



years

Bringing more
than light

30 years

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than light

30 YEARS BRINGING MORE THAN LIGHT

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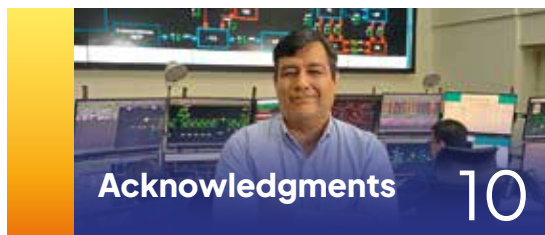
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Letter from the CEO

Acknowledgments

Dear shareholders, collaborators, and Peruvian families:

It is an honor to address you at this moment for Luz del Sur. Celebrating 30 years of contribution to the development of the country is not only a milestone in our history but also an opportunity to reflect on our past, celebrate our achievements, and look forward to the future with enthusiasm and optimism.

Over the past three decades, we have established ourselves as leaders in energy distribution in Peru and one of the most important companies in the sector in Latin America, thanks to responsible investments, efficient management, and a deep concern for the safety of our collaborators and the quality of life of our customers.

Our history is a testament to a vision for the future, resilience, and how foreign investment can be put to the service of Peruvian families. First, in 1994, with the consortium formed by Ontario Hydro from Canada and Chilquinta from Chile, along with investors from the United States and Europe, which acquired 60% of the company's shares, at that time part of the assets of Electrolima.

Then, in 1999, 88% of the shares of Luz del Sur were acquired by the consortium formed by the American companies PSEG and Sempra Energy International. And, since 2020, 97% of the company's shares are controlled by the economic group China Three Gorges Corporation, a global leader in the generation and distribution of electric energy.

Thanks to the support and tireless efforts of our human team, we enthusiastically embrace the challenge of serving more than 1.3 million customers in a concession area that covers over 3,500 km² across 65 districts in Metropolitan Lima, Cañete, and Huarochirí.

To achieve this, we deploy investments exceeding US\$ 123 million annually aimed at expanding, upgrading, and modernizing an electrical distribution network of over 25,000 km, which provides a better quality of life. Additionally, with our modern electrical substations and facilities, we have demonstrated an unwavering commitment to quality and energy efficiency.



**Our history is a testament
to a forward-looking vision,
resilience, and how foreign
investment can serve
Peruvian families.**

At Luz del Sur we know that our greatest asset is our collaborators. Their humanity, warmth, and productivity are the foundation of our success. Therefore, we focus on maintaining an outstanding work environment, continuously training, and promoting a culture of safety and occupational health that has proven to be exceptionally effective in preventing workplace accidents.

However, our mission goes beyond supplying energy. At Luz del Sur, we understand that our responsibility also includes sustainable development and the well-being of the communities we serve.

Through our programs at Luz del Sur, we promote environmental awareness and contribute to reducing our ecological footprint. Additionally, we collaborate with associations, providing food programs in schools and helping to improve the quality of life for children through educational and health initiatives. More than 300 collaborators participated in social, environmental, and educational initiatives, generating a positive impact on over 19,000 people through our corporate volunteering efforts.

Looking ahead, we see a future full of opportunities and challenges that we are prepared to face. Electromobility and renewable energies are areas in which we are investing to ensure that Luz del Sur remains at the forefront of technological innovation and sustainable development in Latin America.

Proof of this is the acquisition of electric vehicles to support our daily operations and the inauguration of commercial charging stations for these vehicles, with the aim of promoting electromobility in the country.

We would like to deeply thank all our shareholders, collaborators, suppliers, and customers for their trust and ongoing support. Each of you has been an integral part of our success. As we celebrate this thirtieth anniversary, we renew our commitment to continue bringing light, hope, and progress to more homes and communities in Peru.

With optimism and gratitude,

Mario Gonzales del Carpio

CEO

Luz del Sur

Milestones

in our history



Privatization of Edelsur with 480,000 customers.

1994



Acquisition of Edecañete.

1996



Construction of the Siglo XXI tower.

1997



PSEG Americas Limited and Sempra Energy International acquire the majority stake in the company.

1999



Merger with Edecañete. Start of commercial operations at Santa Teresa I.

2015



20 years transforming the lives of 1'028,921 customers. Extension of our concession area to the limit with Edecañete.

2014



Entry into the electricity generation business with the construction of the Santa Teresa I hydroelectric power plant.

2011



10 years transforming the lives of 723,756 customers.

2004



Extension of our concession area between the districts of San Antonio and Lurigancho-Chosica.

2018



China Yangtze Power International (CYPC) acquires the majority stake in the company.

2020



Acquisition of photovoltaic plants in Arequipa and wind farms in Ica.

2023



30 years transforming the lives of 1'303,354 customers.

2024

An aerial night photograph of a city, likely San Francisco, showing the Golden Gate Bridge and surrounding hills. A large, semi-transparent white circle with a dark blue number '1' inside is overlaid on the left side of the image.

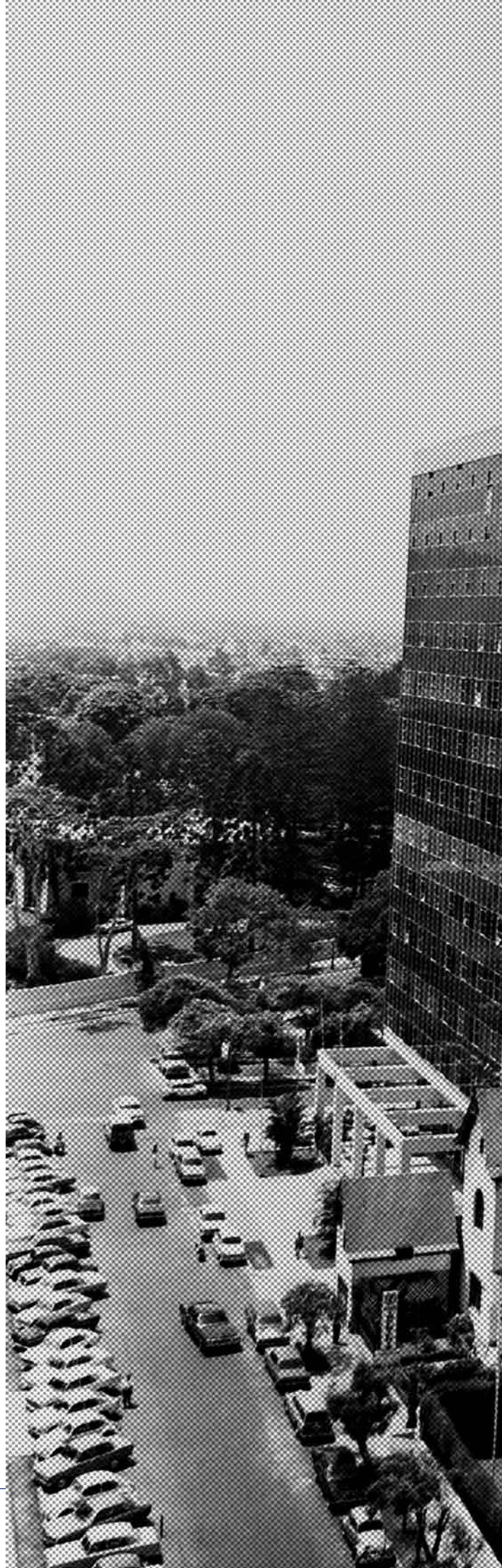
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Modernization of energy distribution



In 1972, the Revolutionary Government of the Armed Forces enacted the General Electricity Law, which nationalized the supply of electric power for public service. As part of the reforms undertaken by the military government, public domain assets were capitalized in favor of the State, along with the purchase of shares from foreign investors. Thus, Electroperú was created, a state-owned company that would act as a holding for the companies involved in the generation, transmission, distribution, and sale of electric power in the country.

Meanwhile, private companies became associated state enterprises, which constituted Electrolima, with State participation in its Board of Directors and holding 98% of the share capital. During the following eight years, Electroperú and Electrolima were responsible for providing public electricity service and planning investments across the entire electric production chain.







Return to democracy

In 1980, after twelve years of military dictatorship, Peru returned to democracy with Fernando Belaunde Terry as constitutional president, under the framework of the new Political Constitution of 1979. However, Belaunde's term was marked by three events that had severe adverse effects on the country socially and economically. Droughts and floods caused by the El Niño phenomenon, the rise of terrorist violence, and a global economic crisis led to falling export prices, an increase in external debt, and a deep economic depression, accompanied by rampant inflation.

In this context, the General Electricity Law was enacted in 1982, which was based on previous electricity laws but proposed a new decentralized approach in response to the financial crisis in the sector. The State maintained control over the provision of public electricity services, and ten regional subsidiaries of Electroperú were created to handle distribution. Electrolima then became the main regional subsidiary with a 63.7% market share and dominance in distribution in the capital of Peru.

The General Electricity Law also strengthened the Ministry of Energy and Mines with the creation of the General Electricity Directorate, responsible for regulating and supervising activities related to the generation, transmission, interconnection, distribution, marketing, and use of electrical energy.

In addition, the Electric Tariff Commission was created, an entity responsible for regulating tariffs and contributions to the Generation Compensation Fund to cover the differences in generation and transmission costs arising from the various energy sources, production scales, and market structures with which the regional subsidiaries operated.

Despite this attempt at restructuring, the Peruvian electricity sector continued to face serious difficulties. The tariff system, based on accounting costs, did not adequately reflect the actual costs of the service. Since the 1970s, average electricity tariffs had been decreasing in real terms, leading to a severe financial deficit in the sector's companies.



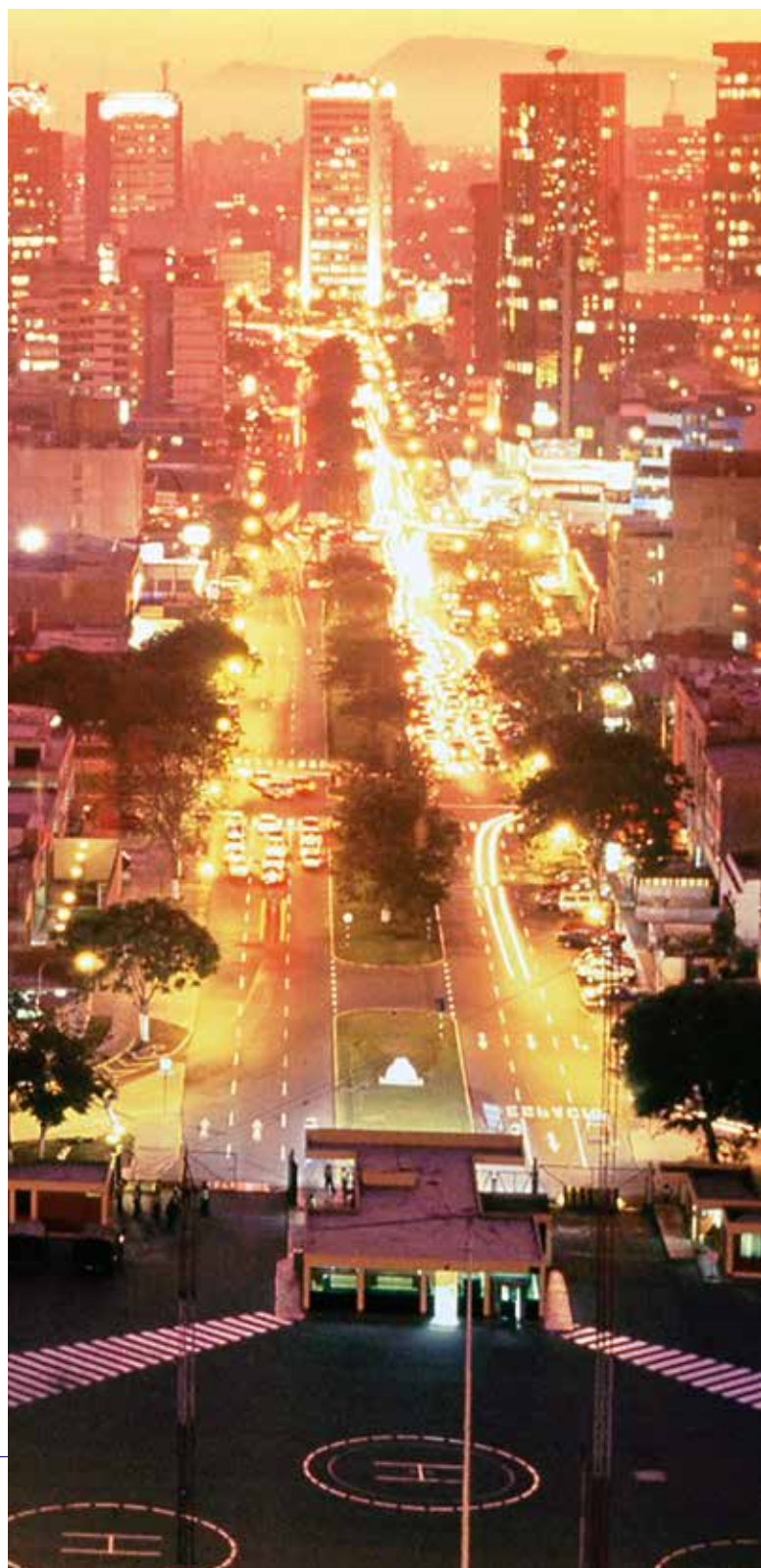
By 1984, despite an increase of almost 40% above inflation, the tariffs were still insufficient to cover operational and investment costs.

Source: Osinergmin (2016). "The Electricity Industry in Peru: 25 Years of Contributions to the Country's Economic Growth".

The subsidies and hidden taxes in the tariff structure primarily benefited residential consumers unsustainably, while commercial clients bore burdens up to 2.4 times greater than residential clients. According to data from that time, the electricity sector subsidized its consumers by up to \$550 million a year.

Although the Government authorized nominal increases in tariffs between 1980 and 1982, they barely kept pace with inflation. By 1984, despite an increase of almost 40% above inflation, the tariffs were still insufficient to cover operational and investment costs, as they only represented 65% of the long-term marginal cost. This led to a drastic reduction in investment and maintenance programs, accelerating the deterioration of electrical infrastructure and hindering its growth throughout the country.

The decline in tariffs in real terms continued in the following years. In 1985, Electroperú and the companies in the electricity sector reported revenues that did not cover their operating costs. This resulted in further cuts to maintenance expenses, effective reductions in installed capacity, and a high percentage of energy losses in the system, exacerbating the supply constraints.





The second half of the eighties

Starting in 1986, electricity services depended on the Public Treasury to finance the operating deficit and capital expenditures. Meanwhile, the increase in salaries and benefits for sector workers, determined by the inflation rate, reached unsustainable levels. The sector's revenues were insufficient to cover payroll, let alone maintenance of facilities, proper operations, or the much-needed investments.

The violence of Sendero Luminoso added another layer of complexity to the crisis in the electricity sector. Since its first incursion in 1980, the terrorist group systematically destroyed electrical installations. The cowardly attacks not only caused constant supply interruptions but also increased the operating, maintenance, and repair costs of the infrastructure, putting the lives of hundreds of sector workers at risk.

Over the course of ten years, 1,146 transmission towers were destroyed. As a result, industrial and commercial consumers began to install their own generators, further increasing their operational costs and reducing the revenues of electric companies, as their supply could be interrupted at any moment.

By the late 1980s, the economic policies of President Alan García's first administration led the country into an unprecedented hyperinflation, which reached a record 7,484% in 1990.

This phenomenon devastated the Peruvian economy, where key prices were still controlled by the State, stalling production and worsening the balance of payments.



The violence of Sendero Luminoso added another layer of complexity to the crisis in the electricity sector. Since its first incursion in 1980, the terrorist group systematically destroyed electrical installations”.

State intervention in the economy further distorted the market through tax reductions, exemptions, and import restrictions. The persistent fiscal imbalance, the growing deterioration of the financial sector, and high unemployment rates marked a significant setback for the national economy.

Source: Osinergmin (2016). “The Electricity Industry in Peru: 25 Years of Contributions to the Country's Economic Growth”.





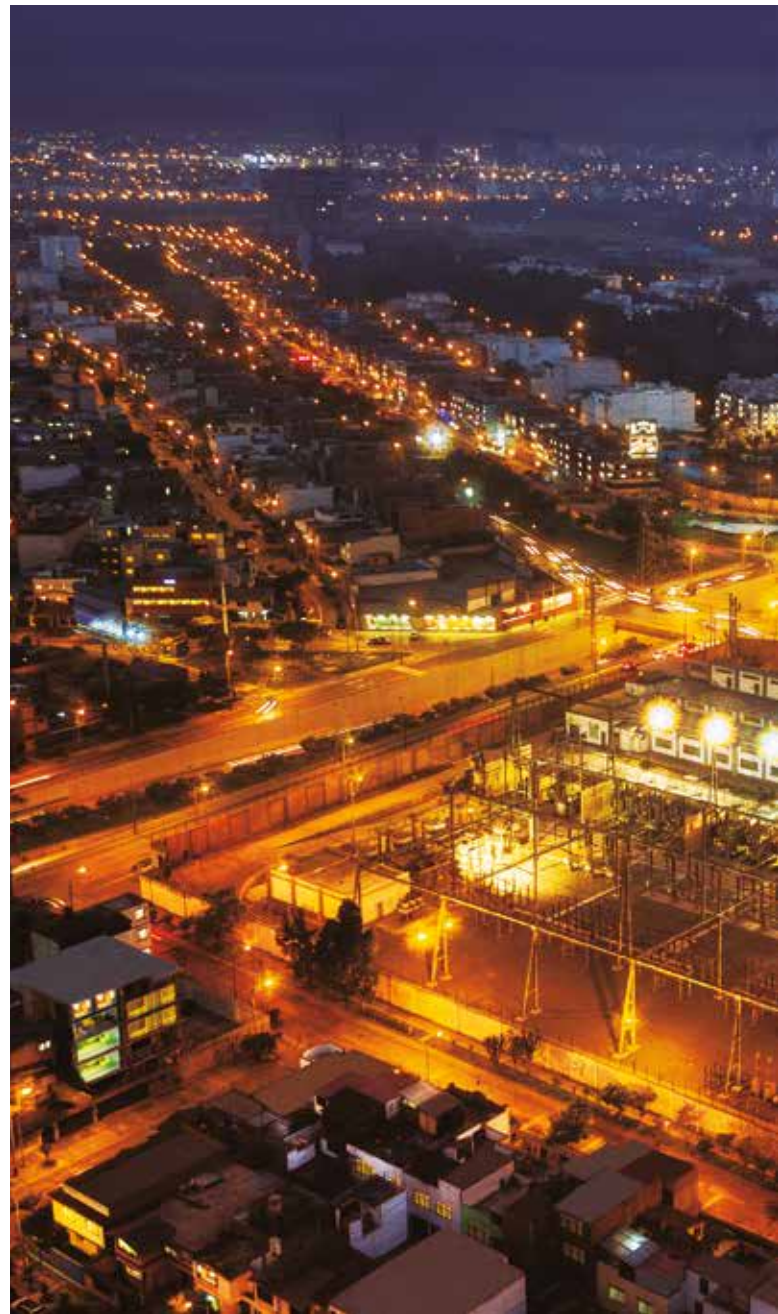
A new model emerges

In 1990, after eight years of the General Electricity Law in effect, tariffs did not cover production costs, investments were limited to recovering infrastructure destroyed by terrorism, and the State could not effectively supervise the electric companies. The sector was on the brink of collapse.

In this context, the first government of Alberto Fujimori implemented an aggressive program of structural reforms aimed at reducing State intervention and eliminating the economic distortions created by price controls and bureaucracy. These reforms included the liberalization of prices in the economy and foreign trade, tax reform, and the flexibilization of labor and financial markets, in order to create better conditions for private investment and promote competitiveness.

Additionally, an aggressive privatization process for public companies was initiated, through which the electricity sector underwent a necessary change in direction. The focus was on structuring competitive markets and economically integrating them into foreign investment schemes.

With this objective, the Foreign Investment Promotion Law and the Private Investment Promotion Law for State Enterprises were enacted, declaring private investment in state enterprises a matter of national interest.



Source: Osinergmin (2016). "The Electricity Industry in Peru: 25 Years of Contributions to the Country's Economic Growth".



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Thus, Edelsur was born, with a visionary human team focused on overcoming the limitations of the state model and committed to transforming the electricity sector in Peru”.

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In November 1992, the new Electricity Concessions Law repealed the General Electricity Law. Additionally, it divided and granted concessions for the activities of generation, transmission, distribution, and marketing in the electricity sector, with the State as the regulatory body.

In this way, the process of transferring the ten regional distribution companies to the private sector began. Between 1994 and 1996, approximately 55% of the generation capacity and nearly 60% of the distribution capacity nationwide were privatized. Electrolima was divided into five companies, in line with its business units and geographical coverage.

Thus, Edelsur was born, the Electric Distribution Company of Lima - South, with a visionary human team focused on overcoming the limitations of the state model and committed to transforming the electricity sector in Peru.



Experts speak



Daniel Hokama Tokashiki

Minister of Energy and Mines
from 1992 to 1999

At the beginning of the 1990s, the State had a monopoly over the electric sector with two large companies, Electroperú and Electrolima, both of which were facing significant economic and management difficulties.

In 1994, with the successful privatization of both companies, the process was completed. The results can be seen today: prosperous private companies that cover all their concession areas and adequately meet the needs of their users, in stark contrast to the proven failure of state-owned enterprises.

Today, despite occasional circumstances that prevent the energy sector's activities from being carried out in the best manner, I believe that the country has the necessary experts to tackle future challenges. Additionally, particularly in the electric sector, the vast majority of concessions are in the hands of private companies that face these challenges with optimism.

Now, 30 years after Luz del Sur successfully reversed the difficult situation the public electricity service was facing, I would like to congratulate the management team, the technicians and engineers, and the administrative staff of the company on this anniversary. I hope the future brings them even better results.

Pedro Sánchez Gamarra

Minister of Energy and Mines
from 2008 to 2011



Since 1992, our Constitution stipulates that economic activities must be carried out by the private sector, with the State setting the conditions to ensure an adequate quality of service. This structure encourages efficiency and improved management, which is reflected in the higher profitability and quality of service provided by private companies compared to public ones.

With this goal in mind, the privatization process of the electric sector began, and it was essential to establish rates based on service recovery costs to ensure sustainable and competitive operations.

In the early years following privatization, Luz del Sur's achievements in reducing losses and improving service quality stood out as a model to follow. Since then, the company has maintained a well-established and committed executive team in the electric sector, which is reflected in the company's accomplishments.

I take this opportunity to extend special greetings to the executives and employees of Luz del Sur, whose efforts have made Lima's electric service one of the best in the region, continually improving to the benefit of the city and the country.

César Butrón Fernández

Chairman of the Economic Operation
Committee of the National Interconnected
System



The privatization process began in 1992 and has been very successful in the sectors where it was implemented. In Peru, 70% of electricity generation and 100% of transmission are in private hands. In the case of distribution, only the Lima and Ica regions are managed by private companies. The investments that have come through privatization have been crucial for improving quality in Peru. However, looking to the future, the situation is complex.

On one hand, Peru has many resources for generating hydroelectric, solar, wind, geothermal, and natural gas-powered energy. So, from the perspective of resources, the future is very promising.

However, from an investment standpoint, we are facing a challenging moment. Investments in generation and distribution are not arriving at the pace required.

Turning this situation around will require the government to take action and provide full support to private investors.

In this context, I congratulate Luz del Sur on its 30th anniversary. I am confident that, with the backing of its shareholders, it will continue to contribute technology and innovation to the national electric sector.



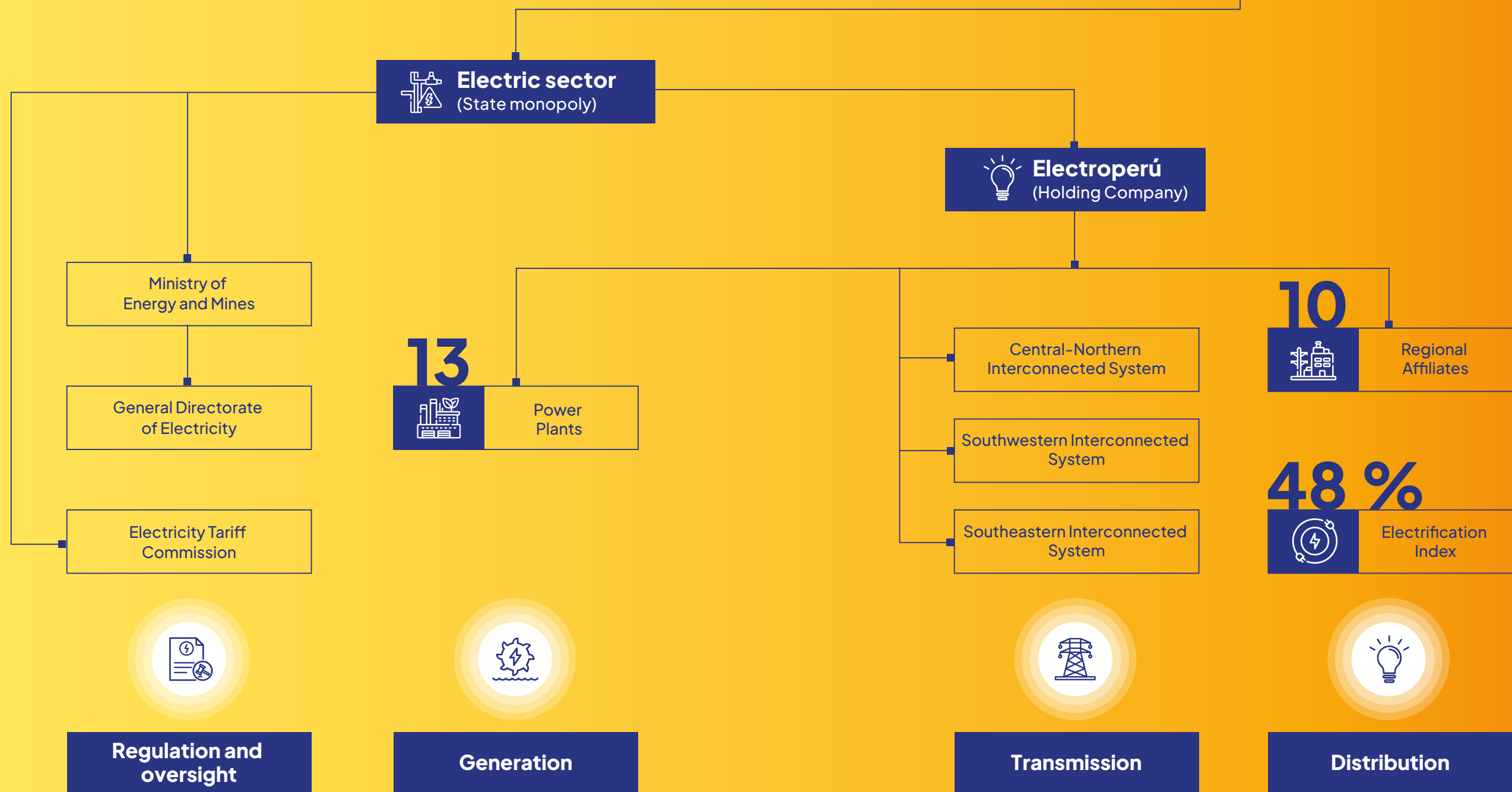


The state-run electric distribution model

Diagram of the public electricity system structure and performance indicators of Electrolima.



Peruvian State





“Our safety culture and support for female talent have been recognized multiple times”

Ysabel Camacho

Social Welfare Leader

One of the important things Ysabel Camacho remembers about her development in the company is the prevention culture that characterizes Luz del Sur. “Working on a preventive culture is one of the aspects that our organization stands out in. Our safety culture has been awarded and recognized multiple times for this,” she states.

In this regard, Ysabel recalls that one of the most significant milestones in this aspect was the management of live energy in the electrical substations handled by the maintenance area. “An exclusive area was created to manage these issues, which is now the Energized Networks Department, whose staff received training abroad. Part of this prevention also involved the implementation of the Control Center, the brain of our company, which allows us to monitor all the lines of our electrical systems. With this, the company has a greater capacity to respond to any eventuality in our facilities,” the supervisor comments.

Another aspect in which Luz del Sur excels, Ysabel assures, is the development of female talent. “We are a company that, by its nature and function, has a majority of male personnel, but we also have female staff leading management positions, deputy management, departments, and technical areas.

At one point, being a company with female technical staff was recognized by the Ministry of Labor. It was a symbol,” Ysabel reminisces.

“We, as women, feel developed because our abilities are valued when we enter, and we are given opportunities for growth. And yes, there are opportunities, because there are promotions and women leaders who help their teams grow and develop. The issue of being a woman or a man does not influence that, because what matters is the capacity for leadership,” she expresses.

Finally, as part of the Human Resources area, Ysabel acknowledges Luz del Sur’s ability to develop local talent and offer a career path for workers to exploit all their skills. “I have seen many cases of interns who stayed on as collaborators and are now supervisors. I have also seen engineers who became supervisors, department heads, deputy managers, and are now managers,” she explains. “Everyone who joins Luz del Sur has these growth opportunities. And those who build a career here have a different capacity for action and knowledge because they understand perfectly how the company and its human group operate,” she concludes.



“

We, as women, feel developed, because our abilities are valued when we join the company, and we are given opportunities for growth”.



2

The investment
that energized us



In 1994, Peru showed clear signs of economic recovery. The success in reintegrating into the international financial market, stabilizing the economy, and achieving internal peace contributed to a gross domestic product growth rate of 12.5% and an annual inflation rate of less than 15%.

However, only 48% of the country had access to electricity, one of the lowest electrification rates in Latin America, meaning that more than half of Peruvians were still on the margins of modernity and development.







First steps

In this context, on January 1, 1994, the government privatized Electrolima and established five subsidiary companies.

One of them was Edelsur, with a concession area of 3,000 km² that encompassed 30 districts in the southern region of Metropolitan Lima, home to approximately 3 million people. Thus, we began our history with around 30% of the national electricity distribution market and approximately 480,000 customers.

Months later, on August 18, 1994, the Ontario-Quinta A.V.V. consortium acquired 60% of our shares through an international public tender. The state retained ownership of the remaining 40% to be privatized at a later date.

Two years later, in 1996, our employees acquired one-quarter of the shares held by the state, while other private investors—both national and foreign—purchased the remaining three-quarters through various financial mechanisms.



That same year, our General Shareholders' Meeting approved the incorporation of the current open stock corporation, Luz del Sur, to which the electric power distribution concession in the southern area of Lima was transferred, as well as all the assets and liabilities of the business, in order to develop electric power distribution and sales activities in its concession area. Additionally, through an international public tender called by the state, we acquired 100% of the Cañete Electric Distribution Company (Edecañete) in June 1996, turning it into our subsidiary.

Later, in mid-1998, we complied with the General Companies Law, becoming the current open stock corporation: Luz del Sur S.A.A.

The following year, in February 1999, the small group of shares still owned by the state was auctioned on the Lima Stock Exchange. Thus, the privatization process of Edelsur was formally concluded.

The following month, the consortium formed by PSEG Americas Limited and Sempra Energy International acquired 90% of the Chilean company Chilquinta, which was a shareholder of our main owner at that time. Both companies were subsidiaries of major energy firms in the United States of America.

Seven months later, in August 1999, this American consortium established Peruvian Opportunity Company S.A.C. in Peru, which acquired 22.46% of our company's shares.

In this way, PSEG and Sempra gained control of 84.5% of our equity.



Our General Shareholders' Meeting approved the incorporation of the current open stock corporation, Luz del Sur, to which the electric power distribution concession in the southern area of Lima".



Investments and improvements

As foreign investment consolidated in our shareholding, during the early years of operation, we achieved significant improvements in our infrastructure and customer service.

In 1996, we launched Fonoluz, a modern telephone center that serves our customers 24 hours a day, all year round, and which at that time managed nearly 60,000 calls per month. With constant improvements, Fonoluz is still operational today.

In 1997, we ventured into the real estate sector by constructing the Torre Siglo XXI, located on Av. Enrique Canaval y Moreyra, in the San Isidro district. This 21-story building, at the forefront of architecture of its time, marked a new phase in Lima's real estate development and continues to be our headquarters 30 years later.

That same year, the government enacted the new Electric Service Quality Standard, which introduced numerous control measures, strict quality standards, and drastic economic penalties to encourage concessionary companies to make the necessary investments for the sector's development. In accordance with the provisions of this standard, we analyzed its content and offered recommendations to refine it and align it with the real needs of customers.

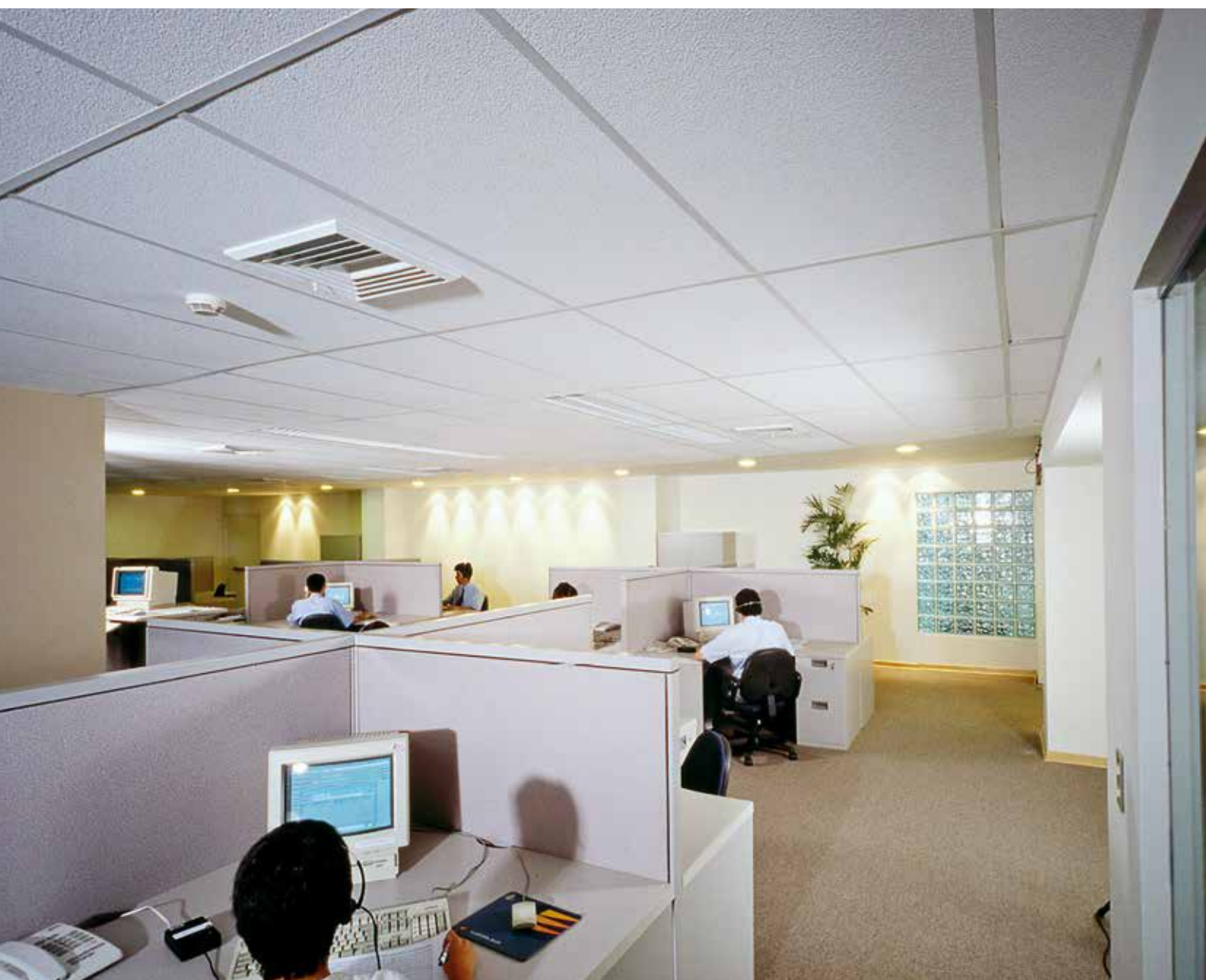
In 1997, we invested US\$ 39 million aimed at expanding and reinforcing our electrical system to meet the demand in our concession area and improve the quality of supply to our customers.



In 1996, we launched Fonoluz, a modern call center that serves our customers 24 hours a day, year-round, and which, at that time, managed nearly 60,000 calls a month”.

Notable infrastructure projects included the construction of the Monterrico substation, the expansion of the San Juan substation, and the renovation of the Chacarilla service center, located in the Surquillo district.

In the IT realm, we completed the development of a new computing platform that enhanced the efficiency of internal management and customer service. Additionally, we implemented our first computerized cash register systems to record customer payments with greater agility and control.



As a way to engage with the communities in our concession area, we created the “Ecological World” exhibit, a traveling park through which we contributed to the environmental education of schoolchildren in a playful and educational manner. In its first year, we set up the exhibit at the Pontifical Catholic University of Peru, where it welcomed over 30,000 children from 180 educational institutions.

We also contributed to the enhancement of the country’s cultural heritage by illuminating Huaca Pucllana, one of the largest pre-Columbian temples in Metropolitan Lima.

In 1999, we established the Strategic Planning

Management, in line with the vision of the new administration. Additionally, as part of the continuous improvement of our commercial policies, we created new service units aimed at providing more personalized attention.

Moreover, we were the first public utility company in Peru to hold meetings with users to exchange information and experiences about the services provided.

Regarding customer service, we expanded and digitized the Fonoluz support lines, as well as renovated our commercial offices.

Throughout that year, we invested S/ 100.8 million to expand our electrical system and improve public lighting across our concession area. Notable projects included the implementation of a decentralized operation that reduced service interruptions in the beach resorts south of Lima by 20%.

Additionally, we became the first public utility company in Peru to obtain ISO 9002 certification, which encompasses international quality standards in the installation, maintenance, and replacement of electric meters.





Balance of our first five-year period

Thanks to these efforts, we closed our first five years of operations with good results.

Between 1994 and 1999, we welcomed over 223,000 new customers, achieving an electrification coefficient close to 100% in our concession area. Additionally, we reduced energy losses to less than half.

To achieve this, we invested an average of US\$ 36 million per year to improve our electrical system, which is approximately 20% more than what Electrolima invested in all its operations. In

terms of public lighting service improvements alone, between 1994 and 1999, we invested over US\$ 54 million in total to incorporate more than 50,000 light fixtures with the most advanced technology at that time.

Furthermore, in our first five years, we provided over 400,000 hours of training to our employees to enhance their productivity. As a result, we reduced the average time for handling new residential connections from 90 days to just five.





Our investment to bring more than light

Since 1994, we have invested over US\$ 2.118 billion to provide a more modern and reliable service to Peruvian families, including 22 new transmission substations. (SET)



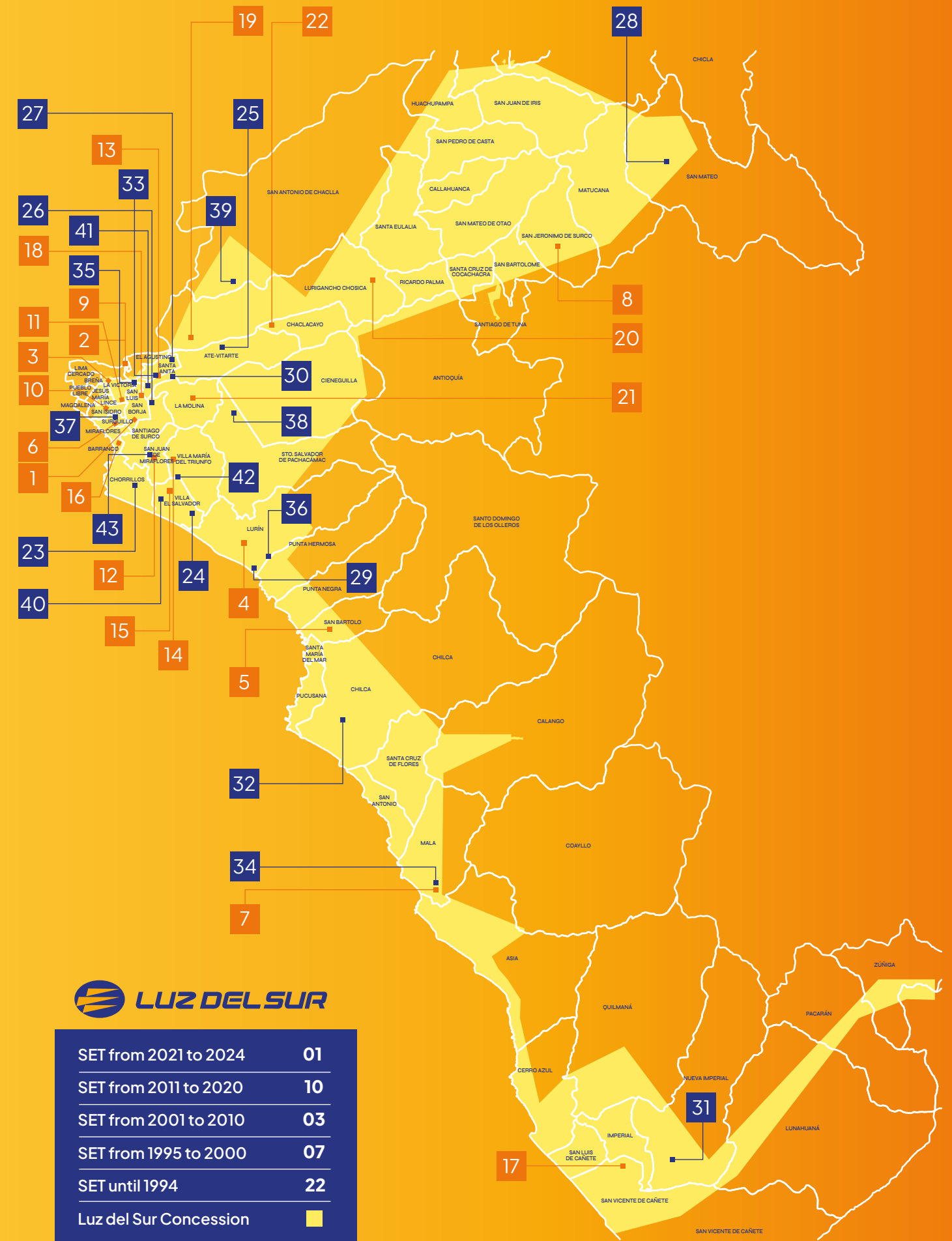
Before the privatization

N.º	Year	Transmission Substation
1	1953	Balnearios
2	1964	Santa Rosa Antigua
3	1968	Gálvez
4	1968	Lurín
5	1968	San Bartolo
6	1970	Luis Neyra
7	1970	Bujama
8	1971	Surco
9	1972	Santa Rosa Nueva
10	1973	San Isidro
11	1974	Limatambo
12	1974	San Juan
13	1975	Puente
14	1975	Villa María
15	1975	Villa El Salvador
16	1979	Barranco
17	1982	San Vicente de Cañete
18	1983	Salamanca
19	1986	Huachipa
20	1986	Chosica
21	1986	La Planicie
22	1991	Ñaña



After the privatization

N.º	Year	Transmission Substation
23	1996	Chorrillos
24	1996	Pachacámac
25	1996	Santa Clara
26	1997	Monterrico
27	1998	Santa Anita
28	1998	San Mateo
29	1999	Las Praderas
30	2005	Ingenieros
31	2005	Cantera
32	2008	Chilca
33	2014	Industriales
34	2015	Asia
35	2016	San Luis
36	2016	Alto Pradera
37	2016	Central
38	2018	Manchay
39	2018	San Miguel
40	2019	Vertientes
41	2020	Los Sauces
42	2020	Pachacútec
43	2021	Progreso





“Luz del Sur’s operational transformation has also been impressive.”

Juvenal Pando

Transmission Department Planning Manager

He has been a key witness to the modernization of the Peruvian electrical sector, from the first tariff-setting processes, the entry of private capital into the sector, and the detailed planning of its growth. Juvenal Pando recalls those times precisely and knows that his department will oversee the next stages to ensure a cost-efficient company capable of successfully meeting the growing energy demand.

“I was in the Distribution Planning area at Electrolima, and when the public company was divided prior to privatization, I was put in charge of transmission and distribution planning in the new company, Edelsur. But when it was privatized, the planning area was split into two: transmission and distribution. I stayed in transmission”, he recalls.

Juvenal narrates that prior to the privatization of the electric companies in 1993, the Electric Tariff Commission was created, which was the body responsible for setting distribution tariffs by selecting models based on typical geographic zones. That function later passed to Osinergmin through a planning process in four-year periods.

In 2018, the process changes once again to include tariffs per company, where each company presents its proposals. This is a process defined by Osinergmin, which includes public hearings where the companies support their proposals, and then absolve the observations made by the regulator. At the end, based on the acquittals presented and the analysis made by Osinergmin, the regulator sets the tariffs.

Regarding transmission tariffs, the process involves investment plans over a four-year horizon that respond to the necessary projects to meet demand. ‘We are currently finalizing the investment plan for 2025 to 2029,’ he comments on his current responsibilities.

The operational transformation of Luz del Sur has also been impressive, he explains. ‘The company’s first period was under Chilean-Canadian ownership. By the end of 1999, it was acquired by North American capital. At that initial moment, the loss rate was high, above 20%. So, one of the goals the new company set was to reduce it to 10% or 12%. Currently, it is around 6%. To achieve that, significant investments were made. For example, the electrification rate increased considerably. Another important area of investment was the expansion of networks, with large substations,’ he asserts.

“General planning estimates the future transmission demand over a thirty-year period. Then, a more detailed ten-year plan is developed. At this stage, alternatives to meet demand are compared, with expansions at an optimal and efficient cost. This way, we can meet demand at the lowest possible cost, ensuring the lowest tariff for the customer, but with appropriate quality conditions, voltage, and reliability within the required ranges, and without interruptions”, he states.

Envisioning the future is his responsibility.



“

Our responsibility is to estimate future demand and meet it with adequate levels of quality, through efficient facilities that come on line in a timely manner.”



3

Growing together
with Peru



The public administration reforms during the 1990s and the country's return to democracy in 2001 fostered a period of economic growth and social development that brought Peru into the world's spotlight.

With the support of two major international companies in our shareholder structure—Sempra Energy International and PSEG Americas Ltd.—we faced the new century with enthusiasm to deploy the necessary investments to contribute to the promising prospects of modernization in the country.







The years of democratic transition

In 2000, we invested over S/ 93 million focused on expanding and modernizing our electrical distribution network. We commissioned 176 new distribution substations, modernized hundreds of kilometers of conductors, and initiated the adoption of a modern automation and remote control system in the transmission substations, which reduced interruptions and increased the safety of our network. Additionally, we improved the lighting on over 180 km of public roads.

The investment for improving the electrical system and modernizing public lighting led to a 23% reduction in complaints and a 20% decrease in the duration and frequency of scheduled interruptions.

Another priority was to reduce energy losses. To this end, we implemented a rigorous program of operations and control systems that facilitated the detection of illegal connections. We also launched a memorable campaign in the media to raise public awareness about the serious harm caused by electrical theft. As a result, we succeeded in reducing the loss percentage to 9.5%.

The new millennium also marked a milestone in the digitalization of our customer service. We launched a revamped website with more information and new features.

We implemented the Virtual Office of Luz del Sur, through which customers could consult their

billing, make payments, and submit complaints, among other online transactions. This new digital space allowed us to quintuple our online service.

Furthermore, we simplified processes and automated operational tasks, enabling us to continue optimizing our sales and collection systems. All of this contributed to an increase in customer satisfaction regarding our commercial management.

Improvements in customer service were accompanied by new services designed to meet some of their unmet needs. In 2000, we launched Pluz Protection, an affordable life insurance in case of accident or death; and Pluz Empresarial, a range of engineering and electrical maintenance services aimed at the commercial and industrial sectors, with the quality and support that characterize us.

The year 2001 was marked by a turbulent political landscape, with the majority of authorities in the Executive and Legislative branches renewed after two electoral processes.

In this context, the Superintendency of Tax Administration (Sunat) involved several companies, including Luz del Sur, in an alleged tax evasion practice, attempting to disregard the Legal Stability Agreement signed with the Peruvian State at the time of the company's privatization. Some parliamentarians even proposed to annul the arbitration mechanism established in that agreement to resolve the controversy regarding S/ 51.84 million.

In response, we launched an effective campaign to inform political leaders and public opinion that we had rigorously fulfilled our tax obligations. This was corroborated by the arbitration award that declared the full validity of the aforementioned agreement.

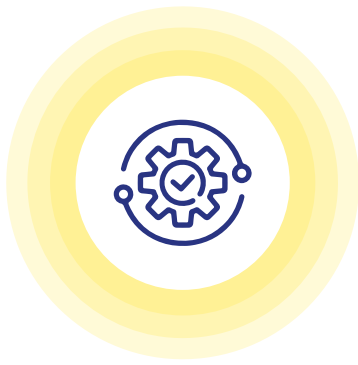
Despite the uncertainty generated by certain political sectors and sluggish growth in the national economy due to political instability, we continued with the necessary investments to drive the country's development.

In 2001, we executed US\$ 29.4 million in projects to strengthen and expand our electrical network. We installed new electronic relays, transformers, and feeders; replaced 45 km of conductors; and laid a new line of over 4 km to interconnect the Neyra and San Isidro stations.

Additionally, we added five substations to our automation and remote control system, improved our emergency response, and added specialized personnel for work on energized networks. All of this contributed to a 41% reduction in interruptions.

Regarding commercial management, we implemented an interactive voice system in our call center, Fonoluz, which allowed us to automatically handle calls and improve service by 13%.





Development and safety above all

In 2002, we continued with the sustained incorporation of new clients and our investment plan within a more stable business environment and political landscape.

That year, the III Congress of the Peruvian Energy Sector, “Energy for Progress: Challenges of a Pending Agenda,” brought together national experts and authorities to discuss development opportunities for the sector. The event was chaired by Mile Cacic, our general manager at the time.

Throughout the year, we invested \$31.4 million to enhance the coverage, quality, and safety of our infrastructure, which contributed to reducing the frequency and duration of unexpected outages by 20.6% and 24.4%, respectively.

Additionally, we improved the power supply to the Gálvez substation through an underground link with the Santa Rosa substation; installed a fiber optic link to connect the Neyra and San Isidro substations; and set up capacitor banks to reduce energy and power losses at four substations.

As in previous years, all our operations placed special emphasis on protecting the physical well-being of our employees. For this reason, we were honored with the 2002 Merit Award by the Inter-American Safety Council—an independent, non-profit organization specializing in accident prevention.

We also received the PSEG America’s Presidential Safety Award for maintaining, for the



second consecutive year, the lowest accident rate among all the energy companies within the PSEG group, which was our shareholder at the time.

The year 2002 was also significant for the modernization of Edecañete.

Its IT systems were upgraded with a modern computing center, which allowed us to remotely

manage the accounts of Cañete users through Luz del Sur's systems. Additionally, we extended the operating hours of Fonocañete to 24 hours, thanks to an interconnection with Fonoluz.

In 2003, SUNAT reactivated the tax controversy that had begun in 2001, despite the Arbitral Tribunal ruling in favor of Luz del Sur. In response to this, we reiterated the evidence that demonstrated our compliance with tax obligations throughout a process that lasted several years.

Nevertheless, we continued to implement best business practices to improve the electric service for the 707,668 clients we were serving at that time.

At the beginning of that year, we carried out a company restructuring, merging the Planning and Development Department with the three operational departments to boost the efficiency of our operations.

Additionally, we invested \$26 million in the expansion and modernization of the electrical and public lighting system, and increased work on live power lines to reduce the frequency of interruptions by 36.5%.

On the other hand, we standardized the procedures for handling second-instance claims, unifying administrative, technical, and legal criteria for the support of appeals.



We continued to implement best business practices to improve the electric service for the 707,668 clients we were serving at that time”.

In addition to the continuous improvement of our service, we must highlight our reaffirmed commitment to the well-being of the communities within our concession area by improving nutrition in local schools. Thus, we launched our social initiative to support the nutrition of children from low-income families, which continued to grow and remains in place to this day.



The first decade

In 2004, we celebrated the company's first ten years in a context marked by one of the most severe crises in Peru's electric sector since privatization. A severe drought exposed the vulnerability of a system unable to cover potential shortfalls in hydropower generation. As a result, the demand was met by thermal plants that supplied energy at prices four times higher than the regulated rate.



Despite the electric generation crisis and the uncertainty surrounding the future regulatory framework, we optimistically celebrated our first ten years, driven by the confidence in the work we had accomplished and the results the company had achieved”.

This disparity led generating companies to refuse to sign supply contracts with distributors, preventing us from meeting the requirement to secure a two-year supply in advance as mandated by the Electric Concessions Law.

To address the crisis, the government issued Emergency Decree No. 007-2004, which required generating companies to assume the uncontracted loads and temporarily suspended the requirement for advance supply until December 31 of that year.

However, the situation remained unresolved, leading to the issuance of Law 28447, which extended these measures for three more years and established the creation of a specialized commission to draft a new law aimed at ensuring the efficient development of electricity generation in Peru.

In this uncertain context, we continued bringing energy to more families. Through the mass electrification of nine human settlements and residential connections in dozens of multifamily housing complexes, we added over 16,058 customers over the course of that year.

Additionally, we continued with our annual investment plans, disbursing S/ 100 million, primarily aimed at creating a more stable and reliable electric grid. We enhanced the protection systems of the high-voltage network by incorporating modern digital differential protection relays for the main transmission lines.



We also implemented teleprotection systems in our six main substations to program, verify, and monitor the operation parameters of these relays in real-time.

We also expanded Edecañete's infrastructure to serve higher-load customers and provide a reliable power supply in the southern region of Lima, without depending on other companies. We invested US\$ 2 million in the construction of the Cantera transmission substation, which connected the Cañete concession area to the National Interconnected System.

Our investment in Cañete went beyond the electrical system. Thanks to an agreement with the Ministry of Education and the district municipality, we built a modern school and sports courts to benefit the children of the Cantera community.

Despite the electric generation crisis and the uncertainty regarding the future regulatory framework, we optimistically celebrated our first ten years, confident in the work we had accomplished and the results the company had achieved.

In 2005, we began our second decade of operations with optimism regarding the country's legal stability and the strengthening of the regulatory framework for the electric sector.

After five years, the Tax Tribunal ruled definitively in our favor, resolving the tax dispute raised by SUNAT in 2001. This confirmed that the company's conduct had strictly adhered to the tax regulations in force.

Regarding the sector's regulatory framework, the specialized commission established by Law 28447 issued a draft law aimed at addressing the vulnerabilities in the electrical system. However, by the end of 2005, this law had not yet been enacted, leaving the risk of prolonging the energy generation and supply crisis still looming.

In this context, we continued with our investment plan, allocating US\$ 36.2 million to expand the electric system and public lighting.

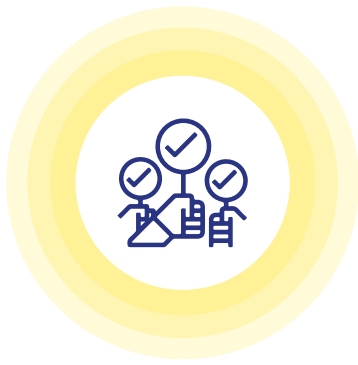
Among the key projects of that year was the construction of the Los Ingenieros transmission

substation, which benefited major industrial clients in the Ate-Vitarte and Santa Anita districts, and helped meet the growing residential demand in the area in the following years.

In terms of public lighting, we expanded the service by 17.2 km of roads and made improvements to more than 320 streets and 55.5 km of infrastructure.

Another major accomplishment that year was the opening of our large commercial office in Chorrillos, spanning 843 m². This new office allowed us to provide better service to 78,000 customers in the area.

On the environmental front, we allocated US\$ 1.2 million to initiatives such as waste disposal and the recycling of poles and luminaires, among other projects. Thanks to our outstanding environmental management since the start of our operations, we were invited by the National Environmental Council to share our experience at various conferences, and we actively participated in shaping environmental legislation related to waste management.



Bids for supply

The 2006 was an election year in which questions regarding the institutional development and the economic model of the country raised doubts about the validity of the reforms undertaken in previous years. Nevertheless, the new government made efforts to recover the prosperous business climate and restore foreign investor confidence.

At the sector level, the main milestone was the promulgation of Law 28832, the Efficient Generation Law, which, among other aspects, established the bidding mechanism for the supply of distribution companies.

As a result, we conducted our first auction on December 18, where we requested energy to supply us for four years. However, we only received offers for 55.7% of the requested capacity, meaning that the public electricity service was covered for 2007 and partially for the following years.

In 2006, we invested US\$ 29.7 million focused on strengthening the electrical system and expanding public lighting.

Among the executed projects, the expansion of transmission capacity at the Balnearios and Santa Rosa substations was notable, as well as the increase in transformation capacity at the Gálvez, Lurín, and Villa El Salvador substations.

Additionally, we installed a fiber optic ring between our offices in San Isidro and Chacarilla. This was done to enhance the reliability and availability of our corporate information systems and the data transmission between the substations and our remote automation and control system.



Our first workplace climate survey demonstrated the high levels of pride and identification felt by the 657 employees we had at that time”.

Regarding public lighting, we installed networks along 39.6 km and increased the power of our luminaires. Among the new projects, the lighting of 9.5 km of the Ramiro Prialé highway stood out.

2006 also marked the beginning of an important practice in talent management within the company. In December, we conducted our first workplace climate survey, which demonstrated the high levels of pride and identification felt by the 657 employees we had at that time.

Among our social initiatives, the construction of a school for training technicians in electricity located in Villa El Salvador district was notable. Thanks to this, young graduates from the Fe y Alegría schools had an attractive alternative to adequately integrate into the labor market.



New shareholders and challenges

In 2007, an important change in the ownership of the company was registered. PSEG Global, then owner of 37.9% of Luz del Sur, sold its stake to the AEI group (formerly Ashmore Energy International), which had businesses in the energy sectors of 19 countries. Thus, nearly 74% of the company came under the control of the partnership formed by Semptra Energy International and AEI.

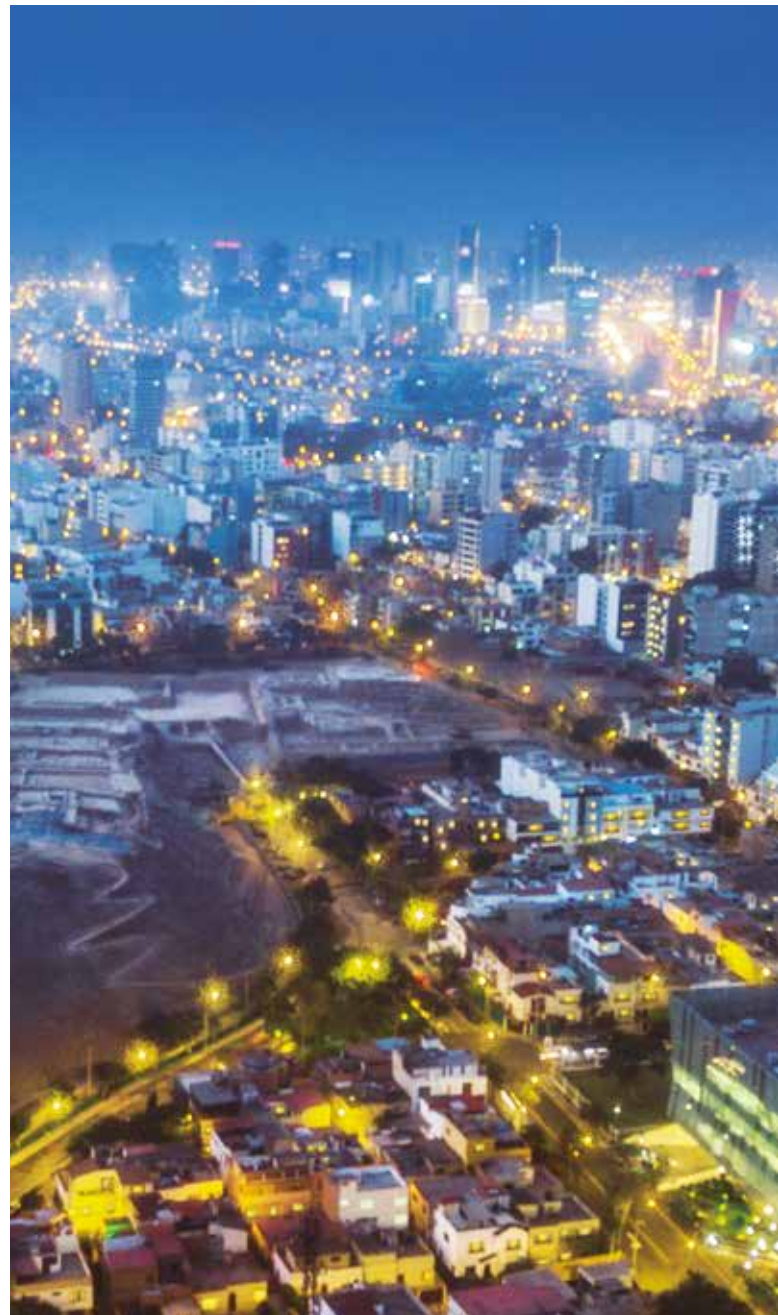
Regarding the company's operations, we continued implementing the measures outlined in the new law to resolve the uncertainty regarding energy supply.

In March, we called for a second auction to cover demand for the next three years, which ended up being unsuccessful. Subsequently, we participated in five auctions, in which we only managed to cover the energy supply until August 2008.

These events demonstrated the limited interest of generating companies in signing contracts at the maximum price defined by the regulator. In light of this situation, the government enacted a law extending the obligation for generators to assume uncontracted loads until December 2008.

Despite the uncertainty surrounding regulation in the sector, our service and investments continued to grow.

In 2007, we surpassed 800,000 customers,





including families from 41 housing groups that complied with the legal regularization of their properties. We also invested US\$ 34 million to enhance our electrical network and expand public lighting service by more than 35 km.

In line with our goal of maintaining a 100% electrification rate in our concession area, we carried out significant projects to increase the transformation capacity of five substations and enhanced the transport capacity of our transmission lines. Additionally, we implemented a new energy backup system at the main repeater located at Morro Solar.

These projects were carried out in strict compliance with our policies to ensure health and safety in the workplace, which exceeded the requirements of national regulations. Furthermore, through audits, we verified compliance with these policies by our contractors.

On August 15, 2007, the earthquake that devastated the city of Pisco united the solidarity of all Peruvians. The tragedy also caused personal and material damage in other provinces of Ica and in the Cañete valley. The magnitude of the seismic event was such that it led to a disruption of electric service, even in Metropolitan Lima, and the news spread around the world.

To face the tragedy, we worked intensively to be the first company to restore service in Lima that same night. Four days later, we managed to restore it throughout the concession area of Edcañete. We also sent specialized personnel and resources to support the company Electro Sur Medio in restoring service in the provinces of Ica as soon as possible.

In addition to our efforts to restore electrical service, which was essential for rescue operations and the functioning of medical centers, we were also among the first companies to contribute humanitarian aid.

Few hours after the earthquake, we acquired tents and blankets that were distributed to the residents of the province of Cañete who had lost their homes and had nowhere to spend the night. In the following days, we carried out health and medication campaigns in the district of San Vicente, and our employees donated over four tons of essential items for the affected individuals.

In 2008, Peru was once again in the eyes of the world. This time, the international press did not come to the country to cover a tragedy but rather two important political and business meetings held in Metropolitan Lima.

In May, the V CUMBRE of Presidents of Latin America, the Caribbean, and the European Union (ALC-EU) took place, and in November, the Asia Pacific Economic Cooperation (APEC) CUMBRE was held.



In May, the V CUMBRE of Presidents of Latin America, the Caribbean, and the European Union (ALC-EU) took place, and in November, the Asia Pacific Economic Cooperation (APEC) was held. Given the importance of both events, we implemented a careful plan to enhance and ensure electrical service at the multiple venues of both CUMBRE”.

Both events brought together dozens of heads of state, hundreds of officials, and thousands of foreign businessmen at the most important hotels and convention centers in the capital, all located within our concession area.

Given the importance of both events, we implemented a careful plan to enhance and ensure electrical service at the multiple venues of both CUMBRE.

We also contributed to the lighting of the roads around two of the main venues: the Army Headquarters of Peru—better known as the Pentagonito—and the renovated complex of the Museum of the Nation.

At that time, both events reaffirmed Peru's international reputation as one of the countries with the highest economic growth in the world. Such growth would not have been possible without proper investment planning to meet the growing energy demand from the main productive sectors of the country.

With this conviction, we continued our annual investment plan, disbursing US\$ 47 million in 2008.

Among the main projects executed, we can mention the construction of the Chilca substation, located in the district of Cañete of the same name, as well as a 25% increase in the transformation capacity of the Balnearios substation, which serves the demand of eight of the main districts of the capital.

Of our investments, we allocated US\$ 1.8 million to projects for environmental protection. These include the construction of infrastructure to prevent soil contamination at the Chilca substation, as well as equipment for the proper disposal of contaminated oils and noise pollution control at the substations.

We also expanded our network with massive electrification in the Quebrada de Manchay. As a result, more than 5,000 families gained access to public lighting and electricity in their homes, improving their quality of life.

On the other hand, the four energy auctions we convened in 2008 were only sufficient to guarantee electric service until September 2009. Given the limited effectiveness of this mechanism to supply distribution companies in the sector, the government enacted a new regulation, once again extending the obligation for generators to assume uncontracted loads until December 2011. Thus, the transitional mechanism to resolve the supply problem had already been extended for five years.





First long-term contracts

In 2010, we invested US\$ 44 million in our electrical network. Notable projects included increasing the transformation capacity of the Las Praderas, Monterrico, Lurín, Bujama, and Chilca substations, as well as the expansion of the distribution system with 27 km of medium-voltage networks and 190 km of low-voltage networks. The renovated Control Center of Luz del Sur also came into operation, which allowed us to triple our supervision and control capacity over our electrical system.



2010 also marked a milestone in our history. In search of new business opportunities, we were awarded the contract in the international bidding process called for the construction and operation of the Santa Teresa Hydroelectric Power Plant”.

Throughout that year, our massive electrification program included nearly 170 projects that brought electricity to the homes, businesses, and neighborhoods of over 60,000 people in our concession area. Additionally, we executed 126 public lighting projects that illuminated 14.9 km of roads and 15 parks. Among these were two interconnection tunnels for Line 1 of the Lima Metro and three sections of the Vía Expresa del Paseo de la República.

We also completed the renovation of the San Juan branch, transforming it into a modern 740 m² office designed to serve over 133,000 customers in the district of San Juan de Miraflores and its surroundings with maximum comfort.

Alongside the work on these important projects, we adapted our Health and Safety Management System to obtain OHSAS 18001:2007 certification following an audit by the consulting firm SGS Peru.

On the other hand, after several years of unsatisfactory results, in 2010 we participated in four long-term electrical auction processes supervised by Osinergmin. As a result, we secured 100% of the requested power for the period 2014–2025. Additionally, we signed eight bilateral contracts that covered demand from 2011 to 2013. In this way, the uncertainty regarding the supply of electric energy, which began with the generation crisis in 2004, came to an end.

2010 also marked a milestone in our history. In search of new business opportunities, we were awarded the contract in the international bidding process called for the construction and operation of the Santa Teresa Hydroelectric Power Plant.

This megaproject, located in the Cusco region, would usher in a new phase for the company.





Proud to work in Luz del Sur

Sonia Galarza

Treasury Supervisor

Her father worked for the company that managed the Electroperú branches in Huancayo, Chimbote, and Piura. There, Sonia gained firsthand insight into the workings of the Peruvian electricity sector, and after studying Economics, she joined the same company as her father in the Economic Studies Area. Later, she moved to Electrolima in 1985, following the enactment of the General Electricity Law, which led to the creation of regional electricity companies.

Subsequently, with the imminent privatization of Electrolima in early 1994, she was appointed to the generation company in Lima, Edegel, but ended up in the distribution company for the southern part of the capital, then known as Edelsur.

Her work has always been related to finance. Sonia is responsible for reconciling Luz del Sur's balances with the banks. "In the beginning, we didn't have the system we have now. We had to manually input transactions. We had to create the general ledger, charges, and credits on paper sheets. Then, we had to input them into a terminal we had in the office from IBM. After that, it was accounted for, and the next day, we received some sheets to check if the transactions were correct. Now, everything is digital," she comments on how her tasks have changed.

The digitalization process at Luz del Sur began in 1998 with Sinapsis, an accounting program that was implemented in the company, and in which Sonia participated for two years.

During this time, she worked alongside a team of experts from Sinapsis, as well as colleagues from the IT and accounting departments on the 11th floor of Luz del Sur's headquarters in Chacra Ríos, where the Ministry of Transport and Communications is now located. Later, she witnessed the move to the Torre Siglo XXI, the current administrative headquarters of Luz del Sur, and now eagerly awaits the implementation of the SAP system for the company's management.

One of the most impactful events for Sonia and her team occurred in 2020 with the COVID-19 pandemic. "Since the pandemic began, we came to work three times a week, with all the necessary safety measures. But in May of that year, we were sent to work from home. I didn't go out at all; it was concerning to watch the news. Now, it seems like it never happened, but it did," she recounts. The period of isolation passed, and in 2022, they returned to in-person work. This change affected how her department interacted with the banks. "Previously, we sent physical letters to the banks, and then they started accepting digital documents," something that continues to this day, she confirms.

Sonia is proud to work at Luz del Sur. For her, the company has grown significantly and has the potential to grow even more, so she encourages younger people to build a career in a company like this, always with the best attitude and a love for hard work and quality. Any advice for the youth? "Above all, do a good job. That will be your calling card for wherever you want to go; do the best you can," she concludes.



“

Any advice for young people?
Above all, do a good job. That
will be your calling card for
wherever you want to go; do
the best you can”.

An aerial photograph of a coastline at dusk. The sky is a deep blue with some lighter clouds near the horizon. The ocean is dark blue with white waves crashing onto a sandy beach. A city skyline is visible in the distance on the right side of the image. In the foreground, there is a road with streetlights and a small, curved concrete structure, possibly a ramp or a part of a park.

4

Generating
new sustainable
opportunities



In 2011, the presidential elections were held in Peru. As expected, the process generated uncertainty and a temporary retraction of private investment. In the following months, confidence was restored after the initial measures taken by the new government of President Ollanta Humala, and the country closed the year maintaining one of the highest economic growth rates in the world.

Alongside the growth of the Peruvian economy, we continued to increase our investments to proactively address the growing demand for electricity services in our concession area.

In this mission, we had the support of the Semptra International business group, one of our main shareholders at that time, which in April 2011 increased its stake to nearly 80% of our company's shares.

That year, we invested US\$ 62 million to enhance the transformation capacities of the Santa Rosa, Puente, Huachipa, Los Ingenieros, and Chilca substations. Additionally, we expanded the medium and low-voltage distribution network by 56 km and 175 km, respectively.

The beneficiaries of these works included over 35,000 people who received electricity service for the first time, thanks to the mass electrification projects carried out in 96 populated centers that year. We also expanded and improved public lighting in 28 km of roadways.

In the following year, 2012, the Peruvian economy continued to grow at a rate exceeding 6%, and by the end of the year, the exchange rate decreased to S/ 2.55 per dollar, its lowest value in the 21st century.

In that year, we accompanied the country's growth with US\$ 126 million in investments, more than double that of 2011. A significant portion of this amount was allocated to the construction of the Santa Teresa Hydroelectric Power Plant, with progress kept on schedule for the project.

Additionally, our projects focused on increasing the transformation capacity of our Santa Rosa, Chilca, Huachipa, Ingenieros, Puente, Bujama, and Las Praderas substations. We also installed over 90 km of medium-voltage networks and 330 km of low-voltage networks. Regarding public lighting, we extended or improved the service in 31.2 km of roadways and 31 parks.

Mass electrification projects also made significant strides that year, including over 50,000 people in 170 populated centers through these initiatives.

2012 was also a year of important improvements for Fonoluz. We implemented a new technological platform that ensured the continuity and quality of telephone service, allowed for the automatic communication of preliminary information regarding service interruptions and restorations, and prioritized emergency responses.







That year, we disbursed US\$ 141 million, a record amount in the company's history. Like the previous year, the bulk of the investment was aimed at enhancing and expanding our electrical and public lighting systems, as well as the construction of the Santa Teresa Hydroelectric Power Plant".

In 2013, we continued to increase our investments. That year, we disbursed US\$ 141 million, a record amount in the company's history. Like the previous year, the bulk of the investment was aimed at enhancing and expanding our electrical and public lighting systems, as well as the construction of the Santa Teresa Hydroelectric Power Plant.

At that time, in addition to carrying out enhancements at our transmission substations, significant work was done at our Balnearios substation, which not only saw a substantial increase in its transformation capacity but was also connected to the Limatambo substation.

We also addressed the need to relocate more than 53 km of distribution networks, necessitated by public works carried out by municipalities and the Central Government in previous years.

Additionally, we expanded our network by installing 135 km of medium-voltage lines and 330 km of low-voltage lines. In terms of public lighting, we made significant improvements to the lighting on Av. Aviación, from the intersection with Av. Angamos to the Higuiereta Oval.

In line with the current government's policy, we continued to strengthen our mass electrification programs, bringing electricity service to 165 populated centers and over 58,000 people.

That year also saw a series of developments in the company's IT systems. We implemented an application that allowed our field personnel to review georeferenced information about our electrical networks through mobile devices. Similarly, we developed other mobile applications that streamlined the registration and consultation of information in field activities, such as managing outages and reconnections or responding to emergency requests in medium-voltage networks. Additionally, we developed various IT modules to expedite accounting and human resources processes.



Our first 20 years

In 2014, we celebrated 20 years of illuminating the dreams of Lima's families with other significant milestones in the company's history.

That year, the electricity supply contracts obtained in the long-term auctions of 2010 came into effect. As a result, we began our second decade of operations with energy supplies secured until 2021, a situation that was diametrically opposed to that experienced ten years prior, reflecting the maturity of the national electricity sector.

On the other hand, in the beaches of the Asia district, between kilometers 105 and 115 of the South Pan-American Highway, there was significant development of real estate projects, such as residential complexes, hotels, and a shopping center. In light of the promising electricity demand in this area, we decided to include it in our concession area, expanding it by 16.4 km².

In this way, our concession area expanded to the boundary corresponding to Edecañete, our subsidiary company. This expansion laid the groundwork for the integration of both companies the following year.



Other two significant milestones in 2014 were being recognized as the best electric company in Peru for the ninth consecutive year by the Lima Chamber of Commerce and surpassing one million customers.

Throughout that year, we invested US\$ 122.2 million in improving our electrical system and constructing the Santa Teresa Hydroelectric Power Plant.

Among the projects executed, it is worth highlighting the construction of the Los Industriales substation and the enhancement of the Barranco, Monterrico, Limatambo, Ñaña, Chorrillos, Ingenieros, Praderas, and Puente substations. Additionally, we installed medium-voltage networks spanning 58 km and 402 km of low-voltage networks. We also relocated 80 km of distribution networks to meet the requirements of public works, primarily the construction of 15 stations for Line 2 of the Lima Metro.

In terms of mass electrification projects, we included 26,000 people in 48 populated centers that lacked electricity service.

As part of our ongoing commitment to improving the quality of our service, in 2014, we began the renovation of our branch in Chosica, aiming to provide more spacious, comfortable, modern, and safe environments for our customers.



In the beaches of the Asia district, there was significant development of real estate projects. In light of the promising electricity demand in this area, we decided to include it in our concession zone, expanding it by 16.4 km²".

On the other hand, in addition to our usual social initiatives, the Semptra International group contributed to the construction of the Therapeutic Rehabilitation and Integral Development Center for people with disabilities in Huaycán, Ate-Vitarte district.



We entered the energy generation business

The Santa Teresa – Collpani Grande Hydroelectric Power Plant is located on the right bank of the Vilcanota River, in the Machu Picchu district, Urubamba province, Cusco department. It is a run-of-river plant, meaning it does not require a dam, and its development is entirely underground.

Santa Teresa receives the water that has been turbined by the first and second phases of the Machu Picchu Hydroelectric Power Plant through a nearly 4 km long tunnel excavated in rock, and has an installed capacity of 105 MW.



At the same time, we initiated the steps to register this the United Nations to register this megaproject as a clean development as a clean development mechanism and to obtain the respective carbon credits”.

Prior to entering Santa Teresa, the water undergoes a cleaning treatment at the sedimentation facilities of the dam, located at kilometer 107 of the Aguas Calientes locality.

Through this plant, we dispatch energy to the National Interconnected Electric System (SEIN) via a 220 kV transmission line that connects to the Suriray substation. Additionally, we supply energy to our nearby facilities and the town of Santa Teresa.

On July 13, 2010, we were awarded the contract in the bidding process called by the Agency for the Promotion of Private Investment (ProInversión) for the construction of this mega project. The signing of the investment commitment contract for the construction and operation of Santa Teresa with the Peruvian State took place on February 23, 2011. In the same act, we signed the business coordination and asset acquisition contracts with the Machu Picchu Electric Generation Company (Egamsa).

On May 2 of that year, we held the groundbreaking ceremony in the Machu Picchu district. The event was attended by Alan García, who was then the President of the Republic, and who, symbolically, activated the switch for the first blast of the hill, marking the beginning of construction.

In parallel with these works, we began the process with the United Nations to register this mega project as a clean development mechanism and obtain the respective carbon credits and credits through the certified emissions reduction mechanism.



These efforts included a social consultation process with the communities located in the project's area of influence through outreach workshops in the districts of Santa Teresa and Collpani Grande. On November 8, 2011, we received the letter recognizing the project's contribution to the sustainable development of the country.

At the end of that month, we signed contracts for the engineering and supervision of the plant, the construction of civil works, and the electromechanical equipment with recognized companies in the electrical and construction sectors.

The works began with preliminary activities for excavations, as well as the construction of access roads and a temporary camp that housed all personnel involved in the mega project.

Thirteen months later, in December 2012, the tunnel excavation work was over 60% complete. Overall, the progress of the civil works had surpassed 50%, in line with the planned schedule. In that same month, the first components of the electromechanical equipment began to arrive in the country.

During 2013, we completed the excavation and support work for the intake tunnel, the machine house, the vertical shaft, and the loading and unloading chambers. We then began the concrete pouring and installation of the structures that formed the high-pressure tunnel.

Regarding the electromechanical work, throughout that year, we installed the suction pipes, spiral casings, and power transformers. Additionally, we started the assembly and installation of the turbines, generators, and main valves for the two generation units.

In 2014, we completed the civil works and the installation of the electrical, electromechanical, and hydromechanical equipment. We then conducted the first dry tests of this mega project.

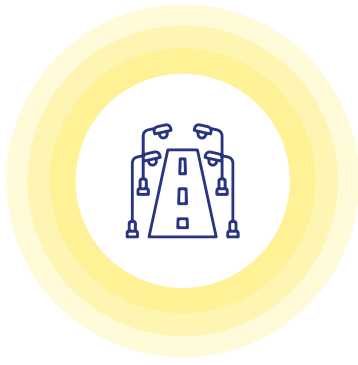
More than five years after being awarded the contract for this mega project, the Santa Teresa – Collpani Grande Hydroelectric Power Plant began commercial operations on September 1, 2015.

Operated remotely from our control center located in Lima, the energy production during the first quarter of operations of our modern hydroelectric plant reached 244.76 GWh.

At the same time, we began reforestation work and the remodeling of the camp used during construction to convert it into a lodging and administrative office complex that permanently housed the personnel dedicated to maintenance and local support operations in the machine house and loading chamber.



More than five years after being awarded the contract for this mega project, the Santa Teresa – Collpani Grande Hydroelectric Power Plant began commercial operations on September 1, 2015”.



A project with social commitment

In parallel with the construction process, since 2011, we have been carrying out significant social work with the communities of Santa Teresa and Collpani Grande, focusing on the development of the youth and improving the quality of life of our neighbors.

To facilitate the permanent transit of vehicles and improve access to local markets and basic service centers, we expanded and rehabilitated approximately 3 km of dirt road on the right bank of the Vilcanota River, from the Carriyuchayoc bridge to the old bridge that connects the Collpani Grande community with the town of Santa Teresa. The work for this project was completed in September 2013 and has since benefited more than one hundred families.

We also renovated the main low-voltage networks of the electrification system in the Collpani Grande community. In this way, we provided them with a service that meets the standards established in the Technical Quality Standard for Electric Services (NTCSE), meaning the same quality of service as in our concession area in Lima.

Regarding public health services, we rehabilitated the health post in Collpani Grande to ensure it had the proper infrastructure to provide basic medical care and preventive health services. The works were carried out between December 2012 and January 2013 and included the stabilization of foundations and walls, the renewal of the internal electrical installations, and the establishment of an electricity supply.



Regarding public health services, we rehabilitated the health post in Collpani Grande to ensure it had the proper infrastructure to provide basic medical care and preventive health services. The works were carried out between December 2012 and January 2013 and included the stabilization of foundations and walls, the renewal of the internal electrical installations, and the establishment of an electricity supply.

The renovated health post began operations on March 21, 2013, when we handed it over to the Ministry of Health, and it became part of the Cusco Norte Health Service Network.

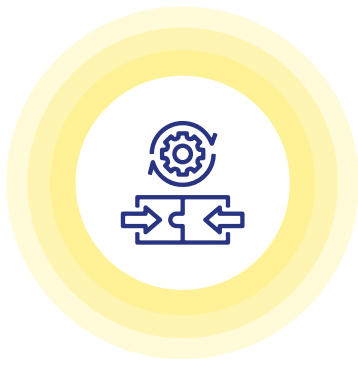
Regarding the education of the youth, we donated school textbooks and modern computers to the educational institutions in Santa Teresa and Collpani Grande. In this way, we contributed to the academic development and opportunities for over 600 girls and boys in both communities. Additionally, we donated two school transport units that allow more than fifty children from the most remote areas to travel comfortably and safely to primary and secondary educational institutions in the town of Santa Teresa.

Furthermore, since 2011, we have celebrated Christmas with great enthusiasm alongside the families of both communities. In addition to toys, hot chocolate, and shows for the little ones, we provide baskets with groceries, appliances, and other gifts that assist in daily activities and improve the quality of life for all families. Each year, these activities are eagerly awaited with joy and excitement by more than 3,500 children from Collpani Grande and the four basins that make up the district of Santa Teresa.



We have been carrying out significant social work alongside the communities of Santa Teresa and Collpani Grande, focusing on the development of the youth and improving the quality of life of our neighbors”.





The merger with Edecañete

In addition to the start of operations in Santa Teresa, 2015 marked another important milestone in our history. In that year, Edecañete merged by absorption with Luz del Sur, after operating as a subsidiary for 19 years. Thus, our concession area expanded by 573 km², formally including the entire province of Cañete and its 38,000 customers.

Furthermore, we invested US\$ 118.6 million to continue improving service in our concession area. We commissioned the new Asia substation and increased the transformation capacity of the Gálvez, Puente, Neyra, Santa Clara, Huachipa, and Pachacámac substations. Additionally, we expanded our lines by installing 58 km of medium-voltage networks and 402 km of low-voltage networks. Regarding public lighting, we executed 180 expansion works and 238 improvement projects, which involved a total of 22 km of public roads.

In line with the expansion of our concession area, we incorporated digital data of the low, medium, and high-voltage electrical networks of the province of Cañete into our Geographic Information System, which improved our response to interruptions. We also updated the system with 1,980 km² of satellite images of our concession area.

On October 19, 2015, after completing a total remodel, we resumed commercial activities at our branch in Chosica. With its new 514 m² infrastructure, we provided better quality service to more than 71,000 customers from the districts of Lurigancho-Chosica, Ate-Vitarte, Chaclacayo, Santa Eulalia, and Matucana.

A few months later, on January 15, 2016, it was the turn of the branch in Cañete. In that year, our investments amounted to US\$ 137 million.



We incorporated the digital data of the low, medium, and high-voltage electrical networks of the province of Cañete into our Geographic Information System, which allowed us to improve the handling of power outages”.

This amount included the commissioning of three new substations: Alto Pradera, San Luis, and Central; the replacement of 278 distribution transformers as part of the plan to mitigate the effects of the El Niño phenomenon, and the renewal of 85.7 km of our medium-voltage overhead network, among other projects.



In addition, in 2016, we launched a cybersecurity program to protect our substations from cyberattacks. That year, we installed next-generation firewalls in 13 of our main substations, and by the following year, we completed the remaining ones.

Regarding public lighting, we executed 306 lighting projects across 16 km of major avenues, 23 km of streets, and 60 parks, adding 5,200 new luminaires to the city.

Moreover, in November 2016, we launched a mobile application that allowed our customers to check information related to their consumption and payments, as well as receive notifications prior to the payment due date and information about their outstanding balance before expiration. We also included technical features that enabled customers to report outages directly from their smartphones.

As for human resources management, we launched the “Aprende con Energía” platform, aimed at facilitating learning and training processes through the internet, with didactic content available to all our employees.

Additionally, we started the “Luz del Sur Ambassadors” program, where our most outstanding employees shared their professional experiences in major universities and graduate schools in Lima.



The response to the El Niño phenomenon

In the summer of 2017, Peru was affected by the El Niño phenomenon, which caused mudslides and floods, leaving thousands of people without homes, basic services, and communication routes. In response to this tragedy, we collaborated with the organization Caritas del Perú to provide the victims with food, water, blankets, clothing, footwear, and other essential items. It is worth noting that Semptra Energy International—our majority shareholder at the time—also made a significant donation through this organization.



We submitted a private initiative to the Regional Government of Arequipa to develop two hydroelectric plants as part of the Majes Hydropower Project. After meeting all the necessary requirements, we were awarded the contract that same year”.

On the other hand, in line with our vision of seeking new business opportunities, we submitted a private initiative to the Regional Government of Arequipa to develop two hydroelectric plants as part of the Majes Hydropower Project. After meeting all the necessary requirements, we were awarded the contract that same year.

In 2017, our annual investment plan continued with a disbursement of US\$ 140.8 million. Among the main projects of that year were the expansions of the Alto Pradera, Cantera, Santa Anita, San Vicente, and Lurín substations; the installation of 275 km of low-voltage networks; and the installation and renovation of 162 km and 77.5 km of medium-voltage networks, respectively.

Additionally, we implemented a software module that facilitated graphic design and automated the valuation of low-voltage network construction projects. This innovation halved the response time for customer requests.

Regarding public lighting, we carried out 329 projects, covering 84 km of roads and 174 parks, installing 5,819 new streetlights and renewing 24,302 existing ones.

Throughout 2017, we included 35,000 people by extending our mass electrification programs to 84 towns that previously lacked the service. These initiatives helped us surpass 1.1 million customers by the end of the year.

The following year, in response to the approval of an industrial lotting project in Huachipa, we once again expanded our concession area by 65.67 km², covering the districts of San Antonio and Lurigancho-Chosica, located in the provinces of Huarochirí and Lima, respectively.

In 2018, we supported the industrial and residential growth of our concession area with investments exceeding US\$ 125 million. This amount was allocated to various projects, including the construction of the new Manchay and San Miguel substations, increasing the transformation capacity of the Chilca, San Bartolo, Villa María, Bujama, and Barranco substations, and installing 91 km of medium-voltage and 298 km of low-voltage networks. We also upgraded 78,205 streetlights and added 5,517 new lighting points across 79 km of public roads and 359 parks.

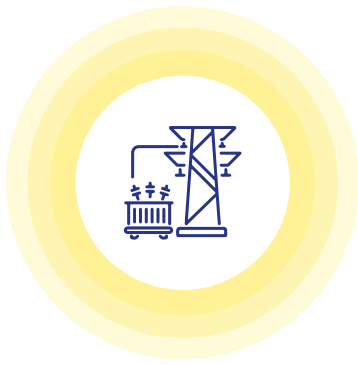
Furthermore, we extended our distribution networks to reach 139 communities without basic electricity services, benefiting over 53,000 people.

That year, we allocated US\$ 11 million to environmental protection efforts. Among these activities, the chemical destruction of 13.6 tons of contaminated oils stood out, following the best international environmental procedures.

Additionally, during the same year, the regulator incorporated valuable contributions from our employees as part of the seventh electricity distribution tariff-setting process. Once the process was completed, new distribution tariffs came into effect for the period between November 2018 and October 2022.

Moreover, in accordance with Supreme Decree No. 026-2018-EM—aimed at addressing the effects of over-contracting capacity in the regulated electricity distribution market—we reached agreements with our energy suppliers to modify the bidding contracts in order to minimize the economic impact of over-contracting between September 2018 and December 2021.





Uncertainty and winds of change

The following year, the country faced a complicated political scenario, which led to the closure of the Congress of the Republic on September 30th, 2019.

This situation was one of the most critical points in the confrontation between the Executive and Legislative branches, which had been contributing to the slowdown of national economic growth for the past three years.

Despite the economic deceleration, our investment projects exceeded US\$ 139 million in 2019, including the massive electrification of 156 towns benefiting 63,000 people who received electric service for the first time.

That year, we also completed the construction of the new Vertientes substation and increased the transformation capacity of the San Bartolo substation. We expanded our network by 53 km of medium voltage and 259 km of low voltage, relocated over 30 km of networks due to public works, and renewed 80 km of medium voltage networks.

Additionally, we took the first step towards transforming our electric distribution network into a smart grid. In 2019, we installed our first smart meters, which connect wirelessly to our offices from the installation site, continuously transmitting electric consumption data.

Regarding public lighting, we executed 465 projects on 44 km of public roads and 282 parks, managing to replace nearly 40,000 luminaires and adding another 4,538 to our concession area.

Another noteworthy event in 2019 was the celebration of our 25th anniversary held at the Jockey Club of Peru, featuring a gala dinner, awards, and recognition for outstanding collaborators for their tenure and performance.



Despite the economic slowdown, our investment projects exceeded US\$ 139 million in 2019, including the massive electrification of 156 towns, benefiting 63,000 people who received electric service for the first time”.

The hard work of our employees over 25 years was acknowledged with the interest of one of the most important business groups in the energy sector worldwide. In 2019, China Yangtze Power International, a company of the

China Three Gorges Corporation, acquired Sempra Energy International's stake in our shareholding. This marked the beginning of the most recent chapter in the history of our company.





“In the offices and in the field, I learned that the human side is fundamental to successfully manage teams.”

Marco Calderón

Head of The Engineering and construction Department for clients over 50 kW

Marco joined the plant staff at Luz del Sur in 1995. Initially, he worked in the projects area of what was then the San Juan Service Center. There, he stood out for his social commitment and technical skills. “I joined the company two weeks before the celebration of its first anniversary, and from the beginning, I really liked the atmosphere of camaraderie,” he recalls.

Throughout his career, Marco has held multiple roles, demonstrating his ability to adapt to the changing needs of the company.

A milestone in his career was his participation in the Technical Information Systems area, two years after joining the company. At that time, most of the information about networks, stations, and clients was in Excel sheets or blueprints. By the new millennium, they needed to migrate this information to a digital platform.

In this project, Marco was responsible for validating the information in the new software regarding the actual locations in the field. “For the first time, we managed to visualize, on a single screen, a map of the concession area with the location of all the stations, networks, streets, public lighting points, and client connections,” he comments.

That first digital mapping was a key tool for operational and commercial areas. Moreover, it laid the groundwork for future software developments.

Between 2002 and 2005, he worked in the Standardization and Costs Department, where he contributed to developing technical standards to carry out the company’s activities more safely and efficiently. Then, in 2006, he was promoted to supervisor in the Projects and New Services Department.

In 2014, he took on the role of supervisor in the Projects Department for up to 50 kilowatts. There, he committed to the mission of managing massive electrification programs, prioritizing areas that met the technical and legal requirements for electrification.

This was a particularly rewarding phase, as he was able to work directly with low-income families in human settlements and populated centers, so they could access the much-anticipated electric service that would help transform their lives.

Since January 2017, Marco has been the head of the Engineering and Construction Department for Clients over 50 kilowatts. In this stage, his ability to adapt to changes, lead teams, and manage complex projects has helped him overcome the challenges of this role.

For over 19 years, Marco has contributed to the growth and modernization of Luz del Sur, leaving a mark on the communities and teams with which he has worked. His story serves as an inspiration for all those seeking to make a difference.



“

I fondly remember the electrification projects in Villa María del Triunfo, I met many warm, respectful, and driven people who did their best to meet the project requirements”.

An aerial night photograph of a city, likely Santiago, Chile, showing a dense urban landscape with numerous lights from buildings and streets. In the foreground, a large, semi-transparent circular graphic is overlaid, containing a large white number '5' on a dark blue background. The city's lights create a warm, golden glow against the dark night sky.

5

The backing
of a giant



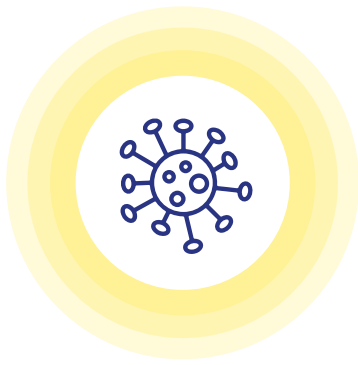
On April 10, 2020, the National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOPi) approved the acquisition of Semptra Energy International's stake by China Yangtze Power International (CYPC). Two weeks later, the agreement was finalized for a record amount, recognized as the most significant transaction in the Peruvian stock market that year.

In this way, we became part of one of the largest energy economic groups in the world, which, among various operations, includes the largest energy company in China and the largest hydroelectric power plant in the world.

Over the past five years, the economic and business support from this energy giant has been crucial in facing challenging obstacles and embarking on a deep cultural transformation process within the company.







The pandemic, impact and solutions

Lhe challenges arrived quickly. Alongside the acquisition process, in March 2020, the COVID-19 pandemic officially reached Peru.

Its serious effects on the health and economy of Peruvian families were particularly difficult to prevent and combat in the Lima region, including our concession area, where nearly one-sixth of the national population resides.



One of the most urgent measures with our employees was to implement new technological infrastructure, adapt our IT systems, and strengthen cybersecurity to properly implement remote work”.

Among the measures to address the pandemic, the government declared a state of health emergency and a strict quarantine that affected the vast majority of economic sectors in the country. This was compounded by a complicated political scenario in which there were three presidents of the Republic in the same year.

While economic activity gradually began to reestablish itself in the following months, the severe effects on the national economy resulted in an 11.12% contraction in the gross domestic product by the end of the year, which in turn was reflected in the consumption and needs of our clients.

In response to the health crisis, we implemented a robust biosecurity plan focused on minimizing the number of infections to safeguard the health of our employees, contractor personnel, and clients. Additionally, CYPC sent personal protective equipment, which was distributed to our employees and contractors, as well as to vulnerable individuals in our concession area.

One of the most urgent measures for our employees was to implement new technological infrastructure, adapt our IT systems, and reinforce cybersecurity to properly implement remote work.

For functions that necessarily had to be carried out in the field, we developed mobile applications to supervise tasks, eliminate the use of paper, monitor contact between individuals, and identify potential symptoms of the disease early.



Additionally, we complemented these preventive measures with constant disinfection of our work areas and vehicles.

In response to cases of infection, we conducted molecular and antibody tests on in-person staff every week to identify the disease promptly and initiate early treatment to help reduce symptoms and prevent new infections.

We also launched the “Luz del Sur te Acompaña” program, through which we offered telemedicine and nutrition consultations, as well as ongoing psychological assistance, to support the well-being of employees and their families.

Regarding our contractors, we reviewed over 57 plans for the surveillance, prevention, and control of COVID-19 to ensure compliance with the protocols required by our biosecurity plan and current national regulations. Additionally, we installed cameras integrated with our remote supervision application to monitor the progress of construction in real time via the Internet.

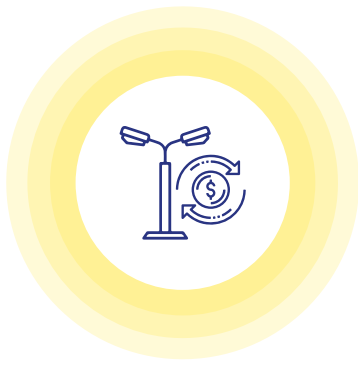
On the other hand, the health and economic crisis increased the number of inquiries and complaints from our clients regarding their electricity consumption.

To address them more safely, we implemented various digital solutions that allowed our clients to carry out their procedures from home. Among these, a chatbot stood out, which automatically handled 43% of the inquiries received through our social media and website.

In the following months, when we gradually resumed in-person service at our branches, we developed digital tools to allow our staff to assist clients in an orderly manner while maintaining proper social distancing, even while they waited to enter our offices.

In addition to the technological developments and biosecurity measures implemented in our operations, we contributed to the well-being of vulnerable families in our concession area by distributing 34,000 food baskets through the National Police of Peru and the Armed Forces.

Previously, we coordinated with the Presidency of the Council of Ministers (PCM), the Metropolitan Municipality of Lima, and district municipalities to identify families that had not benefited from government assistance programs.



Investments and operations

While the pandemic was the main challenge during 2020, our commitment to improving the quality of supply and being prepared for the country's growth could not stop.

Alongside our efforts to face COVID-19, we invested US\$ 145 million in our electrical system. Among the standout projects were the construction of the Los Sauces and Pachacútec transmission substations, as well as the respective transmission lines to supply them.



We initiated the smart metering pilot project approved by Osinergmin, installing 5,500 meters with this new technology”.

Additionally, we carried out 264 public lighting projects across 31 km of roads and 139 parks; brought electricity to 50,000 people in 109 rural settlements; and initiated the smart metering pilot project approved by Osinergmin, installing 5,500 meters with this new technology.

We also installed fiber optic links to improve the monitoring of the substations that supply the Edgardo Rebagliati Martins Hospital and the Carlos Alberto Peschiera Carrillo National Cardiovascular Institute.

Finally, we launched a new outage management system, which centralized and integrated all of our tools to improve efficiency, reduce costs, and enhance the safety and reliability of our distribution network operations.





A year of resilience

In 2021, we continued the gradual reactivation of our in-person activities with strict biosecurity protocols and internal awareness campaigns on the importance of vaccination. These efforts helped us close the year with over 1.22 million customers.

While the subsequent waves of the pandemic and a contentious electoral process prevented the economic recovery from fully taking hold, we could not postpone the necessary investments to contribute to the reactivation of national industry and the livelihoods of millions of people. Therefore, in 2021, we continued with planned investments totaling US\$ 123 million.

That year, we built the new Progreso substation and increased the transformation capacity of the San Luis, Chosica, and Bujama substations. Regarding our distribution networks, we relocated 21 km for public works, renovated 128.7 km, and installed 84 km of medium voltage and 376 km of low voltage lines. Additionally, we continued our mass electrification programs, bringing electricity to 16,700 families in 152 towns that did not previously have service.

In terms of public lighting, a highlight was the installation of over 5,000 LED luminaires in Cañete. Furthermore, we installed 5,500 new meters as part of the smart metering pilot project.



Another important project executed that year was the implementation of a new center for the technical development of specialists in engineering, operation, and maintenance of digital transmission substations.

In addition to biosecurity measures in our operations and our investment in infrastructure to improve service, during 2021 we reaffirmed our social commitment with new initiatives to help overcome the health emergency.

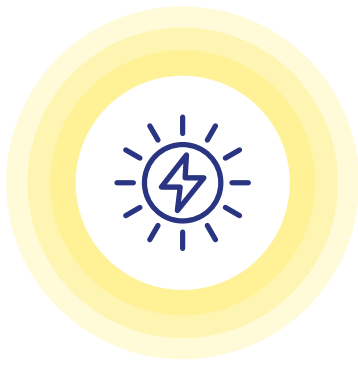
That year, one of the main challenges in fighting the pandemic was the national shortage of medical oxygen. As a result, we partnered with Cáritas to contribute to the electrical installations of various oxygen plants that were crucial in helping save the lives of our fellow citizens. Additionally, through our corporate volunteer campaigns, our employees made donations that helped sustain the operations of these plants.

Thanks to these donations, we partnered with the NGO PROA to deliver blankets, face masks, and hand sanitizers to more than 655 families in poverty in Lurín and Villa María del Triunfo. The blankets and masks were acquired from the social enterprise KHANA, which empowers entrepreneurial women in the most vulnerable areas of our country through recycling.

We also contributed to the safe return to school for nearly 3,000 students in public schools. In partnership with Empresarios por la Educación, we supported the disinfection and general maintenance of select schools chosen by the Regional Directorate of Education of Metropolitan Lima, in preparation for the semi-presential classes that would begin the following year.



In 2021, we continued the gradual reactivation of our in-person activities with strict biosecurity protocols and internal awareness campaigns on the importance of vaccination”.



The back to reality

Despite the fact that, thanks to a large vaccination effort, the country had already overcome the worst part of the pandemic, 2022 was a challenging year economically and socially due to the instability of the government elected the previous year.

That year, we invested USD 76 million to ensure optimal electrical service in our concession area. Among our main projects, we increased the transformation capacity of the Pachacútec and Barranco substations, relocated more than 12 km of networks due to public works, installed 62 km of medium voltage networks, and 326 km

of low voltage networks, and brought electricity to nearly 100,000 people through the massive electrification of over 200 rural towns.

Additionally, we implemented a fiber optic link to improve monitoring of the electrical system supplying the María Auxiliadora Hospital and completed the installation of 16,000 smart meters approved in the smart metering pilot project.

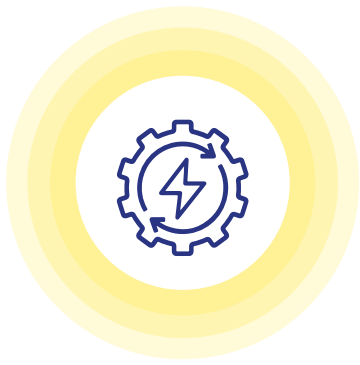
We also conducted detailed inspections of 233 km of overhead transmission networks using drone-captured images, reducing the risk for our personnel by avoiding manual inspections that required climbing structures.

On the other hand, the energy we supplied to free customers saw an 80% increase compared to 2021. This was achieved thanks to contracts we signed with key companies in the retail and telecommunications sectors.

Regarding waste management, we disposed of 45.7 tons of hazardous waste and recycled 3,587 luminaires.

In 2022, we also continued with new social initiatives. In partnership with the Banco de Alimentos del Perú, our employees donated 42,240 food rations to 20 community kitchens in the Santa Anita district, contributing to the nutrition of nearly 1,000 people.





Organizational transformation

In 2023, we prepared to enter a new decade of operations by initiating a process of organizational transformation based on four strategic pillars: innovation, culture, operational efficiency, and growth.

To guide this transformation, we established new objectives and created a strategic planning committee responsible for monitoring progress.

As part of this process, we updated our mission, vision, and corporate values in line with the changes we are implementing within the company, while also revising our code of conduct and publishing our new code of ethics.



The energy we supplied to free customers increased by 80% compared to 2022. This was achieved thanks to the contracts we signed with major companies in the retail and telecommunications sectors”.

Additionally, we renewed our brand image with an ongoing and open communication plan with all of our stakeholders, focusing on achieving shared goals. This involved increasing our presence on social media and in the media, among other actions, to position our new purpose, which is aligned with sustainability, innovation, customer experience, and safety.

With the goal of improving our customers' perception of the quality of our service, we established strategic partnerships with banks and digital wallets to streamline the payment of our bills. As a result, today 86% of our customers' payments are made online, enhancing their experience, which is reflected in a satisfaction index of 85%.

This transformation process is also aimed at improving the experience of our employees. In this regard, during 2023, 130 leaders from all company departments participated in workshops by the Great Place to Work Institute to optimize the work environment, and we remodeled more than 5,200 m² of workspaces to provide more comfortable and suitable environments. These efforts were reflected in an overall satisfaction index of 84%, an increase of ten percentage points compared to the previous year.

In parallel with the transformation process within the company, we continued executing projects outlined in our annual investment plan, valued at US\$ 101.5 million. With this, we installed 61 km of medium-voltage networks and renewed another 69.5 km, expanded the low-voltage network by

334 km, and brought electricity to over 20,000 families through the mass electrification of 198 populated centers.

Regarding public lighting, we launched three projects that will enable smart and remote management in Cañete. Additionally, we continued replacing old light fixtures with new technologies. By the end of 2023, our concession area had over 27,000 LED lights in service.

On another note, we acquired 100% of the shares of two photovoltaic plants located in the Arequipa region, which have a combined installed capacity of 40 MW. We also acquired two wind farms located in the Ica region, which have an installed capacity of 129 MW. This reaffirms our commitment to generating electricity from renewable sources.

Another significant event in 2023 was the emergence of Cyclone Yaku, an unusual climatic phenomenon that wreaked havoc in the north of the country and whose effects even reached the coasts of Lima. Over several weeks, Yaku affected a total of 200,000 electrical supplies in our concession area. We quickly implemented a contingency plan that prioritized the preservation of infrastructure and the safety of operations to reactivate the electricity service. Once the situation was resolved, on April 5, 2023, we recognized 123 frontline collaborators for their outstanding work in managing this contingency.

Additionally, through the NGO Hombro a Hombro, our collaborators participated in a donation campaign to provide food baskets to more than 1,400 people affected by Yaku.

In terms of environmental issues, in 2023, we committed to ecological restoration in the buffer zone of the Tambopata National Reserve in Madre de Dios. Through the company Green Initiative, we will contribute to the planting of 300 native trees that will help capture 1,000 tons of carbon over the next 15 years.

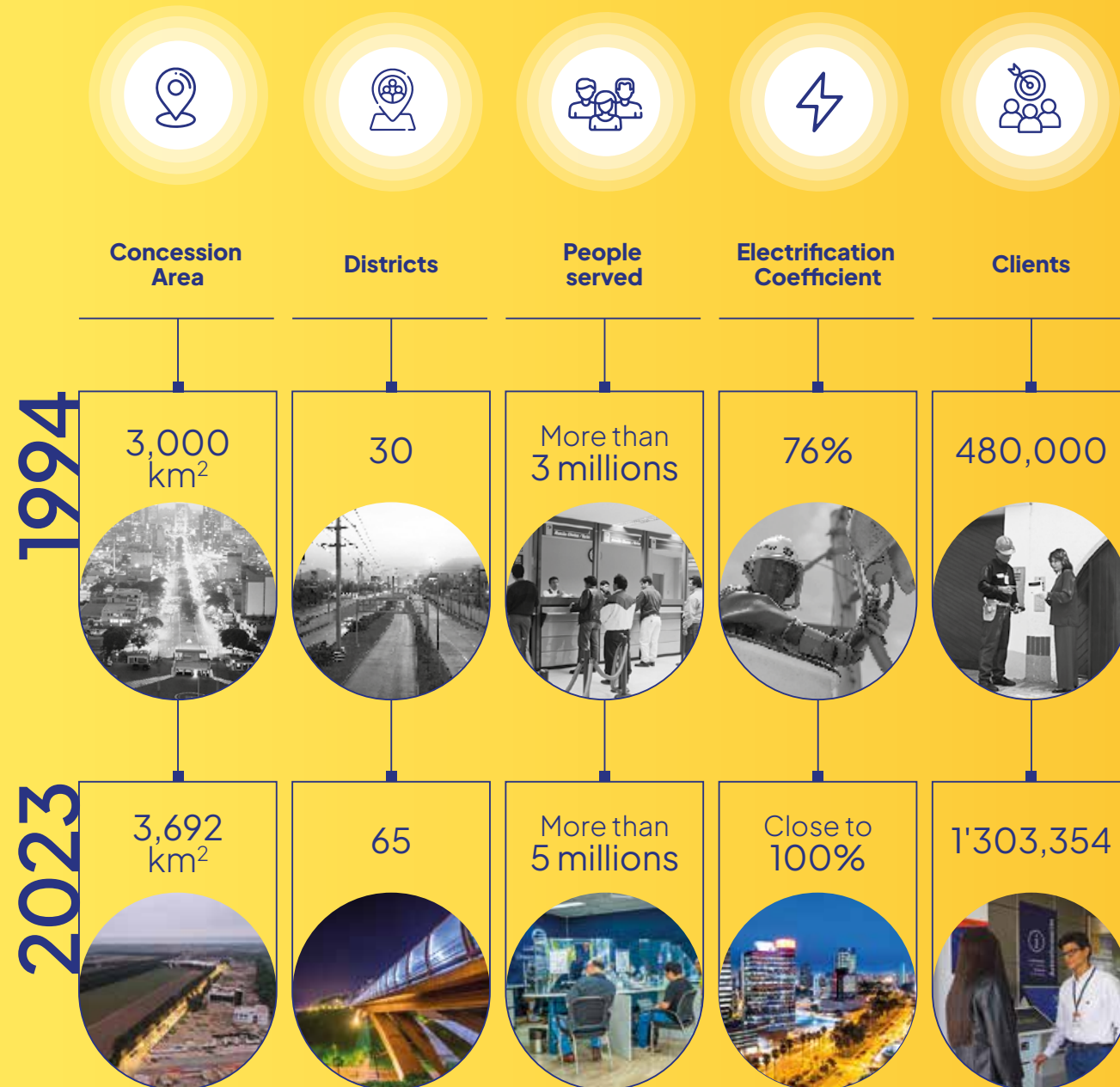
Furthermore, with the implementation of our first fast charging station in public areas, located in the Miraflores district, we took a first step to promote the use of electric vehicles that will help reduce environmental and noise pollution in Metropolitan Lima. Between March and December 2023, this station supplied 48,536 kWh of energy in 1,869 fast charging sessions.





Transforming lives

Key indicators about our service
(1994 vs. 2023)



Sources: Annual Reports of Luz del Sur (1997 and 2023), COPRI - Evaluation of the Privatization Process - Electric Sector



**“Customer service
is a team effort,
all the time.”**

Giuliana Castellano

Administrator of Miraflores Branch

Administrator, Negotiator, Facilitator, and a Humanist Leader at the Service of Others Giuliana, from her office in Miraflores, has witnessed the evolution of Luz del Sur, its changes, and the commitment to serve its customers better every time. At one point, she had to explain to the famous comedian Sofocleto, a neighbor from Miraflores, why his electricity bill was so high during a conversation that lasted several hours.

“Being a leader is not just a title or position. It is about fulfilling the company’s objectives, plans, and goals, having human sensitivity, and always being attentive to the team and the needs related to our customers,” she explains her philosophy. This way of thinking has led her to manage the opening of Luz del Sur branches in other districts and even convince a manager to set up a daycare in one of them, given the massive attendance of mothers and fathers carrying their small children.

Giuliana feels a responsibility toward the customers of Luz del Sur and communicates this to her team. “Our customers feel that we are advisors in everything. They ask us questions related to electrical matters but also about their consumption, what to do to improve and control their expenses. They feel a lot of trust, come in with great confidence, and know that we are good professionals, sincere, and very reliable,” she recounts.

This is not a product of chance but rather the result of hard work, requiring good disposition, communication, and coordination, backed by high-performance technology, and a positive

work environment. “It’s a very cohesive team because we are all very warm people. For example, on each birthday, we become ‘laberintosos’ (a playful term). We try to maintain that warmth and to feel good. If there weren’t a good work atmosphere, it would affect customer service because it’s all about team coordination, all the time,” she comments.

But perhaps the main reason for this is leadership by example. “A lot comes from setting an example. Over the years, as a leader, you know that your collaborators are watching you. It’s a constant gaze, and that’s how it should be. If I behave in a certain way, they will react in the same manner,” she explains.

What’s the secret to guiding younger team members? “Instilling values; respect, honesty, punctuality, and responsibility. Customers know that we do not accept any gifts; this is our job, and we must be happy to meet their needs. Because of the quality of the company, young people know they must conduct themselves according to our values. In return, they contribute interesting ideas and new perspectives. Another important aspect is the interaction among them as a team. They need to be developed as a team,” she asserts.

Giuliana knows this well because she also started young at Luz del Sur and matured with it. “I am grateful for the support I have always received, always with consideration and respect. And that’s how I have responded,” she concludes.



“

Being a leader is not just about the title or position. It is about achieving the company's objectives, plans, and goals, but it is also about having human sensitivity.”

An aerial night photograph of a city, likely San Francisco, showing a dense urban landscape with numerous illuminated buildings and streets. The city lights create a warm, golden glow against the dark night sky. In the foreground, a large, semi-transparent blue circle contains a white number '6'.

6

Renewed

for the future



Our thirty-year track record in Peru supports our firm belief that innovation is a fundamental factor for improving operational efficiency and safety, reducing costs, providing better service to our customers, and protecting the environment.

Today, as part of the cultural transformation process we are immersed in, we renew our commitment to adopting new technologies that drive us to remain at the forefront of the Peruvian electricity sector in the coming years.

Below, we present a summary of some of the technologies we are developing and testing for implementation in the near future.







Pressure washing drones

In the electrical sector, the maintenance of medium-voltage insulators is a constant task. Insulators are components made of polymeric material or porcelain that prevent direct contact between electrical conductors and poles, avoiding energization. However, these components are exposed to the elements, leading to dirt accumulation, which can reduce their effectiveness and cause insulation failures.



This technology offers several advantages. It eliminates the risks for the operator who would typically work close to energized lines. On the other hand, it allows for cleaning tasks to be performed more quickly and efficiently”.

Traditionally, maintaining these insulators involves using a crane to elevate an operator who applies high-pressure water through a hose to clean the insulators without interrupting the electrical supply.

Although this method is effective and safe when following the proper procedures, it is costly, as it requires transport units with heavy cranes. Additionally, the operator must ascend to considerable heights and work near energized lines, posing potential risks.

To address this, we have developed an innovative solution that utilizes drones for the pressure washing of insulators. This project has undergone several testing and development phases over the past year. Initial attempts faced challenges, such as the instability of the drone when ejecting water at high pressure. However, we now have drone models capable of handling the water pressure without issues.

The implementation of this technology offers several advantages. On one hand, it eliminates the risks for the operator who would typically work close to energized lines. On the other hand, it allows for faster and more efficient cleaning, using lightweight vehicles to transport the drone and its operator.

In 2024, we plan to begin field testing of this innovation with an electric truck and a specially equipped drone for this task, aiming to replace the entire fleet of cranes currently used for insulator maintenance starting in 2025.





Smart Public lighting

Currently, public lighting fixtures are managed in each of the thousands of distribution substations that control the electrical grid across a set of blocks. A timer or a solar light sensor is used for this purpose, where the parameters for turning all the fixtures connected to a substation on and off are programmed.

In order to achieve much more precise control over the operation of these fixtures, we are implementing a modern remote management system that leverages the development of the Internet of Things (IoT) and offers multiple advantages in terms of energy efficiency, maintenance, and functionality.

Our smart public lighting project aims to equip each fixture with a remote management node that, through mobile internet service, will be connected to our modern control center and customized mobile applications. This way, we will be able to turn on, turn off, and precisely control the power of each fixture or any group of them.

With this technology, we aim to revolutionize the function of public lighting for the benefit of citizens in the coming years.

The advantages of remote management of lighting fixtures are numerous. On one hand, we could save energy by reducing the power of the fixtures on roads and during hours with less traffic.





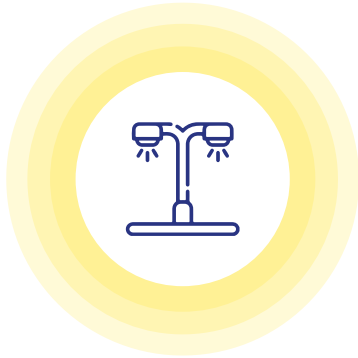
We are implementing a modern remote management system that leverages the development of the Internet of Things (IoT) and offers multiple advantages in terms of energy efficiency, maintenance, and functionality”.

On the other hand, it opens up the possibility of increasing the power of specific fixtures based on social events, public shows, or emergency situations to meet the needs of citizens and public safety services.

Additionally, this technology allows for the automatic detection of a fixture failure and anticipates the need for maintenance to reduce interruptions in public lighting service.

In 2023, we implemented the first pilot tests of this technology in the province of Cañete. This way, we have verified its effectiveness and capability, with the aim of refining and progressively implementing it across our entire concession.





Modular poles

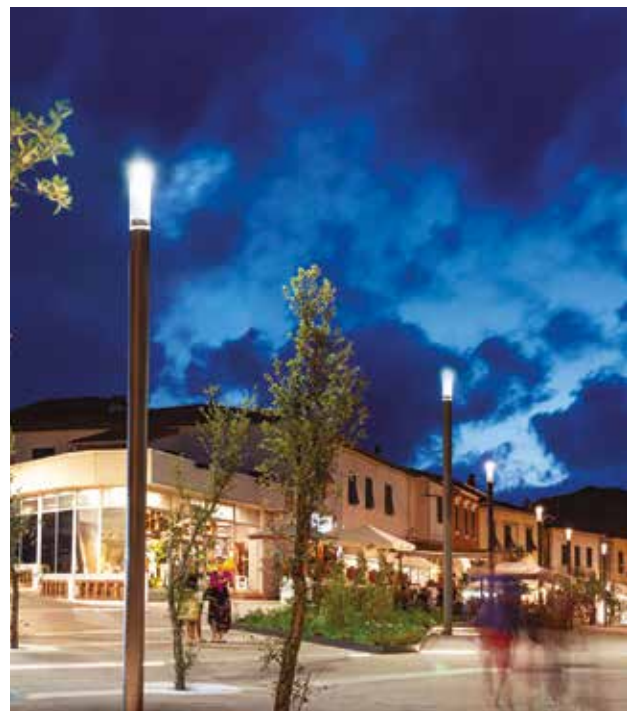
This project has been designed to meet the new needs of municipalities and other institutions responsible for managing parks and public spaces, allowing for the replacement of traditional lighting poles with versatile modular columns that can adapt to various requirements of public spaces and the community.

Each module can be equipped to perform different functions. Some of these include providing chargers for electric vehicles, surveillance cameras, speakers for public communication, image projectors, or air quality and noise sensors, among others.

These modules can be easily assembled, one on top of the other, to form poles of different heights that consolidate various functions within a single structure with a common power source. This way, we will avoid installing multiple structures in a disorganized manner, each with a single purpose.

This technology will be especially useful for municipalities and other institutions responsible for managing parks and public spaces, as they will have a modern, customizable, and intelligent alternative to meet the community's needs for beautification, security, and entertainment, as well as to collect and monitor key information for public management.

Furthermore, since they are composed of interchangeable modules, the functions of the same pole can be adapted over time according to the new needs of public spaces. For example, in addition to providing public lighting, the same pole could be equipped with a security camera and alarm to enhance public safety on a roadway, and later, air quality sensors and specialized cameras for detecting trash heaps and illegal dumping could be added.



“

A single pole could be equipped with a security camera and alarm to contribute to public safety on a roadway, and later on, air quality sensors and cameras specialized in detecting trash piles and land clearing could be added”.

Moreover, this modular approach opens up a wide range of possibilities for the implementation of new devices and services through new modules and applications that will be developed as technology advances.



Currently, we already have units of this new technology in our warehouses, and we are developing agreements with some district municipalities to test them in the coming months. In this way, we aim to contribute to optimizing the resources allocated for urban management and improving the quality of life in our concession area.



Robot inspector in SET

Et Luz del Sur, we are proud to have designed a teleoperated robot vehicle to monitor our assets and address interruptions in the electrical supply at our transmission substations (SET).

Its design incorporates cutting-edge technology, adapted to the technical specifications of our facilities, to ensure it meets our operational needs and allows for smooth movement through the key areas of our transmission substations.



Among its main features are:

- A ground navigation system with four-wheel drive and the ability to turn 360°.
- Navigation cameras that provide complete control of the field of vision.
- A state-of-the-art charging system with wireless technology that guarantees its operational autonomy, even in situations of disconnection from the auxiliary 220V electrical service in the substations.

Equipped with wireless connectivity and navigation systems independent of the substation, our robot inspector ensures a quick and efficient response to any eventuality, without relying on the infrastructure of our substations.

This enables remote and safe intervention, eliminating risks for our personnel, who can supervise and control the robot from a safe location.

Thanks to this innovation, we can provide images and video to our control center remotely, allowing us to make more effective decisions to address interruptions or unforeseen disconnections.

Our initial experiences with this technology have been recognized in the 2024 edition of the innovation award granted by the Regional Energy Integration Commission (CIER), a prominent non-governmental organization that includes electric companies from 16 Latin American countries.

We are convinced that this robot vehicle will not only improve our operations but also become a model to follow in the energy industry.



Renewable energies

Location, technology, and installed capacity of our renewable energy generation plants.

We are committed to clean energy.



**Santa Teresa I
Hydroelectric
Power Plan**



Location:
Cuzco region.



Installed capacity:
104.87 MW.



**Photovoltaic
Plants
Majes and Repartition**



Location:
Arequipa Region.



Installed capacity:
44 MW.



**Marcona
and Tres Hermanas
Wind Farms**



Location:
región Ica.



Installed capacity:
129.25 MW.





“We have had the opportunity to grow professionally.”

Luis Novoa

Head of the Dispute Resolution Department.

Luis joined Luz del Sur in 2010. The head of the Dispute Resolution Department recalls his beginnings when he worked in what was called the Procedural Area. During that time, he recounts, there have been five different managers in the Legal Area, each with their own way of working. “The important thing is to know how to adapt to changes, and what I highlight most is the opportunity we have had to grow professionally,” he assures.

Today, Luis leads a team dedicated to handling the disputes arising from Osinergmin’s inspections regarding the provision of electrical service and user complaints. And, just as with his training and professional development, he believes that Luz del Sur has been able to adapt and comply with regulations: “Over time, the demands of the regulator and the standards have increased, and the company has gradually adapted to these changes and expectations.” For Luis, more than just providing electric service, Luz del Sur seeks to serve people, satisfying that primary need for light and energy when required.

The Dispute Resolution area also intervenes when there are disputes regarding tariff fixes or arbitrations that arise with energy generators, as well as recoveries (reimbursements) for disruptions (service failures) caused by third parties that damage Luz del Sur’s facilities.

“Last year, in recoveries, we reached almost S/ 1.5 million. This year, we are already nearing S/ 1 million. This is a function we started last year, and we are managing it optimally,” he comments.

But Luis’s team also focuses on risk prevention. “We also identify situations that could lead to potential litigation in a dispute. We alert the different areas about these situations, coordinating with operational areas, especially with Distribution and Commercial, and to a lesser extent, with Transmission,” he reveals.

The entry of a new shareholder into the company has also marked a change in the work of his area. “The demands are greater because the shareholder requires more information. In addition to the monthly reports we produce, we provide up to three additional reports for the shareholders and other requirements because they want us to analyze and anticipate what might happen, even consulting other areas,” he comments. The goal is to reduce the number of cases and processes with third parties, so that the company can maintain a more harmonious coexistence with its stakeholders.



We also identify situations that could lead to potential litigation in a dispute, coordinating with operational areas”.



Letter from the Chairman of the Board

Final words

Dear Luz del Sur family,

It is an honor to address you on behalf of the Board of Directors and the shareholders of the company.

In 2020, we began a new chapter in our successful history with the global backing of the China Three Gorges Corporation. Since then, we have embarked on a process of institutional transformation aimed at keeping the company at the forefront of the sector, facing the challenges of the future. This process has involved renewing our brand, incorporating more innovative technologies, and implementing new policies and guidelines aligned with international best practices in a globally competitive sector, without neglecting our focus on safety.

Peru is a strategic market in Latin America due to its macroeconomic stability and energy development potential. At Luz del Sur, we will continue to expand and improve our distribution infrastructure to meet the growing demand for electricity in the districts within our concession area.

Our goal is to ensure a reliable and efficient electricity supply, supported by advanced technology that optimizes our operations and improves service quality for our customers.

Thanks to its geographical diversity and natural resources, Peru has enormous potential for the development of renewable energies, which are key to the energy transition process. Luz del Sur, as a leading company in the sector, is well-positioned to drive this transition towards a more sustainable energy matrix.

For this reason, we have focused on making strategic investments in solar and wind energy projects, turning the country's climatic conditions into an asset for sustainable development and our operations.

We recognize the challenges this entails, such as equipping our electrical networks with intelligence, integrating intermittent generation sources, and meeting the demand that will result from the electrification of transportation.



Our commitment to delivering energy to improve people's quality of life has motivated us to drive the transition in the energy matrix of transportation, both in the private and public sectors.

However, we view these challenges as opportunities to innovate and reaffirm our leadership in the energy sector of the country and the region.

Over the years, the Luz del Sur concession area continues to represent the greatest potential for urban and industrial development in the country. Therefore, we fully understand our role as facilitators of all types of projects that improve the quality of life for Peruvians, taking advantage of the unprecedented technological transformation that the country and the world are undergoing.

At Luz del Sur, we are at the forefront of this trend, adopting technologies that optimize our operations and enhance our customers' experience. We are implementing smart meters, which will allow for more efficient management of electricity consumption and greater control for users, as well as developing remote management projects that will continue to improve the quality of our service. Additionally, we are exploring energy storage solutions that facilitate the integration of renewable energies and increase the resilience of our network.

Electromobility is a priority on our agenda. Lima is a city with high levels of environmental and noise pollution, making it imperative to modernize the vehicle fleet and transportation systems.

Our commitment to providing energy to improve the quality of life for people has motivated us to promote the transition in the energy matrix of transportation, both in the private and public sectors.

This is just one example of why we are proud of the path we have traveled and are optimistic about what lies ahead. Our vision is clear: to promote a cleaner future with sustainable energy and innovation through efficient management for the next generations of Peruvians.

We appreciate the support of all our stakeholders. We trust that together we will achieve all our goals. We will continue to work with dedication and commitment to celebrate more decades of transforming the lives of Peruvian families.

Ning Xue

Chairman of the Board

Luz del Sur





www.luzdelsur.pe