

**ENEL GENERACIÓN CHILE**  
**ANNOUNCES CONSOLIDATED RESULTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**  
(Amounts expressed in millions of Chilean Pesos)

**EXECUTIVE SUMMARY**

- Net income of Enel Generación Chile S.A. amounted to a Ch\$ 64,488 million profit as of September 2021 compared to a Ch\$ 299,421 million loss for the same period of last year. This improvement is mainly explained by the greater impairment losses booked in September 2020 amounting to Ch\$ 688,331 million related to the disconnection of Bocamina II coal power generation unit. Net income for Q3 2021 reached a Ch\$ 3,934 million loss, which represents a Ch\$ 100,350 million profit reduction when compared to Q3 2020 due to a significant increase in operating costs.
- When excluding the extraordinary effect related to the greater impairment losses of Bocamina II and the extraordinary costs booked in 2021 related to the Group's 2021-2024 digitalization strategy for Ch\$ 6,001 million, net income of Enel Generación Chile S.A. declined 60.9% to Ch\$ 86,131 million as of September 31, 2021, compared to Ch\$ 220,323 million adjusted net income as of September 2020. When applying the same method to quarterly results, adjusted net income for Q3 2021 declined 97.8% to Ch\$ 2,184 million, mainly due to greater operating costs.
- Net electricity generation reached 11,358 GWh as of September 2021, 1.9% (-222 GWh) less than the same period of last year, while net electricity generation during Q3 2021 amounted to 3,759 GWh, which is 9.4% (-388 GWh) lower than the figure for the Q3 2020. This was largely due to lower hydroelectric generation in the last quarter as a result of the drought condition that has affected the country.
- Physical energy sales amounted to 20,219 GWh as of September 2021, 25.5% more (+4,109 GWh) than the same period of last year, mainly explained by higher physical sales to unregulated customers mainly related to new contracts, including those customers transferred from Enel Distribución Chile related to the enactment of legislation allowing distribution companies to only distribute electricity to customers subject to regulated electricity prices ("Ley de Giro Exclusivo"). During Q3 2021, physical electricity sales increased 36.6% to 7,410 GWh (+1,984 GWh) due to higher physical sales to unregulated customers.
- In line with the above, operating revenues reached Ch\$ 1,377,992 million as of September 2021, a 22.9% increase when compared to September 2020. During Q3 2021, operating revenues increased 46.7% to Ch\$ 543,262 million. These variations were mainly due to higher physical electricity sales and also higher gas sales during the last quarter.

- Procurement and services costs increased 69.5% to reach Ch\$ 1,106,436 million as of September 2021, mainly explained by higher electricity purchase costs, larger fuel consumption and higher other procurement and services costs. This increase was primarily due to the significant 187.0% increase in this year's Q3 operating costs that reached Ch\$ 515,774 million mainly due to the higher average price and amount of electricity purchases in addition to greater fuel consumption as a consequence of the less efficient generation mix resulting from the lower level of hydrology and also due to the higher cost of gas sales.
- Personnel expenses increased 19.9% to Ch\$ 39,243 million due to higher expenses primarily during Q2 2021 related to the Group's digitalization strategy. During Q3 2021, personnel expenses declined 8.5% to Ch\$ 10,693 million when compared to Q3 2020.
- As a result of the factors previously mentioned, the Company's EBITDA as of September 30, 2021, decreased 53.5% to Ch\$ 173,418 million when compared to September 30, 2020. When excluding the extraordinary effects mentioned above, the Company's EBITDA decreased 47.9% to Ch\$ 203,066 million as of September 30, 2021. During Q3 2021, EBITDA decreased 101.3% reaching a Ch\$ 2,007 million loss. When excluding the extraordinary effects, EBITDA decreased 96.0% to Ch\$ 6,374 million.
- Financial results went from a Ch\$ 30,036 million expense as of September 2020 to a Ch\$ 45,644 million expense as of September 2021, mainly explained by greater financial expenses. Nevertheless, during Q3 2021 financial results amounted to a Ch\$ 9,097 million income equivalent to a Ch\$ 19,829 million increase when compared to the same quarter of 2020 due to lower financial expenses and an income resulting from exchange rate differences.
- The 6<sup>th</sup> *Informe Report Chile* acknowledged Enel Generación Chile for its "Commitment" to decarbonization, and its parent company, Enel Chile, obtained first place in the ranking.

## **FINANCIAL SUMMARY**

- > Gross financial debt of the Company as of September 2021 reached US\$ 1,089 million, US\$ 44 million less than September 2020.
- > The average cost of debt increased to 6.8% as of September 2021 compared to 6.6% as of September 2020.
- > The Company's available cash and cash equivalents amounted to US\$ 8 million as of September 2021.

# ENEL GENERACIÓN CHILE

## FINANCIAL STATEMENTS ANALYSIS

### AS OF SEPTEMBER 30, 2021



The Enel Generación Chile Group owns and operates 109 electricity generation units with 6,000 MW total combined gross installed capacity as of September 30, 2021. Of this total, 38 generation units are hydroelectric with a total 3,469 MW installed capacity, 20 are thermal generation units that operate using gas, coal, and fuel oil with 2,453 MW installed capacity and 51 are wind generation units with 78 MW installed capacity. Consequently, 59% of our installed capacity is renewable energy and 41% is thermal.

Markets in which participates	Energy Sales (GWh)						Market share (%)	
	Cumulative			Quarterly			Sep-21	Sep-20
	Sep-21	Sep-20	% Change	Q3 2021	Q3 2020	% Change		
Sistema Eléctrico Nacional (SEN)	20,219	16,110	25.5%	7,410	5,425	36.6%	36.2%	30.1%

**INFORMATION RELEVANT TO THE ANALYSIS OF THESE FINANCIAL STATEMENTS**

**Regulatory Changes:**

As part of the Social Agenda announced by the government, the Ministry of Energy published Law 21,185 (hereafter the “Tariff Stabilization Law”) in the Official Gazette on November 2, 2019. This Law creates a Temporary Regulated Customer Tariff Stabilization Mechanism that states that the price to charge regulated customers for electricity from July 1, 2019, through December 31, 2020, is to be equal to the prices in force during the first semester of 2019 (Decree 20T/2018). This stabilized price was named the “Stabilized Regulated Customer Price” PEC (in its Spanish acronym). From January 1, 2021, until the stabilization mechanism is suspended, the prices will be those defined in the tariff setting processes carried out every six months as established in Article 158 of the Electricity Law, but not to exceed the PEC adjusted by inflation according to the Consumer Price Index as of January 1, 2021, using the same date as base (adjusted PEC). The billing differences until 2023 are to be recorded as an account receivable in favor of generation companies, limited to a maximum US\$ 1,350 million. The balance of these account receivables must be recovered by December 31, 2027.

On September 14, 2020, the National Energy Commission published Exempt Resolution 340 that modified the technical provisions regarding the implementation of the Tariff Stabilization Law. This Resolution clarified that the payment to each supplier “must be booked against the Balance in a chronological manner, beginning with the most dated to the most recent pending Balances”, and not weighted based on the total Balance pending payment as it had been interpreted by the industry up to such date.

Additionally, this Resolution established that the payment of Balances is to be performed using the Observed Exchange Rate on the sixth working day following the day the Balance Payment Chart is published by the Coordinator, which replaces the average value of the dollar during the billing month that had been in force up to then.

# ENEL GENERACIÓN CHILE

## FINANCIAL STATEMENTS ANALYSIS

### AS OF SEPTEMBER 30, 2021



## I.- CONSOLIDATED FINANCIAL STATEMENT ANALYSIS

### 1. STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

Net income of Enel Generación Chile as of September 30, 2021, amounted to Ch\$ 64,488 million profit compared to a Ch\$ 299,421 million loss booked for the same period of 2020. During Q3 2021, net income of Enel Generación Chile amounted to a Ch\$ 3,934 million loss, which represents a Ch\$ 100,350 million profit reduction when compared to Q3 2020.

The following table shows comparative figures for each item of the income statement for continuing operations as of September 30, 2021 and 2020:

CONSOLIDATED INCOME STATEMENT (Million Ch\$)	Cumulative Figures				Quarterly Figures			
	Sep-21	Sep-20	Change	% Change	Q3 2021	Q3 2020	Change	% Change
<b>REVENUES</b>	<b>1,377,992</b>	<b>1,121,409</b>	<b>256,583</b>	<b>22.9%</b>	<b>543,262</b>	<b>370,447</b>	<b>172,815</b>	<b>46.7%</b>
Sales	1,358,859	1,100,010	258,849	23.5%	532,931	366,395	166,536	45.5%
Other operating revenues	19,133	21,399	(2,266)	(10.6%)	10,331	4,052	6,279	155.0%
<b>PROCUREMENT AND SERVICES</b>	<b>(1,106,436)</b>	<b>(652,819)</b>	<b>(453,617)</b>	<b>69.5%</b>	<b>(515,774)</b>	<b>(179,731)</b>	<b>(336,043)</b>	<b>187.0%</b>
Energy purchases	(606,564)	(294,985)	(311,579)	105.6%	(275,456)	(83,627)	(191,829)	n/a
Fuel consumption	(250,632)	(193,691)	(56,941)	29.4%	(126,399)	(56,306)	(70,093)	124.5%
Transportation expenses	(118,600)	(87,628)	(30,972)	35.3%	(48,035)	(26,749)	(21,286)	79.6%
Other variable procurement and service cost	(130,640)	(76,515)	(54,125)	70.7%	(65,884)	(13,049)	(52,835)	n/a
<b>CONTRIBUTION MARGIN</b>	<b>271,556</b>	<b>468,590</b>	<b>(197,034)</b>	<b>(42.1%)</b>	<b>27,488</b>	<b>190,716</b>	<b>(163,228)</b>	<b>(85.6%)</b>
Other work performed by entity and capitalized	2,171	3,287	(1,116)	(34.0%)	789	1,189	(400)	(33.6%)
Employee benefits expense	(41,414)	(36,010)	(5,404)	15.0%	(11,482)	(12,871)	1,389	(10.8%)
Other fixed operating expenses	(58,895)	(62,657)	3,762	(6.0%)	(18,802)	(22,418)	3,616	(16.1%)
<b>GROSS OPERATING INCOME (EBITDA)</b>	<b>173,418</b>	<b>373,210</b>	<b>(199,792)</b>	<b>(53.5%)</b>	<b>(2,007)</b>	<b>156,616</b>	<b>(158,623)</b>	<b>(101.3%)</b>
Depreciation and amortization	(53,732)	(67,856)	14,124	(20.8%)	(18,016)	(17,502)	(514)	2.9%
Impairment loss (Reversal)	-	(695,826)	695,826	(100.0%)	-	-	-	0.0%
Impairment loss (Reversal) for applying IFRS 9	76	(168)	244	(145.2%)	5	(40)	45	n/a
<b>OPERATING INCOME (EBIT)</b>	<b>119,762</b>	<b>(390,640)</b>	<b>510,402</b>	<b>(130.7%)</b>	<b>(20,018)</b>	<b>139,074</b>	<b>(159,092)</b>	<b>(114.4%)</b>
<b>NET FINANCIAL EXPENSE</b>	<b>(45,644)</b>	<b>(30,036)</b>	<b>(15,608)</b>	<b>52.0%</b>	<b>9,097</b>	<b>(10,732)</b>	<b>19,829</b>	<b>(184.8%)</b>
Financial income	2,970	13,275	(10,305)	(77.6%)	805	9,873	(9,068)	(91.9%)
Financial costs	(59,413)	(37,859)	(21,554)	56.9%	(5,600)	(10,591)	4,991	(47.1%)
Gain (Loss) for indexed assets and liabilities	1,174	(1,759)	2,933	(166.7%)	1,014	52	962	n/a
Foreign currency exchange differences, net	9,625	(3,693)	13,318	(360.6%)	12,878	(10,066)	22,944	n/a
<b>OTHER NON-OPERATING RESULTS</b>	<b>620</b>	<b>1,428</b>	<b>(808)</b>	<b>(56.6%)</b>	<b>277</b>	<b>2,482</b>	<b>(2,205)</b>	<b>(88.8%)</b>
Share of profit (loss) of associates accounted for using the equity method	485	1,334	(849)	(63.6%)	142	2,482	(2,340)	(94.3%)
Net Income from other investments	105	94	11	11.7%	105	-	105	100.0%
Net Income from sale of assets	30	-	30	n/a	30	-	30	100.0%
<b>NET INCOME BEFORE TAXES</b>	<b>74,738</b>	<b>(419,248)</b>	<b>493,986</b>	<b>(117.8%)</b>	<b>(10,644)</b>	<b>130,824</b>	<b>(141,468)</b>	<b>(108.1%)</b>
Income Tax	(5,086)	124,029	(129,115)	(104.1%)	8,358	(32,740)	41,098	(125.5%)
<b>NET INCOME</b>	<b>69,652</b>	<b>(295,219)</b>	<b>364,871</b>	<b>(123.6%)</b>	<b>(2,286)</b>	<b>98,084</b>	<b>(100,370)</b>	<b>(102.3%)</b>
Shareholders of the parent company	64,488	(299,421)	363,909	(121.5%)	(3,934)	96,416	(100,350)	(104.1%)
Non-controlling interest	5,164	4,202	962	22.9%	1,648	1,668	(20)	(1.2%)
<b>Earning per share (Ch\$/share) (*)</b>	<b>7.86</b>	<b>(36.51)</b>	<b>44.37</b>	<b>(121.5%)</b>	<b>(0.48)</b>	<b>11.76</b>	<b>(12.24)</b>	<b>(104.1%)</b>

(\*) As of September 30, 2021 and September 30, 2020 the average number of paid and subscribed shares was 8,201,754,580.

## Operating Income

The Company's EBITDA decreased Ch\$ 199,792 million to a Ch\$ 173,418 million profit, while operating income increased Ch\$ 510,402 million to a Ch\$ 119,762 million profit as of September 30, 2021, when compared to the same period of 2020.

Operating revenues totaled Ch\$ 1,377,992 million, representing a Ch\$ 256,583 million or 22.9% increase when compared to the previous year, mainly due to the following:

- A Ch\$ 169,497 million increase in **energy sales** mainly explained by: (i) +4,109 GWh greater physical sales worth Ch\$ 217,160 million, due to higher sales to unregulated customers (+4,402 GWh) primarily related to the purchase of Enel Distribución Chile's unregulated customer contract portfolio in compliance with distribution segment industry regulation, higher physical spot market sales (+275 GWh) offset by lower physical sales to regulated customers (-568 GWh); and (ii) a Ch\$ 14,561 million increase in ancillary services revenues related to safety and service quality. These effects were partially offset by (iii) a negative impact on the sales price when expressed in Chilean pesos due to the appreciation of the local currency with respect to the average price of the US dollar during the period for Ch\$ 57,440 million; and (iv) lower revenue from commodity hedges for Ch\$ 4,784 million.
- A Ch\$ 91,713 million increase in revenues from **other sales** mainly due to a Ch\$ 91,595 million increase in gas sales.

The above was partially offset by:

- A Ch\$ 2,266 million reduction in **other operating revenues** due to lower insurance related revenue for Ch\$ 7,798 million, lower temporary facility leasing revenue for Ch\$ 3,139 million, offset by greater revenue related to commodity derivatives for Ch\$ 8,149 million and other services for Ch\$ 522 million.

During Q3 2021, operating revenues amounted to Ch\$ 543,262 million, which represents a Ch\$ 172,815 million increase (or 46.7%), when compared to the Ch\$ 370,447 million booked for the same quarter of 2020. This variation is mainly explained by:

- A Ch\$ 112,690 million increase in **energy sales** due to an increase in physical sales (+1,984 GWh) worth Ch\$ 103,208 million, an increase in ancillary services revenue for Ch\$ 377 million, and a positive effect on the sales price when expressed in Chilean pesos for Ch\$ 11,550 million, offset by lower revenue from commodity hedges for Ch\$ 2,445 million.
- A Ch\$ 55,230 million increase in **other sales** mainly due to an increase in gas sales.

- A Ch\$ 6,279 million increase in **other operating revenues** mainly due to higher revenue related to commodity derivatives for Ch\$ 6,177 million.

Procurement and services costs increased Ch\$ 453,617 million, or 69.5%, explained by the following:

- A Ch\$ 311,579 million increase in **energy purchases**, mainly greater physical energy purchases from other generation companies (+2,770 GWh) and on the spot market (+1,560 GWh) mainly related to satisfying unregulated customers' greater electricity demand and also a higher spot price due to electricity market conditions.
- A Ch\$ 56,941 million increase in **fuel consumption** costs mainly due to (i) higher gas consumption costs for Ch\$ 76,664 million; (ii) higher fuel oil consumption costs amounting to Ch\$ 15,230 million; (iii) a Ch\$ 6,533 million impairment loss on coal inventories and Ch\$ 202 million on diesel oil inventories both related to the disconnection of Bocamina II coal unit impaired during Q1 2020. The above was partially offset by (iv) lower commodity hedging costs for Ch\$ 41,029 million.
- A Ch\$ 30,972 million increase in **transportation costs** mainly due to higher tolls amounting to Ch\$ 37,476 million primarily related to (i) the higher cost resulting from the resettlement of the contract with Transquillota for Ch\$ 2,593 million; (ii) higher costs related to the tariff adjustment concept *Ajuste de Armonización Tarifaria* ("AAT" in its Spanish acronym) of the zonal transmission system for Ch\$ 9,051 million; (iii) higher costs related to Tariff Revenue ("IT" in its Spanish acronym) mostly related to higher marginal costs amounting to Ch\$ 23,529 million, offset by lower gas transportation costs for Ch\$ 3,144 million and a Ch\$ 3,360 million decrease in regasification costs.
- A Ch\$ 54,125 million increase in **other procurement and services costs** mainly due to higher gas commercialization costs for Ch\$ 78,561 million offset by lower thermal emissions tax for Ch\$ 4,095 million, lower commodity hedging costs amounting to Ch\$ 15,481 million, lower temporary facility leasing for Ch\$ 3,329 million and lower various generation input costs (water, chemicals, etc.) for Ch\$ 1,531 million.

During Q3 2021, procurement and services costs reached Ch\$ 515,774 million, increasing 187.0%, or Ch\$ 336,043 million, when compared to the Ch\$ 179,731 million booked the same quarter of 2020. This increase is mainly due to:

- A Ch\$ 191,829 million increase in **energy purchases**, mainly greater physical energy purchases from other generation companies (+1,226 GWh) and on the spot market (+1,146 GWh) primarily to satisfy unregulated customers' greater electricity demand and also a higher spot price due to electricity market conditions.

- A Ch\$ 70,093 million increase in **fuel consumption costs**, mainly (i) higher gas consumption costs for Ch\$ 75,892 million; (ii) higher fuel oil consumption costs for Ch\$ 11,970 million; (iii) higher coal consumption costs for Ch\$ 7,068 million; and (iv) impairment loss on coal inventories for Ch\$ 3,942 million, partly offset by (v) lower commodity hedging costs for Ch\$ 28,807 million.
- A Ch\$ 21,286 million increase in **transportation costs**, mainly higher tolls for Ch\$ 18,378 million and higher regasification costs for Ch\$ 3,014 million.
- A Ch\$ 52,835 million increase in **other procurement costs**, mainly due to: (i) greater gas commercialization costs for Ch\$ 48,758 million; (ii) greater commodity hedging derivative costs for Ch\$ 1,297 million; (iii) higher gas emissions taxes for Ch\$ 1,838 million; and (iv) higher various generation input costs (water, chemicals, etc.) for Ch\$ 942 million.

**Personnel expenses (net of personnel expense capitalization)** reached Ch\$ 39,243 million as of September 30, 2021, which represents a Ch\$ 6,520 million increase when compared to the same period of 2020. This higher cost is mainly due to the restructuring expenses related to Group's 2021-2024 digitalization strategy for Ch\$ 6,001 million, lower capitalization of personnel expenses of the Los Cóndores project amounting to Ch\$ 1,116 million, offset by a lower net expense of other benefits for Ch\$ 597 million.

Personnel expenses (net of personnel expense capitalization) for Q3 2021, did not change significantly when compared to Q3 2020.

**Other operating expenses** decreased Ch\$ 3,762 million when compared to the same period of 2020 mainly due to lower technical and administrative support services for Ch\$ 4,736 million, lower insurance policy costs for Ch\$ 837 million, lower outsourced services costs for Ch\$ 837 million, less donations for Ch\$ 754 million, partially offset by higher maintenance and repair service expenses for Ch\$ 2,852 million and higher professional services costs for Ch\$ 358 million.

Other operating expenses during Q3 2021 amounted to Ch\$ 18,802 million, representing a Ch\$ 3,616 million decrease, or 16.1%, when compared to the Ch\$ 22,418 million for same quarter of last year. This variation was mainly due to lower technical and administrative support services for Ch\$ 4,057 million, lower outsourced services costs for Ch\$ 516 million, partially compensated by higher maintenance and repair service expenses for Ch\$ 830 million.

**Depreciation and amortization** decreased Ch\$ 14,124 million, mainly related to the lower depreciation of coal fired power plant Bocamina II impaired in June 2020 for Ch\$ 15,355 million due to the Group's decarbonization process.

**Depreciation and amortization** in Q3 2021 amounted to Ch\$ 18,016 million, which represents a 2.9%, or Ch\$ 514 million increase when compared to the Ch\$ 17,502 million for Q3 2020.

**Impairment losses** decreased Ch\$ 695,826 million due to the impairment loss related to Bocamina II power plant booked in June 2020 due to the Company's decarbonization process.

The accumulated revenues, costs and operating margin for the periods ended September 30, 2021, and 2020, are shown below:

	Cumulative Figures (Figures in million Ch\$)					
	Sep-21			Sep-20		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	1,357,567	(1,333,317)	24,250	1,103,240	(1,571,626)	(468,386)
Empresa Eléctrica Pehuenche S.A.	148,885	(53,373)	95,512	114,917	(37,171)	77,746
Consolidation adjustments	(128,460)	128,460	-	(96,748)	96,748	-
<b>Total Consolidated</b>	<b>1,377,992</b>	<b>(1,258,230)</b>	<b>119,762</b>	<b>1,121,409</b>	<b>(1,512,049)</b>	<b>(390,640)</b>

	Quarterly Figures (Figures in million Ch\$)					
	Q3 2021			Q3 2020		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	538,294	(588,765)	(50,471)	362,005	(253,657)	108,348
Empresa Eléctrica Pehuenche S.A.	55,849	(25,396)	30,453	36,895	(6,169)	30,726
Consolidation adjustments	(50,881)	50,881	-	(28,453)	28,453	-
<b>Total Consolidated</b>	<b>543,262</b>	<b>(563,280)</b>	<b>(20,018)</b>	<b>370,447</b>	<b>(231,373)</b>	<b>139,074</b>

Energy sales of Enel Generación Chile and its subsidiary for the periods ended September 30, 2021, and 2020, are shown below:

(Figures in million Ch\$)	Cumulative Figures				Quarterly Figures			
	Sep-21	Sep-20	Change	% Change	Q3 2021	Q3 2020	Change	% Change
Sales to regulated customers	565,184	603,361	(38,177)	(6.3%)	207,277	206,573	704	0.3%
Sales to unregulated customers	627,794	447,940	179,854	40.2%	234,012	142,213	91,799	64.6%
Sales at spot market	45,389	17,569	27,820	158.4%	28,715	8,528	20,187	236.7%
<b>Total energy sales</b>	<b>1,238,367</b>	<b>1,068,870</b>	<b>169,497</b>	<b>15.9%</b>	<b>470,004</b>	<b>357,314</b>	<b>112,689</b>	<b>31.5%</b>

## Non-Operating Income

Non-operating income as of September 30, 2021 and 2020 are summarized below:

NON OPERATING INCOME (Figures in million Ch\$)	Cumulative Figures				Quarterly Figures			
	Sep-21	Sep-20	Change	% Change	Q3 2021	Q3 2020	Change	% Change
Financial income	2,970	13,275	(10,305)	(77.6%)	805	9,873	(9,068)	(91.9%)
Financial costs	(59,413)	(37,859)	(21,554)	56.9%	(5,600)	(10,591)	4,991	(47.1%)
Gain (Loss) for indexed assets and liabilities	1,174	(1,759)	2,933	(166.7%)	1,014	52	962	n/a
Foreign currency exchange differences, net	9,625	(3,693)	13,318	n/a	12,878	(10,066)	22,944	n/a
<b>NET FINANCIAL EXPENSE</b>	<b>(45,644)</b>	<b>(30,036)</b>	<b>(15,608)</b>	<b>52.0%</b>	<b>9,097</b>	<b>(10,732)</b>	<b>19,829</b>	<b>(184.8%)</b>
Share of profit (loss) of associates accounted for using the equity method	485	1,334	(849)	(63.6%)	142	2,482	(2,340)	(94.3%)
<b>OTHER NON-OPERATING RESULTS</b>	<b>620</b>	<b>1,428</b>	<b>(808)</b>	<b>(56.6%)</b>	<b>277</b>	<b>2,482</b>	<b>(2,205)</b>	<b>(88.8%)</b>
<b>NET INCOME BEFORE TAXES</b>	<b>74,738</b>	<b>(419,248)</b>	<b>493,986</b>	<b>(117.8%)</b>	<b>(10,644)</b>	<b>130,824</b>	<b>(141,468)</b>	<b>(108.1%)</b>
Income Tax	(5,086)	124,029	(129,115)	(104.1%)	8,358	(32,740)	41,098	(125.5%)
<b>NET INCOME OF THE PERIOD</b>	<b>69,652</b>	<b>(295,219)</b>	<b>364,871</b>	<b>(123.6%)</b>	<b>(2,286)</b>	<b>98,084</b>	<b>(100,370)</b>	<b>(102.3%)</b>
<i>Attributable to Shareholders of the parent company</i>	<i>64,488</i>	<i>(299,421)</i>	<i>363,909</i>	<i>(121.5%)</i>	<i>(3,934)</i>	<i>96,416</i>	<i>(100,350)</i>	<i>(104.1%)</i>
<i>Attributable to Non-controlling interest</i>	<i>5,164</i>	<i>4,202</i>	<i>962</i>	<i>22.9%</i>	<i>1,648</i>	<i>1,668</i>	<i>(20)</i>	<i>(1.2%)</i>

## Financial Result

The financial result as of September 30, 2021, amounted to a Ch\$ 45,644 million loss, which represents a Ch\$ 15,608 million negative variation when compared to the same period of the previous year, which is mainly due to the following:

**Lower financial income** amounting to Ch\$ 10,305 million, mainly due to the interest income related to the Tariff Stabilization Law amounting to Ch\$ 9,134 million, lower returns on fixed income investments amounting to Ch\$ 511 million and a Ch\$ 665 million reduction in interest from the Centralized Cash Management Service Contract with Enel Chile S.A.

Financial income during **Q3 2021** declined Ch\$ 9,068 million when compared to the same quarter of 2020, mainly due to the interest income related to the Tariff Stabilization Law amounting to Ch\$ 8,966 million, lower returns on fixed income investments amounting to Ch\$ 176 million.

**Higher financial expenses** amounting to Ch\$ 21,554 million, mainly explained by the higher financial expenses on electricity sales invoice factoring for Ch\$ 36,948 million related to the temporary tariff stabilization mechanism applicable to regulated customers ("Tariff Stabilization Law"), greater financial expenses related to past due customer accounts payment agreements for Ch\$ 13,314 million, and higher financial expenses on trade account payables for Ch\$ 812 million, offset by a Ch\$ 27,641 million increase in capitalized interest related to the Los Cóndores project, and lower bond interest for Ch\$ 1,879 million.

During the **Q3 2021**, financial expenses decreased Ch\$ 4,991 million when compared to the same quarter of 2020 mainly due to a Ch\$ 10,502 million increase in capitalized interest related to the Los Cóndores project, lower financial expenses on factoring for Ch\$ 497 million related to the temporary tariff stabilization mechanism applicable to regulated customers, all offset by a Ch\$ 1,704 million increase in financial expenses related to past due customer accounts payment agreements, higher bank fees and expenses for Ch\$ 2,919 million and higher bond interest for Ch\$ 1,385 million.

**Profit related to indexation** increased Ch\$ 2,933 million primarily explained by greater profit related to indexation on recoverable taxes for Ch\$ 1,204 million, on other financial liabilities for Ch\$ 1,517 million, and due to a reduction in the negative effect caused by IAS 29 “Financial Reporting in Hyperinflationary Economies” on the Group’s branch in Argentina that amounted to a Ch\$ 212 million profit.

**During Q3 2021**, income related to indexation amounted to a Ch\$ 962 million profit when compared to the same quarter of 2020, primarily explained by lower indexation losses related to IAS 29 “Financial Reporting in Hyperinflationary Economies” for Ch\$ 1,269 million, offset by a lower profit from indexation on recoverable taxes for Ch\$ 314 million.

**Greater profit from exchange differences** amounting to Ch\$ 13,318 million, mainly due to: (i) a greater positive exchange rate difference effect on trade account receivables for Ch\$ 16,598 million, including the Ch\$ 12,657 million effect related to the implementation of the Tariff Stabilization Law that set the US dollar as the currency for the accounts receivables of pending billings to regulated customers, and a Ch\$ 3,847 million positive exchange rate difference effect of customer invoice factoring; (ii) a lower negative exchange rate difference effect on trade accounts payable for Ch\$ 561 million. The aforementioned was offset by (iii) a lower positive exchange rate difference effect on derivative contracts for Ch\$ 1,652 million; (iv) a lower positive exchange rate difference effect on other financial assets for Ch\$ 1,536 million, (v) a lower positive exchange rate difference effect on cash and cash equivalents for Ch\$ 524 million.

**During Q3 2021**, income from exchange differences increased Ch\$ 22,944 million when compared to the same quarter of 2020, primarily due to a greater positive exchange rate difference effect on trade account receivables for Ch\$ 23,268 million, including the Ch\$ 23,143 million effect related to the implementation of the Tariff Stabilization Law, and a higher positive exchange rate difference effect on cash and cash equivalents for Ch\$ 5,037 million. These effects were compensated by a greater negative exchange rate difference effect on derivative contracts for Ch\$ 4,410 million and a higher negative exchange rate difference effect on trade accounts payable for Ch\$ 924 million.

### Other Non-operating results

**Income from companies accounted for using the equity method** decreased Ch\$ 849 million mainly due to a Ch\$ 525 million reduction in profit of our associate company GNL Chile S.A., and a Ch\$ 264 million reduction from Transmisora Eléctrica de Quillota Ltda.

### Corporate Taxes

**Corporate income tax amounted to a Ch\$ 5,086 million expense**, which represents a Ch\$ 129,115 million income reduction when compared to the previous year. This variation is primarily explained by a Ch\$ 187,873 million reduction in tax income due to the impairment of Bocamina II coal fired power plant in 2020, offset by a Ch\$ 50,065 million lower income tax expense due to lower operating income and a Ch\$ 10,643 million lower expense due to higher losses from price-level restatement.

**Q3 2021** quarterly corporate income tax amounted to a Ch\$ 8,358 million profit, representing a Ch\$ 41,098 million expense reduction when compared to same quarter of 2020. This reduction is primarily due to the Ch\$ 38,196 million reduction in income tax due to lower results and a Ch\$ 4,700 million lower expense due to higher losses from price-level restatement.

## 2. BALANCE SHEET ANALYSIS

ASSETS (Figures in million Ch\$)	Sep-21	Dec-20	Change	% Change
Current Assets	507,634	465,808	41,826	9.0%
Non Current Assets	2,702,132	2,625,153	76,979	2.9%
<b>Total Assets</b>	<b>3,209,766</b>	<b>3,090,961</b>	<b>118,805</b>	<b>3.8%</b>

**Total Assets** of the Company as of September 2021 increased **Ch\$ 118,805 million** when compared to December 2020, mainly due to:

**Current Assets increased Ch\$ 41,826 million** as of September 30, 2021. The variations of the main categories of current assets are the following:

- **A Ch\$ 29,895 million increase in other non financial current assets** mainly due to greater value added tax credits for Ch\$ 28,081 million.
- **A Ch\$ 8,185 million increase in current trade accounts and other current accounts receivables** mainly due to an increase in customer trade accounts receivables for Ch\$ 27,020 million, partially offset by lower advance payments to suppliers for Ch\$ 12,591 million, and a reduction in receivables from insurance companies for Ch\$ 5,360 million.
- **A Ch\$ 13,973 million increase in Current related party accounts receivables** mainly due to the greater accounts receivables for energy sales to Enel Distribución Chile S.A. for Ch\$ 6,286 million, a Ch\$ 37,741 million increase in accounts receivables from GNL Chile S.A. related to advance payments, greater accounts receivables for energy sales to Enel Green Power Chile S.A. for Ch\$ 15,610 million, a Ch\$ 2,490 million increase in accounts receivables for commodity derivatives transactions with Enel Global Trading SpA, partly offset by lower balance of funds invested through the Centralized Cash Management Service Contract with Enel Chile S.A. for Ch\$ 48,907 million.
- **A Ch\$ 5,726 million increase in Inventories** mainly higher stock of gas and fuel oil for Ch\$ 3,450 million and higher spare parts and other materials for Ch\$ 2,358 million.
- **A Ch\$ 16,373 million decrease in Current tax assets** related to GAT Chile fiscal year 2020 tax refunds for Ch\$ 23,085 million, offset by monthly employee pension payments for Ch\$ 6,876 million.

**Non-Current Assets increased Ch\$ 76,979 million** when compared to the balance as of December 31, 2020. The variations of the main categories of non-current assets are the following:

- **A Ch\$ 10,059 million increase in other non-current financial assets**, mainly hedging derivatives and other derivatives.
- **A Ch\$ 32,326 million increase in non-current related party accounts receivables** explained by greater accounts receivable from GNL Chile S.A. related to advance payments amounting to Ch\$ 6,895 million and greater accounts receivables from Enel Distribución Chile as a consequence of the Tariff Stabilization Law for Ch\$ 25,431 million.
- **A Ch\$ 71,899 million increase in Property, Plant and Equipment** mainly due to the Ch\$ 138,184 million increase in projects under construction partially offset by the Ch\$ 49,945 million depreciation of the period and a Ch\$ 14,957 million reduction in dismantling provisions.
- **A Ch\$ 67,876 million increase in Deferred tax assets** mainly related to tax losses for Ch\$ 70,872 million offset by lower deferred tax for dismantling provisions amounting to Ch\$ 4,036 million.
- **A Ch\$ 101,711 million decrease in non-current trade accounts receivables and other non current accounts receivables** primarily due to energy sales invoice factoring for Ch\$ 142,666 million related to the temporary electricity tariff stabilization mechanism for regulated customers (“Tariff Stabilization Law”) offset by booking the period’s pending billings for Ch\$ 40,950 million.
- **A Ch\$ 4,363 million decrease in non-goodwill intangible assets**, mainly the amortization of software programs for Ch\$ 3,097 million.

LIABILITIES AND EQUITY (Figures in million Ch\$)	Sep-21	Dec-20	Change	% Change
Current Liabilities	598,454	347,895	250,559	72.0%
Non Current Liabilities	1,110,482	1,003,735	106,747	10.6%
Total Equity	1,500,830	1,739,331	(238,501)	(13.7%)
<i>Attributable to the Shareholders of parent company</i>	1,490,712	1,729,218	(238,506)	(13.8%)
<i>Attributable to Non-controlling interest</i>	10,118	10,113	5	0.1%
<b>Total Liabilities and Equity</b>	<b>3,209,766</b>	<b>3,090,961</b>	<b>118,805</b>	<b>3.8%</b>

**Total Liabilities** including Net Equity of the Company increased **Ch\$ 118,805 million** as of September 30, 2021 when compared to December 2020, mainly explained by the following:

**Current Liabilities** increased **Ch\$ 250,559 million**. The explanation of the variations of the main categories of current liabilities are the following:

- **A Ch\$ 16,016 million increase in Other current financial liabilities**, mainly explained by a Ch\$ 11,721 million increase in hedging and other derivative liabilities, a Ch\$ 1,137 million increase due to the indexation of UF denominated bond debt, accruals of interest on bonds for Ch\$ 10,647 million, offset by bond payments amounting to Ch\$ 7,236 million.
- **A Ch\$ 81,030 million increase in Trade accounts payable and other accounts payable** primarily due to a Ch\$ 62,074 million increase in accounts payable to suppliers of goods, services and fixed assets, a Ch\$ 19,207 million increase in energy and fuel accounts payable, and a Ch\$ 948 million increase in dividends payable to third parties, offset by a Ch\$ 1,199 million reduction in other accounts payable.
- **A Ch\$ 227,879 million increase in Accounts payable to related parties** primarily due to a Ch\$ 27,846 million higher balance of services payable to Enel Green Power Chile for energy purchases, a Ch\$ 89,189 million increase in accounts payable to GNL Chile for gas purchases, a higher balance of accounts payable to Enel Chile for Ch\$ 27,354 million for the Centralized Cash Management Service Contract and other services, a higher balance of accounts payable to Enel Global Trading SpA. for commodity derivatives and gas purchases amounting to Ch\$ 75,057 million, a Ch\$ 3,574 million increase in toll accounts payable to Enel Transmisión Chile S.A., a Ch\$ 1,770 million higher balance of accounts payable to Enel Green Power SpA for services received, a higher balance of accounts payable to Enel Global Trading SpA for services received amounting to Ch\$ 1,822 million, and a Ch\$ 1,617 million higher balance of accounts payable to Enel SpA for services received.
- **A Ch\$ 63,286 million reduction in current tax liabilities** related to income tax.
- **A Ch\$ 11,606 million decrease in Other current non-financial liabilities**, mainly explained by a reduction in value added tax debits.

**Non - Current Liabilities** increase **Ch\$ 106,747 million** as of September 30, 2021 mainly due to the following:

- **A Ch\$ 125,433 million increase in Other non-current financial liabilities**, mainly explained by a Ch\$ 60,167 million increase in hedging and other derivative liabilities, and a Ch\$ 65,266 million increase in the balance of bond debt, of which Ch\$ 72,389 million is due to higher exchange differences, and Ch\$ 8,676 million is due to the indexation of UF denominated bond debt, and also the amortization of debt structuring expenses for Ch\$ 747 million, offset by bond payments amounting to Ch\$ 16,546 million.

- **A Ch\$ 12,133 million decrease in Other non-current provisions**, primarily the Ch\$ 14,957 million reduction in dismantling provisions, offset by a Ch\$ 2,824 million increase in net expenses in the Company's restructuring provision related to the Group's digitalization strategy.
- **A Ch\$ 4,059 million reduction in non-current employee benefit provisions** as a result of the payment of the Voluntary Retirement Program benefits.

**Total Net Equity amounted to Ch\$ 1,500,830 million as of September 30, 2021.**

**Equity attributable to the owners of Enel Generación Chile amounted to Ch\$ 1,490,712 million, which represents a Ch\$ 238,509 million decrease**, primarily explained by the Ch\$ 177,174 million dividend payment, and the Ch\$ 121,230 million comprehensive income statement loss, offset by the Ch\$ 64,488 million positive result for the period.

**Equity of non-controlling shareholdings amounted to Ch\$ 10,118 million, which represents a Ch\$ 5 million improvement** when compared to the balance as of December 31, 2020, primarily explained by the Ch\$ 5,164 million profit of the period, offset by the Ch\$ 5,159 million dividend payment.

**The performance of the main financial ratios is the following:**

RATIO		UNIT	Sep-21	Dec-20	Sep-20	Chg	Chg %
<b>Liquidity</b>	Liquidity (1)	Times	0.85	1.34	-	(0.49)	(36.6%)
	Acid-test (2)	Times	0.82	1.30	-	(0.48)	(36.9%)
	Working capital	Million Ch\$	(90,820)	117,913	-	(208,733)	(177.0%)
<b>Leverage</b>	Leverage (3)	Times	1.14	0.78	-	0.36	46.2%
	Short-term debt (4)	%	35.0%	25.7%	-	9.3%	36.1%
	Long-term debt (5)	%	65.0%	74.3%	-	(9.3%)	(12.5%)
	Financial expenses coverage (6)	Times	3.57	-	8.62	(5.05)	(58.6%)
<b>Profitability</b>	Op. income / Op. Revenues	%	8.7%	-	(34.8%)	43.5%	(125.0%)
	ROE (7)	%	14.0%	-	(13.4%)	27.4%	n/a
	ROA (8)	%	7.0%	-	(7.0%)	14.0%	n/a

(1) Current Assets / Current Liabilities

(2) Current Assets net of Inventories and prepayments

(3) Total Liabilities / Total Equity

(4) Current Liabilities / Total Liabilities

(5) Non Current Liabilities / Total Liabilities

(6) EBITDA/ Net Financial Costs

(7) Net income of the period attributable to the owners of the parent company for LTM / Average of equity attributable to the owners of the parent company at the beginning and at the end of the period

(8) Total Net Income of the period for LTM / Average of total assets at the beginning and at the end of the period

- > **The current ratio**, as of September 30, 2021, reached 0.85 times, which represents a 36.6% decrease when compared to December 2020. This variation is mainly due to the increase of current related party accounts payable.

- > **The acid test**, as of September 30, 2021, was 0.82 times, a 36.9% decrease when compared to December 31, 2020, mainly due to the increase of current related party accounts payable and greater inventory balance.
- > **Working capital**, as of September 30, 2021, amounted to Ch\$ 90.820 million, a Ch\$ 208,733 million negative variation when compared to December 2020, mainly due to the increase of related party accounts payables.
- > **The debt ratio** was 1.14 times, which means that the level of commitment of Enel Generación Chile equity was 1.14 times for the period ended September 30, 2021.
- > **The financial expenses coverage ratio** as of September 30, 2021, was 3.57 times, which represents the ability to cover all financial expenses with the EBITDA margin of the 2021 period. This ratio declined significantly due to the lower EBITDA of 2021 when compared to 2020.
- > **The profitability index**, calculated by dividing operating income by operating revenue, was 8.7% as of September 30, 2021, which is higher than the figure for the same period of 2020 because of the higher EBIT this year. When excluding the impact of the coal write-offs related to the retirement of Bocamina II power plant booked during the first semester of 2021, the ratio would have reached 10.8%.
- > **Return on equity** of the owners of the controlling shareholder of the Company was 14.0% for the period ended September 30, 2021, an improvement when compared to 13.4% for the same period of 2020. When excluding the extraordinary events booked during the comparable trailing periods primarily related to the impairment of our coal fired power plants, return on equity would have reached 15.9% (14.1% as of September 30, 2020).
- > **Return on assets** was 7.0% for the period ended September 30, 2021. When excluding the extraordinary events booked during the comparable training periods primarily related to the impairment of our coal fired power plants, return on assets would have reached 8.0% (8.0% as of September 30, 2020).

### 3.- CASH FLOW ANALYSIS

The Enel Generación Chile Group generated a Ch\$ 1,562 million positive cash flow during the period ended September 30, 2021, which represents a Ch\$ 11,273 million positive variation when compared to the same period of 2020. The main variables per cash flow category, that is, operational, investment and financial, which explain this cash flow increase are described below:

NET CASH FLOW (Figures in million Ch\$)	Sep-21	Sep-20	Change	% Change
From Operating Activities	268,043	286,341	(18,298)	(6.4%)
From Investing Activities	(56,611)	3,750	(60,361)	n/a
From Financing Activities	(209,870)	(299,802)	89,932	(30.0%)
<b>Total Net Cash Flow</b>	<b>1,562</b>	<b>(9,711)</b>	<b>11,273</b>	<b>(116.1%)</b>

**Operating activities** generated a Ch\$ 268,043 million positive cash flow, which represents a 6.4% reduction when compared to September 2020. This cash flow mainly comprises Ch\$ 1,790,427 million in payments received for sales of goods and services, partially offset by payments to suppliers of good and services for Ch\$ 1,331,156 million, employee-related payments amounting to Ch\$ 29,506 million, insurance premium payments for Ch\$ 19,258 million, tax payments for Ch\$ 81,115 million, and other operating activity payments for Ch\$ 63,665 million.

**Investment activities** generated a Ch\$ 56,611 million negative cash flow, mainly explained by payments for additional property, plant, and equipment for Ch\$ 124,103 million, and the purchase of intangible assets for Ch\$ 3,784 million, partly offset by Ch\$ 48,949 million in payments received for funds invested through the Centralized Cash Management Service Contract, the sale of transmission lines for Ch\$ 20,686 million and dividends received for Ch\$ 999 million.

**Financing activities** generated a Ch\$ 209,870 million negative cash flow. This cash flow is primarily explained by dividend payments for Ch\$ 181,265 million, interest payments for Ch\$ 35,779 million and bond repayments for Ch\$ 16,546 million.

The payments for additional Property, Plants and Equipment and depreciation for the period ended September 30, 2021, and 2020 are included below:

**Capex and Depreciation**

COMPANY	INFORMATION FOR ASSETS AND EQUIPMENTS (Figures in million Ch\$)			
	Payments for Additions of Fixed Assets		Depreciation	
	Sep-21	Sep-20	Sep-21	Sep-20
Enel Generación Chile	123,591	114,697	45,129	60,111
Pehuenche	512	261	5,506	5,490
<b>Total Consolidated</b>	<b>124,103</b>	<b>114,958</b>	<b>50,635</b>	<b>65,601</b>

## **II. MAIN RISKS ASSOCIATED TO THE ACTIVITIES OF ENEL GENERACION CHILE**

The companies of the Enel Generación Chile Group follow the guidelines of the Risk Management Control System (SCGR) defined at the Holding level (Enel SpA), which establishes the guidelines for risk management through the respective standards, procedures, systems, etc., which are applied at the different levels of the Companies of Enel Generación Chile Group, in the processes of identification, analysis, evaluation, treatment and communication of risks that the business faces continuously. These are approved by the Board of Directors of Enel SpA, which houses a Controls and Risks Committee, which supports the evaluation and decisions of the Board of Directors of Enel Generación Chile with respect to internal controls and risk management system, as well as those related to the approval of the periodic financial statements.

To comply with this, there is a specific Risk Control and Management policy within each Company, which is reviewed and approved at the beginning of each year by the Board of Directors of Enel Generación Chile, observing and applying local requirements in terms of risk culture.

The company seeks protection for all risks that may affect the achievement of business objectives. In January 2020, a new risk taxonomy has been approved for the entire Enel Group, which considers 6 macro categories and 37 sub-categories.

The Enel Group's risk management system considers three lines of action (defense) to obtain effective and efficient management of risks and controls. Each of these three "lines" plays a distinct role within the broader governance structure of the organization (Business and Internal Controls areas, acting as the first line, Risk Control, acting as the second line and Internal Audit as the third line of defense). Each line of defense has the obligation to inform and keep Senior Management and Directors updated on risk management, with Senior Management being informed by the first and second line of defense and the Board of Directors in turn by the second and third line of defense.

Within each company of the Group, the risk management process is decentralized. Each manager responsible for the operational process in which the risk originates is also responsible for the treatment and adoption of risk control and mitigation measures.

### **Interest Rate Risk**

Interest rate variations modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the future cash flows of assets and liabilities pegged to a variable interest rate.

The purpose of interest-rate risk management is to reach a balanced debt structure in order to minimize the cost of debt while maintaining reduced income statement volatility.

Depending on the Group's forecasts and debt structure objectives, hedging transactions take place through purchasing derivatives that mitigate these risks.

The financial debt structure of the Enel Generación Chile Group, in terms of fixed rate and/or fixed protection rate on gross debt, using derivatives, is the following:

Gross position:

INTEREST RATE (%)	September 30, 2021	December 31, 2020
Fixed Interest Rate	100%	100%

Risk control through specific processes and indicators allows limiting possible adverse financial impacts and, at the same time, optimizes the debt structure with an adequate degree of flexibility. In this sense, the volatility that characterized the financial markets during the first phase of the pandemic, in many cases returned to pre-COVID-19 levels and was offset by effective risk mitigation actions through derivative financial instruments.

### **Exchange Rate Risk**

Exchange rate risks are mainly related to the following transactions:

- > Group subsidiaries and affiliate companies debt commitments denominated in currencies different from their cash flow currency.
- > Payments in currencies that are different from that of the companies' cash flows indexation, for example, payments to suppliers related to projects and insurance policies payments, among others.
- > Revenues of Group companies that are directly linked to evolution of currencies different from their cash flow currency.

In order to mitigate exchange rate risk, the Group focuses on maintaining a balance between cash flows indexed to the U.S. dollar and the amount of asset and liability denominated in such currency. The objective is to minimize the exposure of cash flows to the risk related to exchange-rate fluctuations.

Currency swaps and exchange rate forwards are the instruments currently used in order to comply with this policy.

During the third quarter of 2021, exchange rate risk management continued in the context of complying with the aforementioned risk management policy, without difficulty in accessing the derivatives market. It should be noted that the volatility that characterized the financial markets during the first phase of the pandemic, in many cases returned to pre-COVID-19 levels and was offset by risk mitigation actions through derivative financial instruments.

### **Commodities Risk**

Enel Generación Chile Group is exposed to risk related to price fluctuation of certain commodities, primarily due to:

- > Fuel purchases for electricity generation.
- > Energy trading transactions in local markets.

In order to reduce risks under extreme drought conditions, the Group has defined a trading policy that establishes sales commitment levels based on the firm energy capacity of its power plants during a year considered to be dry, and includes risk mitigation clauses in some contracts with unregulated customers, and in the case of regulated customers framed under long-term bidding processes, it determines indexing polynomials that reduce exposure to commodities.

Considering the operating conditions faced by the electricity generation market in Chile, drought and volatility of commodity prices in international markets, the Company is constantly evaluating the convenience of contracting hedges to mitigate the impact of price changes on profits.

As of September 30, 2021, the Company held swaps for 147 kBbl of Brent oil to be settled in 2021 and 926 kBbl of Brent oil to be settled in 2022, 185 kTon of Coal API2 to be settled in 2021, for 3.6 TBtu of Henry Hub gas to be settled in 2021, and for 0.8 TBtu of Henry Hub gas to be settled in 2022.

As of December 31, 2020, the Company held swaps for 1,782 kBbl of Brent oil to be settled in 2021, and 16.8 TBtu of Henry Hub to be settled in 2021.

According to the operating conditions that are constantly being updated, these hedging measures may be modified, or include other commodities.

The Group was able to minimize the effects of volatility in commodity prices on the results of the third quarter of 2021 due to the mitigation strategies implemented.

## **Liquidity Risk**

The Group's liquidity policy consists of contracting committed long-term credit facilities and short-term financial investments, for the amounts required to support estimated future needs for a certain period based on the conditions and the expectations of debt and capital markets.

The aforementioned forecast includes net financial debt maturities, i.e. after financial derivatives. For further detail with regard to the characteristics and conditions of financial debt and financial derivatives, see Notes 18 and 21.2.

As of September 30, 2021, the Enel Generación Chile Group's liquidity was Ch\$ 6,598 million in cash and cash equivalents. As of December 31, 2020, the Enel Generación Chile Group's liquidity was Ch\$ 4,659 million in cash and cash equivalents.

## **Credit Risk**

The Enel Generación Chile Group carries out a detailed follow-up of credit risk.

### **Trade account receivables**

Concerning the credit risk associated with accounts receivables stemming from commercial activities, historically the risk has been limited due to short-term payment deadlines, preventing clients from accumulating significant individual amounts.

It is possible to discontinue the power supply in the event of non-payment, and almost all contracts state that payment default is a cause for contract termination. Therefore, credit risk is monitored constantly as well as the maximum amounts exposed to payment risk, which as stated previously, are limited. However, for customers who comply with Law No. 21,249 and Law No. 21,301 published on August 2020 and December 2020, respectively, with a new term until May 31, 2021, the supply cut-off measure is suspended.

With respect to the impact of COVID-19, the results of specific internal analyses did not reveal significant statistical correlations between the main economic indicators (GDP, unemployment rate, etc.) and solvency.

### **Financial assets:**

Investments of cash surpluses are made with both national and foreign first-class financial entities with limits set for each entity.

Investment banks selection considers those with Investment Grade rating, considering the three major international rating agencies (Moody's, S&P and Fitch).

Investments may be guaranteed by treasury bonds of Chile and/or paper issued by first class banks, giving priority to those offering the best returns (always within the current investment policies).

It should be noted that the downward macroeconomic scenarios due to the COVID-19 effect did not have significant impacts on the credit quality of the counterparties.

### **Risk Measurement**

The Enel Generación Chile Group performs a Value at Risk measurement of its debt and financial derivatives, in order to monitor the risk assumed by the Company, thereby limiting income statement volatility.

The portfolio included in the calculation of the Value at Risk consists of:

- > Financial debt.
- > Hedging derivatives for debt.

The Value at Risk calculated represents the potential change in value in the portfolio described above within a quarter period with 95% confidence. To this effect, a study is made of the volatility of the risk variables that affect the value of the portfolio, against the Chilean peso, including:

- > Libor interest rate of the U.S. dollar.
- > The exchange rate of the different currencies used in the calculation.

The Value at Risk is based on extrapolation of future scenarios (to one quarter of) of the market values of the risk variables according to scenarios based on actual observations for the same period (quarter of) for five years.

The Value at Risk to a quarter of with 95% confidence is calculated as the 5% percentile over the most adverse possible quarter ofly changes.

Given the aforementioned assumptions, the Value at Risk to a quarter of the positions discussed above corresponds to Ch\$ 121,446 million.

This value represents the potential increase in the debt and derivatives portfolio, therefore these Values at Risk are intrinsically linked, among other factors, to the value of the portfolio at the end of each quarter.

### **Other Risks**

As is common practice in bank credit facilities and capital market operations, a portion of Enel Generación Chile's financial debt is subject to cross-default provisions. If certain non-payments are not corrected, a cross default could result and certain liabilities of Enel Generación Chile could eventually become enforceable.

Additionally, non-payment – after any applicable grace period – for any debt of Enel Generación Chile or its subsidiary, with a principal amount that exceeds US\$ 30 million, or its equivalent in other currencies, could lead to the acceleration payment of its Yankee Bonds. In the specific case of the Yankee bond issued in April 2014, maturing in 2024, the threshold is US\$ 50 million, or its equivalent in other currencies.

Lastly, in the case of Enel Generación Chile's local bonds and local credit line, acceleration is only triggered by the issuer's or debtor default, and not referring to its subsidiaries. In the case of local bonds, the cross-default may be triggered in cases where the amount in arrears exceeds US\$ 50 million in a single debt, or its equivalent in other currencies.

There are no credit-agreement clauses stating that changes in the corporate or debt rating of Enel Generación Chile, performed by credit-rating agencies, would result in the need to make prepayments of debt.

### **III. BOOK VALUE AND ECONOMIC VALUE OF ASSETS**

With regard to most relevant assets, it is worth noting the following:

Property, plant, and equipment are valued at their acquisition cost, net of the corresponding accumulated depreciation, and impairment losses. The property, plant, and equipment, net of their residual value, depreciate by distributing the cost of their different components linearly over the years of the estimated useful life of the asset, which is the period in which the companies expect to use them. The estimated useful life of the asset is revised periodically.

The appreciation (goodwill) generated in the consolidation represents the premium paid in the cost of acquisition over the Group's participation in the fair value of assets and liabilities, including the identifiable contingent liabilities and non-controlling interest of a subsidiary on the date of acquisition. The appreciation is not amortized, but at the end of each accounting period, an estimation of any impairment that might reduce its recoverable value to an amount below the recorded net cost is calculated, in which case an adjustment is made for the impairment (see Note 3.b of the Financial Statements).

Throughout the year, and most importantly at its closing, an evaluation is carried out to determine whether any asset might have suffered an impairment loss. In the event that there is an indication of such loss, an estimate of the recoverable value of such asset is made to determine the amount of the impairment. In the case of identifiable assets that do not generate cash flows independently, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs, which is considered to be the smallest group of assets that generate cash inflows independently.

Assets denominated in a foreign currency are translated using the period's closing exchange rate.

Accounts and notes receivable from related companies are classified according to their maturity in short-term and long-term. Transactions are adjusted to conditions prevailing in the market.

In summary, asset values are determined according to the International Financial Reporting Standards whose criteria are presented in Notes 2 and 3 of the Financial Statements.