,500
EDE Sur	Related	-	1,909
EDE Este	Related	-	1,189
		2,559,595	130,389
Other accounts payable			
Compañía Anónima de Explotaciones Industriales (CAEI)[6]	Related	691,041	691,041
Dividends payable to non-controlling interests	Shareholder	21,755	23,287
Balances of accounts payable		**3,272,391**	**844,717**

[6] Entities related through members of the Board of Directors of HIC, shareholder of EGE Haina, or direct or indirect relationship through it.
[7] Entities related through FONPER, minority shareholder with significant influence in EGE Haina.

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	Relationship	2022	2021
<u>Transactions</u>			
Revenue			
Electricity sales and interest charges			
EDE Norte	Related	204,192,890	80,027,230
EDE Sur	Related	60,976,233	38,741,020
EDE Este	Related	27,766,890	27,548,312
DOMICEM	Related	17,254,358	15,687,595
Gerdau Metaldom, S. A.	Related	8,510,210	7,180,927
RICA	Related	3,584,084	3,472,037
San Pedro Bio Energy, SRL[6]	Related	56,840	9,440
		322,341,505	**172,666,561**
Costs and expenses			
EDE Norte	Related	2,987,488	1,013,802
EDE Sur	Related	148,559	1,194,461
EDE Este	Related	151,305	86,438
IT Global Enterprise Services, Inc.	Related	2,499,773	-
Argos[6]	Related	847,748	-
Cristóbal Colón, S. A.	Related	580,027	580,027
DOMICEM	Related	519,004	524,825
San Pedro Bio Energy, SRL	Related	237,117	714,290
LEXGEO, S.R.L.[6]	Related	209,194	71,440
Oficina de Abogados OMG[6]	Related	17,700	21,122
		8,197,915	**4,206,405**
Dividends paid			
HIC	Shareholder	22,500,000	52,500,000
FONPER	Shareholder	22,497,062	52,493,145
Minority	Shareholder	4,470	3,021
		45,001,532	**104,996,166**

At December 31, 2022, EGE Haina's investment in subsidiaries is detailed in Note 1 of these consolidated financial statements; these subsidiaries have a common share capital held primarily by EGE Haina. The basis of preparation and consolidation of these consolidated financial statements are disclosed in Note 2.

<u>Compensation to key personnel</u>

During the year ended December 31, 2022, the expenses related to salaries and compensations paid to key personnel and severance benefits amounted USD 4.5 million (2021: USD 4.0 million), which apply to personnel occupying the positions of General Manager and Senior Directors.

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11. Inventories

	2022	2021
Spare parts	28,172,647	25,152,353
Fuels		
HSFO	17,062,060	14,486,834
Coal	6,337,180	9,559,003
LFO	3,268,162	1,315,684
Inventory of spare parts in transit[8]	981,164	5,286,098
	55,821,213	55,799,972

For the year ended December 31, 2022, the Company did not recognize obsolescence and impairment losses for its inventories (2021: USD 20,892) (Note 26).

12. Prepaid Expenses

	2022	2021
Advances for fuel purchases[9]	3,973,946	1,933,311
Insurances	3,245,902	2,579,517
Other	1,648,933	517,094
	8,868,781	5,029,922

[8] Correspond to spare parts inventories, which were in transit at year end. These include specific import costs at that date. 100 % of the inventory in transit was received at the date of issuance of these consolidated financial statements (2021: 100 % received).

[9] Corresponds to prepayments for the following month's estimated consumption of natural gas and other associated charges, net of accounts payable related to this fuel purchase contract.

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13. Property, Plant and Equipment, Net

	Land	Buildings	Generation assets	Transportation equipment	Furniture and office equipment	Minor equipment	Assets under construction	Total
Acquisition cost								
At January 1, 2021	16,234,479	64,206,926	768,835,529	3,087,053	2,563,372	5,984,982	65,539,666	926,452,007
Additions	996,673	-	6,547,014	362,479	251,566	285,730	29,069,516	37,512,978
Disposals	-	-	-	(155,655)	-	-	-	(155,655)
Transfers	-	15,369,988	76,974,302	-	-	500,000	(92,844,290)	-
Adjustments and reclassifications	-	304,732	850,380	-	(31,873)	(274,835)	-	848,404
At December 31, 2021	**17,231,152**	**79,881,646**	**853,207,225**	**3,293,877**	**2,783,065**	**6,495,877**	**1,764,892**	**964,657,734**
Additions	941,504	-	2,846,254	377,852	225,966	161,969	232,555,194	237,108,739
Disposals	(46,252)	-	(157,225)	(349,333)	-	-	-	(552,810)
Transfers	-	640,421	288,778	-	452,939	242,394	(1,624,532)	-
Adjustments and reclassifications	-	-	(483,703)	-	-	-	-	(483,703)
At December 31, 2022	**18,126,404**	**80,522,067**	**855,701,329**	**3,322,396**	**3,461,970**	**6,900,240**	**232,695,554**	**1,200,729,960**
Accumulated depreciation								
At January 1, 2021	-	(25,142,634)	(256,389,322)	(2,301,155)	(2,335,651)	(4,198,347)	-	(290,367,109)
Depreciation for the year	-	(3,828,075)	(41,196,513)	(378,150)	(159,543)	(380,772)	-	(45,943,053)
Disposals	-	-	863	138,316	-	-	-	139,179
Transfers	-	(334,832)	218,760	-	16,653	99,419	-	-
At December 31, 2021	**-**	**(29,305,541)**	**(297,366,212)**	**(2,540,989)**	**(2,478,541)**	**(4,479,700)**	**-**	**(336,170,983)**
Depreciation for the year	-	(4,289,635)	(39,881,271)	(323,155)	(243,978)	(468,297)	-	(45,206,336)
Disposals	-	-	155,974	210,771	-	-	-	366,745
Transfers	-	(297,884)	286,185	-	(3,068)	14,767	-	-
Adjustments and reclassifications	-	-	6,530	-	-	-	-	6,530
At December 31, 2022	**-**	**(33,893,060)**	**(336,798,794)**	**(2,653,373)**	**(2,725,587)**	**(4,933,230)**	**-**	**(381,004,044)**
Net carrying amount								
At December 31, 2022	**18,126,404**	**46,629,007**	**518,902,535**	**669,023**	**736,383**	**1,967,010**	**232,695,554**	**819,725,916**
At December 31, 2021	**17,231,152**	**50,576,105**	**555,841,013**	**752,888**	**304,524**	**2,016,177**	**1,764,892**	**628,486,751**

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Property, plant and equipment, net

- Includes USD 1.5 million (2021: USD 1.7 million) corresponding to the present value of Quisqueya 2 decommissioning provision, net of depreciation. The market rate adjusted used to discount future flows of such liability was 6.4 % (2021: 5.4 %). At December 31, 2022, a depreciation of USD 0.1 million (2021: USD 0.1 million) was recorded for this concept, which is presented as depreciation and amortization in the accompanying consolidated statement of comprehensive income.
- Includes fully depreciated assets in use with an acquisition cost of USD 54.2 million (2021: USD 32.4 million).
- During the year ended December 31, 2022, the Company recognized USD 0.2 million (2021: USD 0.1 million) of impairment losses of property, plant and equipment (Note 26).
- At December 31, 2022, property, plant and equipment, net includes capitalized interest on loans attributed to assets under construction amounting to USD 4.2 million (2021: USD 3.1 million) (Note 28). The average capitalization rate used was 5.72 % (2021: 7.7 %).

Acquisition cost

- In 2022, the Company started the development through its subsidiary Siba of a 250 MW natural gas project, of which 190 MW are currently under construction and expected for completion in 2023. At December 31, 2022, the Company has capitalized USD 169.7 million related to this project, out of the total amount shown as assets under construction.
- In 2022, EGE Haina signed an Engineering, Procurement and Construction contract for the construction of Esperanza photovoltaic solar plant with a 90 MW installed capacity. At December 31, 2022, the Company has capitalized USD 61.8 million related to this project, out of the total amount shown as assets under construction.
- In February 2020, EGE Haina signed an Engineering, Procurement and Construction contract for the construction of Girasol photovoltaic solar plant. In August 2021, the Company capitalized this project with a net investment of USD 92.2 million of the total amount transferred.
- Out of the total amount of acquisitions in 2022 of USD 237.1 million (2021: USD 37.5 million), USD 25.5 million (2021: USD 10.2 million) do not represent cash outflows or are not shown as investing cash flows. Additionally, during 2022 were paid USD 0.7 million (2021: USD 8.8 million) related to outstanding balances from the previous year and USD 1.8 million (2021: USD 0.8 million) of advances paid to suppliers of property, plant and equipment, which are presented as intangibles and other assets.

Transfers, adjustments and reclassifications

- These categories include the following transactions: 1) adjustment related to the annual review of Quisqueya 2 decommissioning provision. The impact was recognized in other non current liabilities. 2) impairment of San Pedro de Macorís plant, which operations have been discontinued (Note 26). 3) transfers of assets due to the reassignment of categories (without impact on other accounts).

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14. Leases

The following table shows the leases' right of use assets:

	Land	Generation assets	Other	Total
<u>Right of use</u>				
At January 1, 2021	10,974,477	2,846,339	1,710,531	15,531,347
Adjustments and reclassifications[10]	(2,095,557)	-	-	(2,095,557)
At December 31, 2021	**8,878,920**	**2,846,339**	**1,710,531**	**13,435,790**
Additions	4,642,003	-	-	4,642,003
Adjustments and reclassifications[11]	370,115	-	(370,115)	-
At December 31, 2022	**13,891,038**	**2,846,339**	**1,340,416**	**18,077,793**
<u>Accumulated amortization</u>				
At January 1, 2021	(932,951)	(1,166,208)	(204,564)	(2,303,723)
Amortization for the year	(311,176)	(474,390)	(74,356)	(859,922)
Adjustments and reclassifications	1,831	-	-	1,831
At December 31, 2021	**(1,242,296)**	**(1,640,598)**	**(278,920)**	**(3,161,814)**
Amortization for the year	(491,918)	(474,390)	(55,851)	(1,022,159)
Adjustments and reclassifications[11]	(55,517)	-	55,517	-
At December 31, 2022	**(1,789,731)**	**(2,114,988)**	**(279,254)**	**(4,183,973)**
<u>Net carrying amount</u>				
At December 31, 2022	12,101,307	731,351	1,061,162	13,893,820
At December 31, 2021	7,636,624	1,205,741	1,431,611	10,273,976

The following table shows the carrying amount of lease liabilities:[12]

	2022	2021
Current	1,093,754	746,582
Non current	14,492,123	10,702,727
	15,585,877	11,449,309

Lease payments are discounted using the risk-specific market rate of that liability: between 11.0 % - 12.0 % for leases in pesos and 5.5 % - 7.0 % for leases in dollars.

[10] Reviews performed on the lease agreements' term in 2021. The impact was recognized as a decrease in interest expenses of USD 0.6 million and lease liabilities of USD 2.7 million, recognized against the leases' right of use assets.
[11] Corresponds to land contract reclasses previously presented as other lease contracts.
[12] The annual monetary and non monetary movement of lease liabilities, plus the future commitments of lease payments and associated interest are detailed in Note 29.

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The maturity detail of undiscounted lease liabilities is as follows:

	2022	2021
<1 year	1,846,783	1,499,478
1 - 2 years	6,314,416	2,738,763
3 - 5 years	2,903,800	2,653,279
> 5 years	18,055,249	16,792,517
	29,120,248	**23,684,037**

The following table shows the value recognized in the consolidated statements of comprehensive income for lease contracts:

	Note	2022	2021
Amortization expense for right of use assets		891,690	859,922
Interest expense on lease liabilities	28	866,193	430,589
Short term lease expenses	24	-	6,306
Variable lease expenses	24	(104,645)	-
Low value lease expenses	24	44,342	37,075
		1,697,580	**1,333,892**

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15. Intangibles and Other Assets

	Intangibles			Other assets		Total
	Right of use[13]	Easements	Software	Leasehold improvement	Other[14]	
Other non-current assets						
At January 1, 2021	19,269,779	706,669	1,381,930	274,418	972,430	22,605,226
Additions	398,210	-	78,526	-	898,692	1,375,428
Adjustments and reclassifications[15]	(891,682)	-	-	-	(1,502,692)	(2,394,374)
At December 31, 2021	**18,776,307**	**706,669**	**1,460,456**	**274,418**	**368,430**	**21,586,280**
Additions	476,990	-	-	-	3,124,121	3,601,111
Adjustments and reclassifications[15]	-	-	-	-	(1,966,934)	(1,966,934)
At December 31, 2022	**19,253,297**	**706,669**	**1,460,456**	**274,418**	**1,525,617**	**23,220,457**
Accumulated depreciation						
At January 1, 2021	(2,095,337)	(59,532)	(1,255,141)	(125,074)	-	(3,535,084)
Depreciation for the year	(550,438)	(30,408)	(118,861)	(47,157)	-	(746,864)
Adjustments and reclassifications[15]	(709,378)	-	-	-	-	(709,378)
At December 31, 2021	**(3,355,153)**	**(89,940)**	**(1,374,002)**	**(172,231)**	**-**	**(4,991,326)**
Depreciation for the year	(993,464)	(31,302)	(54,531)	(47,248)	-	(1,126,545)
At December 31, 2022	**(4,348,617)**	**(121,242)**	**(1,428,533)**	**(219,479)**	**-**	**(6,117,871)**
Net book value						
At December 31, 2022	**14,904,680**	**585,427**	**31,923**	**54,939**	**1,525,617**	**17,102,586**
At December 31, 2021	**15,421,154**	**616,729**	**86,454**	**102,187**	**368,430**	**16,594,954**

[13] Corresponds to intangibles for the shared-use rights of the pipeline and the transmission line (owned by PVDC), related to the fuel supply and connection of Quisqueya 2 power plant, respectively. These contracts expire in 2037 with a renewal option until 2062, with deferred payments which are recognized against other liabilities.
[14] Cash flows from investing contains USD 1.8 million (2021: USD 0.8 million) of advances paid to suppliers of property, plant and equipment, which are presented under other assets.
[15] Reviews performed on right of use contracts term in 2021. The impact was recognized as a decrease in interest expenses of USD 0.7 million and the intangible cost of USD 0.9 million, against other liabilities. In addition, it was recognized a decrease in amortization expense for the period of USD 0.7 million.
The balance in other assets, in 2022 and 2021, corresponds to reclassifications of advances paid to suppliers of property, plant and equipment.

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16. Financial Debt[16]

	Note	2022	2021
Current financial debt			
Bank loans		30,000,000	-
Promissory notes		22,886,962	-
Current portion of local bonds		4,714,290	1,333,333
Credit lines		-	75,000,000
Debt issuance costs		(158,681)	-
		57,442,571	76,333,333
Non current financial debt			
International bonds		300,000,000	300,000,000
Local bonds		61,285,510	18,666,667
Bank loans		127,927,783	-
Debt issuance costs		(9,684,454)	(6,626,065)
		479,528,839	312,040,602
	29	536,971,410	388,373,935

The Company's financial debt per instrument, excluding debt issuance costs, at December 31, 2022, is as follows (amounts shown in USD million):

Borrower	Type	Issue date	Maturity date	Repayment	Interest type	Interest rate	USD
EGE Haina	International bonds	11/8/2021	11/8/2028	At maturity	Fixed	6.25 %	300.0
EGE Haina	Bank loan	12/23/2022	12/23/2025	At maturity	Variable	7.25 %	55.0
Larimar 1 Trust	Local bonds	12/29/2021	7/31/2036	Annual	Fixed	5.15 %	18.7
Larimar 1 Trust	Local bonds	2/22/2022	7/31/2036	Annual	Fixed	5.05 %	37.3
Larimar 1 Trust	Local bonds	11/10/2022	7/31/2036	Annual	Fixed	8.50 %	10.0
Siba	Promissory note	10/24/2022	3/15/2023	At maturity	Fixed	8.00 %	16.2
Siba	Promissory note	10/24/2022	3/15/2023	At maturity	Fixed	8.00 %	5.2
Siba	Promissory note	11/17/2022	3/15/2023	At maturity	Fixed	8.00 %	1.0
Siba	Promissory note	11/17/2022	3/15/2023	At maturity	Fixed	8.00 %	0.5
Siba	Bank loan	6/15/2022	6/15/2023	At maturity	Variable	6.25 %	30.0
Siba	Bank loan	12/5/2022	12/5/2027	At maturity	Fixed	16.00 %	72.9
							546.8

The Company's financial debt per sources, at December 31, 2022, is as follows:

	Sustainable financing	Other sources	2022
International bonds	300,000,000	-	300,000,000
Bank loans	-	127,927,784	127,927,784
Local bonds	65,999,800	-	65,999,800
Promissory notes	-	52,886,962	52,886,962
	365,999,800	180,814,745	546,814,545
	66.9 %	33.1 %	

[16] The annual monetary and non-monetary movement of financial debt, plus the future commitments for financial debt and associated interest payments are detailed in Note 29.

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16.1. Sustainable Financing

The Company has endorsed the Sustainable Development Goals (SDG) established by the United Nations, which seek to protect the planet and achieve a more equitable world by 2030.

Committed to achieving our sustainable objectives, important milestones were completed in 2021 towards a sustainable financing. The refinancing and new debt issuances in 2021 and 2022 made it possible to achieve a sustainable financing ratio of 66.9 % at December 31, 2022 (2021: 81.0 %) out of the Company's total financial debt.

Issuances

- Sustainability-Linked Bond: On November 8, 2021, EGE Haina issued an unsecured bond in the international markets ("Senior Notes") for USD 300.0 million, under rule 144A and regulation S of the Securities Act of the United States of America, with maturity on November 8, 2028 and issue price of 99.288 %. This bond was listed on the Luxembourg Stock Exchange and traded on the Euro MTF Market of that exchange.

  The funds obtained from the issuance were used to: i) the repayment of the outstanding principal of the bonds issued in the Dominican Republic stock market for USD 261.7 million, plus the charges associated with their early redemption amounting to USD 9.9 million; and ii) the remaining amount as a contribution to the USD 30.0 million dividend declared in October 2021 and payable to the shareholders.

  Senior Notes accrue interest at a rate of 5.625 %, payable semi-annually on May 8 and November 8 of each year. This rate would have an increase at December 31, 2026 of 50 basis points (6.125 %) if the Sustainability Performance Target ("SPT" – Note 16.3) is not met and not confirmed by a third-party verifier.

  All payments associated with Senior Notes made to bondholders will be free of withholdings or discounts of present or future taxes, according to the contractual conditions of the offering.

- Green Bond: On April 27, 2021, the Superintendency of the Securities Market of the Dominican Republic approved the issuance of a bond for USD 100.0 million through the Larimar 1 Trust. These bonds will accrue interest semi-annually and their principal will be repaid on an annual basis.

  This debt, structured in accordance with the guidelines of the Green Bond Principles published by the International Capital Markets Association, has been verified as a Green Bond by the international firm Pacific Corporate Sustainability and certified by the Climate Bond Initiative, and is the first green public offering in the Dominican Republic Securities Market.

  The Larimar 1 Trust has as its main underlying asset the economic rights and obligations of the Larimar 1 wind farm, which EGE Haina owns.

  EGE Haina is a settlor of 100 % of the assets of the Trust, which are managed by Fiduciaria Popular, S. A. The funds obtained by the bond are granted to EGE Haina as settlor and beneficiary of the Trust, to be used in the financing or refinancing, partially or totally, of new or existing projects that are eligible as green projects.

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The following table shows in detail the green bond placements executed at December 31, 2022:

Registry	Tranche	Amount in USD	Annual rate	Issuance date	Repayment calendar
SIVFOP-008	1	20,000,000	5.15 %	12/29/2021	Annual
SIVFOP-008	2	40,000,000	5.05 %	2/22/2022	Annual
SIVFOP-008	3	10,000,000	8.50 %	11/10/2022	Annual

16.2. Early redemption

The following table shows the effect of the local bonds' early redemption in 2021:

	Principal repayment	Early redemption costs	Accelerated amortization of issuance costs
SIVEM-095 and SIVEM-105 – local bonds in DOP	161,671,812	3,380,008	187,629
SIVEM-084 – local bonds in USD	100,000,000	6,501,681	155,888
	261,671,812	9,881,689	343,517

16.3. Commitments and guarantees.

- Sustainability-Linked Bond: In accordance with the SPT included in the Sustainability Linked Bond Framework and the international bond offering, EGE Haina has committed to achieving a renewable installed capacity of 526.5 MW at December 31, 2026, based on the capacity of the manufacturer's nameplate.

  At December 31, 2022, EGE Haina had a renewable installed capacity of 296.5 MW as evidenced by the manufacturer's nameplate capacity and regulatory verification.
- Financial commitments ("covenants"): In accordance with the contractual terms of the international bond, the Company is obliged to comply with certain covenants that would limit its borrowing capacity in the event of default. These commitments include:
  - Consolidated interest coverage ratio not less than 2.0 : 1.0, and
  - Net consolidated financial debt to consolidated EBITDA ratio greater than zero and less than: i) 4.25 : 1.0 from November 1, 2021 to December 31, 2023; (ii) 4.0 : 1.0 from 1 January 2024 to 31 December 2026 (inclusive); and (iii) 3.75 : 1.0 thereafter.

  The Company has fulfilled these financial commitments during the reporting period. At December 31, 2022, the consolidated interest coverage ratio was 8.8 : 1.0 (2021: 4.2 : 1.0) and the net consolidated financial debt to consolidated EBITDA ratio was 1.3 : 1.0 (2021: 2.1 : 1.0).

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17. Accounts Payable

	Note	2022	2021
Fuel purchases		111,879,634	90,828,919
Local energy suppliers		8,976,870	2,784,465
Other local suppliers		22,915,687	6,597,467
Other international suppliers		7,177,627	4,378,444
Trade payables to related parties and dividends	10	3,272,391	844,717
Withholdings payable and accruals		9,745,065	4,444,319
		163,967,274	109,878,331

From the total accounts payable, USD 111.9 million (2021: USD 90.8 million) correspond to outstanding balances on fuel purchases, with due dates up to 180 days and accruing annual interest of SOFR[17] plus an annual average of 2.4 % (2021: LIBOR[17] 180 days plus an annual average of 2.0 % per year). At December 31, 2022, fuel suppliers have executed monetization of these accounts through international commercial banks of USD 250.8 million (2021: USD 78.8 million). Most of the remaining accounts payable have maturities from 0 to 30 days.

18. Other Liabilities

	Note	2022	2021
Current			
Provision for personnel compensation		2,808,202	2,575,171
Provision mutual agreement policy	25	474,076	680,306
Other liabilities	15	153,542	157,620
		3,435,820	3,413,097
Non current			
Decommissioning provision		1,794,311	1,991,866
Deposits received in guarantee		3,000	3,000
Other liabilities	15	3,744,442	3,897,983
		5,541,753	5,892,849
		8,977,573	9,305,946

19. Contingent Assets and Liabilities

At December 31, 2022, the Company is involved in certain claims, lawsuits and legal proceedings that arise in the normal course of business. The Company recognizes a provision for litigation when a liability may have been incurred, and the amount of the loss can be reasonably estimated.

On September 11, 2020, the Company filed an international arbitration in order to recover the payment of bills owed by a local power generation and distribution customer according to the Power Purchase-Sale Agreement ("PPA") signed between the parties. In July 2021, the selection of arbitrators was completed. At December 31, 2022, the case is awaiting a procedural hearing with

[17] For the LIBOR Transition after December 31, 2021, the Company has negotiated with financial institutions the determination of a mutually agreed replacement interest rate. If a successor rate to LIBOR cannot be agreed upon and LIBOR becomes unavailable, any request new or pending of line of credit, or of monetization for Payments of fuel will be considered an application using the agreed interest rate indices of the United States.

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claims amounted to USD 23.5 million.

The Company believes that it has meritorious defenses to all lawsuits and claims made against it and will vigorously defend itself in these cases; however, there are no guarantees that the efforts will be successful. Although the final result cannot be established with certainty, the Company - based on the review of the facts and representations of its legal advisors - considers that the final resolution of these procedures will not result in a material adverse effect on the consolidated financial statements, therefore a contingent provision or an impairment of financial assets have not been recognized at December 31, 2022.

20. Income Tax

Income tax expense

	2022	2021
Current income tax	13,126,271	12,941,814
Deferred income tax	(924,410)	(16,376,944)
	12,201,861	(3,435,130)

Current income tax

Below is a reconciliation between income before tax, at the current tax rate, and the expense of the year for this concept, as well as a reconciliation of the Company's effective current income tax rate.

	2022	2021
Income before tax	64,198,121	40,504,622
Income tax calculated at the statutory rate	18,258,976	10,936,248
Taxes and other nondeductible expenses	1,968,663	565,608
Foreign exchange differences	(98,558)	5,367,424
Share of losses in subsidiaries	320,031	104,436
Adjustment of tax depreciation	(4,815,611)	(3,007,530)
Realized exempt capital gain[18]	-	(543,771)
Other adjustments	(3,161,506)	(480,601)
Subtotal	12,471,995	12,941,814
Income tax adjustment from prior year	217,408	-
Tax on dividends received from subsidiaries	436,868	-
Current income tax	13,126,271	12,941,814

[18] Tax effect of the exempt capital gain corresponding to the assets contributed to the Larimar 1 Trust.

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	2022	2021
Statutory income tax rate	28.4 %	27.0 %
Taxes and other nondeductible expenses	3.1 %	1.4 %
Foreign exchange differences	(0.2) %	13.3 %
Share of losses in subsidiaries	0.5 %	0.2 %
Adjustment of tax depreciation	(7.5) %	(7.4) %
Realized exempt capital gain[18]	0.0 %	(1.3) %
Other adjustments	(4.9) %	(1.2) %
Income tax adjustment from prior year	0.3 %	-
Tax on dividends received from subsidiaries	0.7 %	-
Effective current income tax rate[19]	**20.4 %**	**32.0 %**

The movement of income tax payable is as follows:

	Note	2022	2021
Balance at the beginning of the year		3,317,036	(4,907,134)
Unrealized foreign exchange differences		(89,112)	(93,259)
Taxes paid during the year			
Advance tax payments from prior year		-	(760,990)
Advance tax payments from current year		(8,092,817)	(3,966,801)
Taxes paid from prior year		(5,256,597)	-
Credits on bank interest withholdings		(6,639)	(3,333)
Withholdings and other taxes compensations		-	4,314
		(13,356,053)	(4,726,810)
Current income tax expense		12,471,995	12,941,814
		2,343,866	3,214,611
Income tax adjustment from prior year		217,408	-
Tax on assets expense	24	-	48,779
Tax penalties		-	53,646
Income tax payable		**2,561,274**	**3,317,036**

Deferred income tax

The movements of the deferred income tax expense and the composition of the deferred tax assets and liabilities are as follows:

	2022	2021
Tax base difference of property, plant and equipment	(1,462,777)	(18,165,567)
Other non monetary assets[20]	218,851	2,857,653
Provisions and others	319,516	(1,069,030)
Deferred income tax	**(924,410)**	**(16,376,944)**

[19] The effective tax rate of the total income tax expense at December 31, 2022 was 19.0 % (2021: - 8.5 %).
[20] This category corresponds mainly to inventory and prepaid expenses.

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	2022	2021
Deferred tax assets		
Provisions and others	966,624	1,286,140
Total deferred tax assets	966,624	1,286,140
Deferred tax liabilities		
Tax base difference of property, plant and equipment	58,853,217	60,315,994
Other non-monetary assets	8,264,585	8,045,734
Total deferred tax liabilities	67,117,802	68,361,728
Deferred tax liabilities, net	**66,151,178**	**67,075,588**

Tax on assets

In 2022 and 2021, the tax on income turned out to be higher than the tax on assets, therefore the tax was paid on a taxable income basis. This tax is detailed as follows:

	Currency	2022	2021
Property, plant and equipment, net		26,644,531,321	24,839,473,569
Revaluation of assets		(424,367,027)	(424,367,027)
Assets subject to taxation	DOP	26,220,164,294	24,415,106,542
Tax rate		1 %	1 %
Tax on assets	DOP	262,201,643	244,151,065
Average foreign exchange rate		56.22	57.34
Tax on assets	USD	**4,663,850**	**4,257,954**

21. Equity

Share capital

At December 31, 2022 and 2021, the share capital consisted of 45,951,000 common shares issued and outstanding, with a nominal par value of DOP 100 (USD 6.29). Below is an itemization of the distribution and class of shares of the Company:

	Shares issued	Class of shares	Total amount
HIC	22,975,500	B	144,500,000
FONPER	22,972,500	A	144,481,132
Other shareholders	3,000	A	18,868
	45,951,000		289,000,000

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Dividends declared

In April 2022, the Company declared dividends for its shareholders of USD 45.0 million (in April 2021: USD 105.0 million). USD 21,755 (2021: USD 23,287) remain unpaid to other minority shareholders, related to dividends declared in 2022 and in previous periods. At December 31, 2022, the dividends declared per share is USD 0.98 – DOP 54.27 (2021: USD 2.29 – DOP 130.55).

Earnings per share

The determination of earnings per share is as follows:

	2022	2021
Net income attributable to shareholders of EGE Haina	52,316,331	43,939,752
Number of shares	45,951,000	45,951,000
Net income per share for the year	1.14	0.96

At December 31, 2022 and 2021, the Company has no diluted shares or discontinued operations.

22. Revenue from Contracts with Customers

	2022	2021
Revenue from direct contracts	425,775,749	358,816,317
Revenue from sales in the spot market	87,762,907	52,473,638
	513,538,656	411,289,955

The timing of the revenue recognition from contracts with customers is as follows:

	2022	2021
Over time	488,167,846	407,087,382
At a point in time	25,370,810	4,202,573
	513,538,656	411,289,955

The composition of revenue from direct contracts is as follows:

	2022	2021
Energy sales	376,913,978	326,556,697
Gas sales	25,054,263	-
Capacity sales	19,342,552	25,210,530
Operation and maintenance services	2,751,658	1,840,364
Fuel storage service	1,205,955	1,155,354
Other	507,343	4,053,372
	425,775,749	358,816,317

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At December 31, 2022, the Company had 35 active PPAs with different entities, including distribution companies, isolated systems and UNR. The energy and capacity sales from direct contracts of approximately USD 396.6 million (2021: USD 351.8 million) correspond to the type of customers detailed below:

	2022	2021
Distributions companies and CDEEE	241,273,464	224,369,415
Isolated systems	79,910,177	65,164,350
UNR	75,430,006	62,233,462
Energy and capacity sales from direct contracts	396,613,647	351,767,227
Gas sales and other revenue from direct contracts	29,162,102	7,049,090
	425,775,749	358,816,317

The composition of revenue from sales in the spot market is as follows:[21]

	2022	2021
Energy sales	43,216,085	11,970,500
Capacity sales	44,546,822	40,503,138
	87,762,907	52,473,638

23. Cost of Fuel and Energy Purchases

	2022	2021
HSFO	180,126,053	86,225,314
Gas	54,925,823	80,142,271
Coal	18,818,196	17,580,260
LFO	11,850,756	9,772,305
Fuel costs	265,720,828	193,720,150
Energy and capacity purchases - spot market	22,612,653	17,135,629
Energy and capacity purchases - PPA	1,525,332	916,119
Energy and capacity purchases	24,137,985	18,051,748
Connection rights	8,654,125	11,309,799
	298,512,938	223,081,697

[21] The Company participates in the Dominican electricity spot market, as a seller or buyer. From the energy dispatched to the SENI, the portion that is not fully contracted results in a sale to the spot market; otherwise, when the sale contracts exceed the dispatched energy, this results in a purchase to the spot market. During 2021, the Company sold excess energy for 233.3 GWh (2021: 81.3 GWh).

Energy sales in the spot market include USD 6.2 million (2021: USD 1.6 million), which correspond to a compensation service fee charged by the Superintendence of Electricity ("SIE Compensation") and USD 5.7 million (2021: USD 4.0 million), which corresponds to the frequency regulation service.

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24. Operating and General Expenses

	Note	2022	2021
Maintenance expenses		24,720,106	21,291,031
Insurance		8,505,101	7,540,096
Chemicals and lubricants		5,214,084	2,701,612
Research and development expenses		4,467,638	1,661,205
Professional services		4,273,424	2,706,602
Office operating costs		3,568,512	2,387,701
Fees to the Superintendence of Electricity and OCSENI[22]		2,741,635	2,273,805
Security services		2,412,184	1,774,228
Technical services		2,159,538	1,474,799
Tax on assets	20	-	48,779
Low value, variable and short term leases	14	(60,303)	43,381
Other		1,779,200	1,438,983
		59,781,119	45,342,222

25. Personnel Expenses

	2022	2021
Employee benefits	19,756,589	17,415,607
Social charges	1,257,877	1,129,249
Severance benefits	(295,545)	(257,613)
Other expenses related to personnel	315,643	330,678
	21,034,564	18,617,921

<u>Mutual agreement policy</u>

The Company performed the best estimate of its obligation under the mutual agreement policy (Notes 4.14 and 18). The movement of this provision is as follows:

	Note	2022	2021
Balance at the beginning		680,306	557,655
Service cost		(295,545)	(257,613)
Interest cost		36,132	44,219
Foreign exchange rate effect		13,551	10,310
Actuarial loss		39,632	325,735
	18 & 29	474,076	680,306

[22] Contribution to regulatory entities of the Dominican electricity sector according to the requirements of Law 125-01- General Electricity, Law 57-07- Incentive for Development of Renewable Energy and their Special Regimes, and their regulations.

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26. Other Expenses, Net

	Note	2022	2021
Disposals of property, plant and equipment		186,065	16,476
Impairment of property, plant and equipment	13	179,552	99,436
Tax on checks and transfers		89,553	83,225
Reimbursement of property insurance		(246,105)	-
Gain on sale of property, plant and equipment		(110,300)	(43,684)
Lab analysis service		(39,486)	(33,367)
Sale of scrap metal		(20,106)	(44,531)
Land use		(18,000)	(18,000)
Obsolescence, impairment and adjustments of inventories	11	-	20,892
Impairment loss on financial assets	30	-	13,746
Other expenses, net		111,720	4,886
		132,893	99,079

27. Financial Income

	Note	2022	2021
Interest on trade receivables	9	4,251,221	3,974,044
Interest on certificates of deposit	8	657,129	255,799
Other financial income	8	200,526	112,938
		5,108,876	4,342,781

28. Financial Expenses

	Note	2022	2021
Interest on financial debt		26,689,737	26,353,656
Interest on trade payables due to local energy suppliers	17	(414,324)	4,971
Capitalized interest	13	(4,174,031)	(3,136,748)
Interest subject to capitalization, net		22,101,382	23,221,879
Interest on fuel purchases financing		3,492,428	1,506,206
Lease interest	14	866,193	430,589
Amortization of debt issuance costs[23]	16 & 29	924,792	559,668
Intangible interest		263,614	369,126
Interest related to decommissioning		106,596	62,568
Early redemption costs	16	-	9,881,689
Intangible useful life adjustments[15]		-	(679,970)
Other financial expenses		476,718	356,993
		28,231,723	35,708,748

[23] In 2021, the amortization of debt issuance costs includes USD 0.3 million corresponding to the accelerated amortization of the USD and DOP local bonds issuance costs, due to their early redemption (Note 16).

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29. Financial Instruments

Derivative financial instruments

At December 31, 2022, the Company does not have derivative financial instruments subject to hedge accounting.

Fair value

The following table shows a comparison of the carrying amount and the fair value for the Company's financial instruments, excluding those when carrying amount approximates their fair value.

The fair value of these instruments was measured and classified at level 2 of the fair value hierarchy. The valuation is done using the annual average of the prices of the transactions executed by tranche, according to the lists of the secondary market operations published by the stock exchanges where these instruments were traded, or at its registered value for those that were not traded.

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial debt – international bond	300,000,000	268,934,088	300,000,000	303,994,296
Financial debt – local bonds	65,999,800	66,102,396	20,000,000	20,000,000
	365,999,800	335,036,484	320,000,000	323,994,296

Changes in liabilities derived from financing activities.

	Movement type	Financial debt	Dividends	Lease liabilities	Total
At January 1, 2021		332,403,024	19,453	15,105,976	347,528,453
Additions-declarations	Non-monetary	(441,972)	105,000,000	-	104,558,028
Amortizations	Non-monetary	559,668	-	430,589	990,257
Foreign exchange differences	Non-monetary	3,848,011	-	7,351	3,855,362
Other adjustments	Non-monetary	-	-	(2,089,340)	(2,089,340)
Cash inflows	Monetary	350,000,000	-	-	350,000,000
Cash outflows	Monetary	(297,994,796)	(104,996,166)	(2,005,267)[24]	(404,996,229)
At December 31, 2021		**388,373,935**	**23,287**	**11,449,309**	**399,846,531**
Additions-declarations	Non-monetary	-	45,000,000	4,642,003	49,642,003
Amortizations	Non-monetary	924,792	-	1,110,083	2,034,875
Foreign exchange differences	Non-monetary	-	-	23,207	23,207
Other adjustments	Non-monetary	133,394	-	(101,795)	31,599
Cash inflows	Monetary	261,337,338	-	-	261,337,338
Cash outflows	Monetary	(113,798,049)	(45,001,532)	(1,536,930)[24]	(160,336,511)
At December 31, 2022		**536,971,410**	**21,755**	**15,585,877**	**552,579,042**

[24] The consolidated statement of cash flows segregates lease cash outflows between principal and interest (as financing and operating outflows, respectively).

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Future commitments associated with financial liabilities.

The table shows the financial commitments of the Company based on their undiscounted contractual cash flows and grouped according to their remaining contractual maturity:

Balances 2022	< 1 year	1 - 2 years	3 - 5 years	> 5 years	Total
Financial debt	57,601,252	4,714,290	142,070,653	342,428,350	546,814,545
Interest on financial debt	38,262,040	37,111,674	86,761,300	30,161,547	192,296,561
Accounts payable	163,967,274	-	-	-	163,967,274
Other liabilities	2,808,202	-	-	3,000	2,811,202
	262,638,768	41,825,964	228,831,953	372,592,897	905,889,582

Balances 2021	< 1 year	1 - 2 years	3 - 5 years	> 5 years	Total
Financial debt	76,333,333	1,333,333	4,000,000	313,333,334	395,000,000
Interest on financial debt	19,312,500	16,875,000	50,625,000	31,312,500	118,125,000
Accounts payable	109,878,331	-	-	-	109,878,331
Other liabilities	2,575,171	-	-	3,000	2,578,171
	208,099,335	18,208,333	54,625,000	344,648,834	625,581,502

30. Financial Risk Management

The Company has identified 11 main risks for the year ended December 31, 2022, which mitigation measures are aligned with the organization's strategy.

The key actions to manage risks included in the financial quadrant are detailed below.

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Financial risk management

a) Exchange rate risk

As a result of the Company's operations in foreign currency, it is exposed to exchange rate risk when the values of its assets and liabilities are denominated in a foreign currency (different from functional); therefore, their periodic measurement depends on the foreign currency exchange rate in effect in the financial market, mainly the Dominican peso and the euro. The exchange rate risk consists of the recognition of foreign exchange differences in the Company's profit or loss, resulting from exchange rates variations between the functional currency and the respective foreign currency. This risk depends on the net position in foreign currency. To manage this risk, the Company performs a continuous monitoring of monetary assets and liabilities denominated in a foreign currency, maintaining short to neutral positions to limit the exchange rate exposure.

A summary of the monetary financial assets and liabilities denominated in foreign currency, included in various categories of the consolidated statements of financial position, is presented below:

	2022	2021
Denominated in Dominican pesos		
Monetary assets		
Cash and cash equivalents	55,581,250	3,489,787
Short term investment	260,999	243,468
Trade receivables and other	9,893,673	5,507,428
	65,735,922	9,240,683
Monetary liabilities		
Accounts payable	21,779,511	3,649,986
Income tax payable	2,561,274	3,317,036
Other current liabilities	1,749,904	1,869,552
Lease liabilities	1,266,684	1,289,462
Financial debt	72,927,784	-
	100,285,157	10,126,036
Excess of monetary liabilities	(34,549,235)	(885,353)

	2022	2021
Denominated in euros		
Monetary assets		
Cash and cash equivalents	47,977	243,999
Trade receivables and other	-	23,032
	47,977	267,031
Monetary liabilities		
Accounts payable	520,010	2,562,044
Excess of monetary liabilities	(472,033)	(2,295,013)

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The following table [25] shows a sensitivity analysis of the effect on income before tax, presented in the consolidated statement of comprehensive income, derived from a reasonable variation in the exchange rate of the Dominican peso and the euro versus the United States dollar:

		Exchange rate variance	Effect on results
2022	DOP	+5 %	(1,645,202)
2022	DOP	-5 %	1,645,202
2021	DOP	+5 %	(40,583)
2021	DOP	-5 %	40,583
2022	€	+5 %	(22,478)
2022	€	-5 %	22,478
2021	€	+5 %	(109,286)
2021	€	-5 %	109,286

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument could fluctuate as a result of variations in market interest rates. The Company's exposure to this risk is basically related to long-term obligations with variable interest rates.

The Company maintains a limited exposure to the risk of variable interest rates, which can periodically review their price according to market conditions. Also trade receivables past due accounts accrue interest at market active rates or higher, thus covering the cost of their financing.

At December 31, 2022, 84.5 % (2021: 100 %) of the Company's non-current debt and its current portion is agreed at fixed rates (Note 16).

The following table shows a sensitivity analysis of the effect on income before tax, presented in the consolidated statement of comprehensive income, derived from a reasonable variation in the variable interest rates:

	Interest rate variance	Effect on results
2022	+ 1.6 %	1,360,000
2022	- 0.4 %	(340,000)

[25] The positive exchange rate variation (+ 5 %) indicates devaluation and the negative (-5 %) indicates an appreciation of the foreign currency against the US dollar. The effect on results is presented according to the excess of monetary liabilities: negative balances represent estimated exchange gains; and positive balances, estimated exchange losses.

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c) Liquidity risk

Liquidity risk is the risk that the Company is unable to fulfill its financial obligations. To mitigate this risk, the Company monitors its liquidity needs so that it has enough cash in banks and short term investments to fulfill its operational requirements, and also maintains the availability of credit lines with local and international banks to be used if their need it.

In order to mitigate the liquidity risk associated with the credit risk assumed through trade receivables, the Company performed the following activities:

- Fourth quarter of 2022: credit lines amounted to USD 55.0 million were fully repaid using funds obtained from long-term bank loans.
- Second quarter of 2021: USD 30.0 million was repaid at maturity and funds obtained from credit lines for the same amount.

In addition, EGE Haina maintains credit lines with several international and domestic banks bearing fixed interest rates that are negotiated prior to each disbursement. At December 31, 2022, EGE Haina had lines of credit available from a variety of banks in the aggregate amount of USD 368.6 million, and its outstanding balance on these lines of credit was USD 106.3 million.

At December 31, 2022 based on the evaluation of the future cash flows of its operations and the expected credit losses, the Company expects to meet the commitments of its financial instruments (Note 29) until the date of their contractual maturity.

d) Credit risk

Credit risk is the risk that one of the counterparts does not comply with the obligations derived from a financial instrument or sale-purchase contract, and this translates into an economic loss. The credit risk arises mainly from cash and cash equivalents, and trade receivable.

The financial assets that potentially expose the Company to credit risk concentration consist primarily of accounts receivable from energy and capacity dispatched through the SENI to the government distribution companies and CDEEE (main buyers). Although the receivables from CDEEE show delay in their current payments, the Company has had no history of uncollectability with this company and the collections are being managed through the Ministry of Finance. Additionally, the Company has PPAs with important industrial customers in the country, which maintain their accounts payable up to date.

Regarding the risks of cash and cash equivalents, the Company's maximum exposure from a non-compliance by a counterparty would be the carrying value of these assets. The credit quality of financial assets is assessed based on equity levels and the credit rating given by credit agencies to the institutions where these financial assets are located.

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The credit quality of the financial assets that have not matured and that have not suffered impairment losses can be assessed in relation to the credit rating ("rating") granted by external entities, as follows:

	2022	2021
Cash in banks		
Local credit rating – Fitch/Pacific Credit Rating		
AA+	76,548,433	42,803,807
AA-	2,668,574	563
A+	2,767	792
A	-	2,079
A-	5,001,694	265
B-	-	1,278,547
	84,221,468	44,086,053
International credit rating – Fitch		
AA-	80,897	5,016
A+	9,786,884	16,212,157
A-	360,838	-
	10,228,619	16,217,173
Cash on hand	17,708	17,688
	94,467,795	60,320,914

The Company performed an impairment analysis for its trade receivables and other at the end of 2022 and 2021, using a provision matrix which measures the expected credit losses and evaluates other objective impairment conditions. The Company estimates that the trade receivables and other credit risk concentration for all its business models is low based on its historical collectability and did not recognize an impairment credit loss expense in 2022 (2021: 13,746). The revenue from spot market transactions with a private distribution company in the process of financial restructuring and legally claimed, for which an impairment credit loss expense was recognized in 2019, were not recognized during the subsequent years until 2022 due to their recoverability assessment.

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The expected credit loss matrix is presented below; the gross balances have been grouped based on the default presumption per financial instruments' business model:

		In default			
December 31, 2022	In compliance	+ 90 days	+ 365 days[26]		Total
Expected credit loss rate	0 %	0 %	0 %	100 %	
Customer in restructuring and legally claimed	-	-	-	185,853	185,853
Business model - Level 2	55,957,001	-	30,121,959	-	86,078,960
Business model - Level 3	19,957,776	96,668	-	13,746	20,068,190
Business model - Level 4	3,315,869	-	-	-	3,315,869
Gross balance - trade receivables and other	79,230,646	96,668	30,121,959	199,599	109,648,872
Expected credit losses allowance	-	-	-	199,599	199,599

		In default			
December 31, 2021	In compliance	+ 90 days	+ 365 days		Total
Expected credit loss rate	0 %	0 %	0 %	100 %	
Customer in restructuring and legally claimed	-	-	-	185,853	185,853
Business model - Level 2	104,561,007	-	7,011,540	-	111,572,547
Business model - Level 3	15,625,304	-	-	13,746	15,639,050
Business model - Level 4	3,871,506	-	-	-	3,871,506
Gross balance - trade receivables and other	124,057,817	-	7,011,540	199,599	131,268,956
Expected credit losses allowance	-	-	-	199,599	199,599

	Note	2022	2021
Allowance at the beginning of the year		199,599	185,853
Impairment loss recognized in profit or loss	26	-	13,746
Expected credit losses allowance	9	199,599	199,599

e) Fuel price risk

The Company is exposed to the risk resulting from the fluctuation of international fuel prices. Since the Dominican Republic is not a fuel producer, the Company purchases natural gas and fuel oil for energy generation from local and international suppliers at prices based on international indexes plus a transportation charge and other associated charges. In general, the natural gas cost is determined by reference to the index published by Nymex Henry Hub, and the index published by Platts for the fuel oil. Both indices are used in the indexation formulas in the power sale-purchase agreements. Additionally, the energy prices declared for spot

[26] At the date of issuance of these consolidated financial statements, USD 15.0 million were collected from invoices due more than 365 days in the business model – level 2. The remaining balance without expected credit losses is part of the arbitration case described in Note 19.

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market transactions include the fluctuations of fuel prices. As a result, the Company has a reasonable hedge against these fluctuations.

The Company is also exposed to the risk resulting from changes in the cost of coal. Currently, it acquires the coal necessary for the operation of the Barahona power plant from the best market offer. The variable cost of this plant has historically been cheaper than the marginal price of the system.

31. Other Relevant Facts

31.1. Ukraine-Russia Conflict

Given the armed conflict that began on February 24, 2022 between Ukraine and Russia, the Company has closely monitored this geopolitical event to execute mitigating actions on any measurable impact that results from it (primarily those that affect our supply chain).

Although the primary sources of the fuels used by EGE Haina are mainly outside the conflict area, the Company met with suppliers to ensure short-term supply and the maintenance of optimal inventory levels for the continuity of operations, and it has profited from fuel commercialization in international markets. It is also important to note that, regardless of the recent event, the Company recurrently manages this risk and has effective coverage as described in Note 30-e).

32. Subsequent Events

The Company has evaluated subsequent events until March 29, 2023, the date of issuance of these consolidated financial statements, and there are no significant subsequent events requiring disclosure.

ABOUT THIS REPORT

GRI 2022 REPORT PREPARATION

GRI 2022 REPORT PREPARATION

GRI 2-3

This Sustainability Report published by EGE Haina follows the framework established by the Global Reporting Initiative (GRI) for sustainability reports of companies that assess their economic, environmental, and social performance. For the first report, published with the 2019 results, EGE Haina worked in collaboration with its stakeholders to define materiality and assess the impact of each of them in economic, social, and environmental matters. In the second report for 2020, the company added a new material topic related to its commitment to society, particularly the communities where its plants operate.

For the third and fourth reports (2021 and 2022, respectively), EGE Haina carried out an additional assessment process. As a result of this analysis, the company decided to maintain the seven material topics reported in 2020. The relevant contents of the report comply with GRI standards, which establish a methodology for selecting the topics, as well as for defining the way in which they will be presented. It is important to note that the structure and scope of the 2022 report did not change significantly compared to the previous report. If you have any comments, suggestions, or questions about this document and its content, you can write to sostenibilidad@egehaina.com.

Compliance GRI Content Index

GRI Standard	Content	Page number or URL	Omission
GRI 1: 2021 Fundamentals			
Statement of use		EGE Haina has prepared the report in accordance with GRI standards for the period from January 1, 2022, to December 31, 2022.	
GRI 2: 2021 General content			
2-1	Organizational details	28	
2-2	Entities included in the organization's sustainability reporting	29	
2-3	Reporting period, frequency and contact point	216	
2-4	Restatements of information		No updated information is reported during this reporting period.
2-5	External assurance		No external verification was performed for the reporting period.
2-6	Activities, value chain and other business relationships	18; 28 – 59; 104, 105	
2-7	Employees	110, 111	

GRI Standard	Content	Page number or URL	Omission
GRI 2: 2021 General content (continued)			
2-8	Workers who are not employees	111	
2-9	Governance structure and composition	10 - 21	
2-10	Nomination and selection of the highest governance body	11, 12	
2-11	Chair of the highest governance body	12; 14, 15	
2-12	Role of the highest governance body in overseeing the management of impacts	10 - 12	
2-13	Delegation of responsibility for managing impacts	18 - 20	
2-14	Role of the highest governance body in sustainability reporting	11	
2-15	Conflicts of interests	21 - 23	
2-16	Communication of critical concerns		The company handles this matter confidentially
2-17	Collective knowledge of the highest governance body		Not available. The company has not conducted specific sustainability trainingfor the highest governance body
2-18	Evaluation of the performance of the highest governance body	10,11	
2-19	Remuneration policies		The company handles this matter confidentially
2-20	Process to determine remuneration	10, 11	
2-21	Total annual compensation ratio		The company handles this matter confidentially
2-22	Statement on sustainable development strategy	7- 9	
2-23	Policy commitments	22-23	
2-24	Embedding policy commitments	18 - 23	
2-25	Processes to remediate negative impacts	64, 65; 92 -94; 122-124	
2-26	Mechanisms for seeking advice and raising concerns	23	
2-27	Compliance with laws and regulations		The company handles this matter confidentially
2-28	Membership associations	70	

GRI Standard	Content	Page number or URL	Omission
2-29	Approach to stakeholder engagement	66-69	
2-30	Collective bargaining agreements		To date, no collective bargaining agreements have been signed
GRI 3: 2021 Material topics			
3-1	Process to determine material topics	63	
3-2	List of material topics	63-65	
3-3	Management of material topics (Sustainable economic performance)	142 - 213	
3-3	Management of material topics (Commitment to our people)	108 - 119	
3-3	Management of material topics (Operational excellence)	89 - 94	
3-3	Management of material topics (Environmental management and commitment)	92 - 94	
3-3	Management of material topics (Focus on renewable energy)	26; 62; 90 - 91	
3-3	Management of material topics (Ethics and good corporate governance)	10 - 13	
3-3	Management of material topics (Commitment to communities and society at large)	122 - 133	
3-3	Management of material topics (Risk management and resilience)	78 - 87	
3-3	Management of material topics (Strategy against climate change)	75	
3-3	Management of material topics (Sustainable sourcing)	104 - 105	
GRI 201: 2016 Economic Performance			
201-1	Direct economic value generated and distributed	143	
201-2	Financial implications and other risks and opportunities due to climate change	26; 195	
GRI 201: 2016 Economic Performance			
307-1	Non-compliance with environmental laws and regulations	92 - 94	

GRI Standard	Content	Page number or URL	Omission
GRI 302: 2016 Energy			
302-1	Energy consumption within the organization	93	
302-4	Reduction of energy consumption	75; 92	
302-5	Reductions in energy consumptions of products and services	75; 92	
GRI 304: 2016 Biodiversity			
304-3	Habitats protected or restored	130, 131	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	130, 131	
GRI 305: 2016 Emissions			
305-1	Direct GHG emissions (scope 1)	92, 93	
305-5	Reduction of GHG emissions	75; 92, 93	
GRI 306: 2016 Waste			
306-3	Waste generated	93, 94	
GRI 303: 2018 Water and Effluents			
303-5	Water consumption	94	
GRI 401: 2016 Employment			
401-1	New employee hires and employee turnover	112	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	115, 116	
GRI 403: 2018 Occupational Health and Safety			
403-1	Occupational health and safety management system	95	
403-2	Hazard identification, risk assessment, and incident investigation	95 - 98	
403-3	Occupational health services	99	

GRI Standard	Content	Page number or URL	Omission
403-4	Worker participation, consultation, and communication on occupational health and safety	99	
403-5	Worker training on occupational health and safety	98 - 99	
403-6	Promotion of worker health	99	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	99	
403-8	Workers covered by an occupational health and safety management system	94, 95	
403-9	Work-related injuries	96	
GRI 404: 2016 Training and Education			
404-1	Average hours of training per year per employee	113, 114	
404-2	Programs for upgrading employee skills and transition assistance programs	83; 89; 98; 113, 114	
404-3	Percentage of employees receiving regular performance and career development reviews	113	
GRI 405: 2016 Diversity and Equal Opportunities			
405-1	Diversity of governance bodies and employees	14 – 20; 110, 111	
GRI 413: 2016 Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	122-133	
GRI 414: 2016 Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	65; 104, 105	

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