



ENEL GENERACIÓN CHILE ANNOUNCES CONSOLIDATED RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2022

(Amounts expressed in millions of Chilean Pesos)

EXECUTIVE SUMMARY

- On December 19, 2022, Enel Generación Chile and Shell signed a contract introducing amendments to their existing agreement primarily related to the volume of gas. The contract states that Shell was to pay Enel Generación Chile US\$ 520 million, which was entirely paid and booked as operational revenue in 2022. The respective reduction in Enel Generación Chile's gas quantity is a portion of the total projected gas surplus after fulfilling the Company's gas commitments.
- Net income of Enel Generación Chile S.A. reached a Ch\$ 597,565 million profit as of December 2022, significantly more than the Ch\$ 115,941 million of year 2021, mainly due to an increase in electricity and gas sales, coupled with the additional income previously mentioned related to the agreement with Shell. Net income for Q4 2022 reached a Ch\$ 438,692 million profit, which positively compares to the Ch\$ 51,453 million booked in Q4 2021. It should be noted that, in the last quarter of 2022, impairment losses were recorded for thermal and hydroelectric projects that will not be developed given the Company's decarbonization strategy and the new market conditions, respectively. These impairments amounted to a total Ch\$ 22,912 million and were booked during the last quarter of 2022.
- When excluding the extraordinary effects related to Bocamina II, the impairment of projects under development that were suspended, and the expenses booked in 2021 related to the Group's digitalization strategy, the Company's net income climbed 269.7% to Ch\$ 651,922 million as of December 31, 2022, compared to the adjusted comparable Ch\$ 176,348 million net income as of December 2021. When making the same adjustments to quarterly results, net income for Q4 2022 reached Ch\$ 455,418 million compared to Ch\$ 90,217 million for the same quarter of 2021.
- Net electricity generation reached 17,729 GWh in 2022, increasing 13.8% (+2,146 GWh) when compared to 2021, due to greater hydroelectric generation and greater dispatch of the Company's combined cycle power plants. Net electricity generation during Q4 2022 reached 4,459 GWh, which is 5.5% (+234 GWh) higher than the figure for Q4 2021 due to higher hydroelectric power plant dispatch related to year 2022 better hydrology.

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- Physical energy sales amounted to 31,457 GWh as of December 2022, 14.5% (+3,979 GWh) more than last year, mainly explained by greater sales to regulated customers and also non-regulated customers, the latter primarily due to new customer contracts. Physical energy sales during Q4 2022 amounted to 8,000 GWh, which is 10.2% (+741 GWh) higher than the figure for Q4 2021 mainly due to greater regulated customer sales and spot market sales.
- Operating revenues increased 101.0% to Ch\$ 3,818,907 million as of December 2022, when compared to December 2021 due to the additional revenue resulting from the agreement with Shell, greater physical energy sales, a higher average energy sales price when expressed in Chilean pesos, and also higher gas sales. Similarly, during Q4 2022, operating revenues increased 168.7% to Ch\$ 1,402,005 million.
- Procurement and services costs increased 87.2% to Ch\$ 2,818,055 million as of December 2022, mainly explained by higher electricity purchase costs due to both higher physical purchases and average purchase price, higher gas sales costs, and higher fuel consumption costs related to higher thermal electricity dispatch and higher commodity prices. Similarly, quarterly operating costs increased from Ch\$ 398,675 million in Q4 2021 to Ch\$ 704,382 million in Q4 2022.
- Other expenses increased 74.7%, mainly due to the impairment of thermal power plant projects that responds to the Group's decarbonization strategy, and also due to the impairment of hydroelectric projects that will not be carried out because of current market conditions, which all together amounted to Ch\$ 22,912 million.
- As a result of the factors previously mentioned, the Company's EBITDA as of December 31, 2022, increased 226.8% to Ch\$ 849.770 million when compared to 2021. When excluding the extraordinary effects previously mentioned, the Company's EBITDA increased 194.4% to Ch\$ 924,231 million. During Q4 2022, EBITDA reached Ch\$ 641,531 million, representing a Ch\$ 554,944 million improvement when compared to the same quarter of 2021. When excluding extraordinary effects, EBITDA for Q4 2022 reached Ch\$ 664,443 million compared to the lower Ch\$ 110,916 million for Q4 2021.
- Financial results improved Ch\$ 11,673 million as of December 2022 reaching a Ch\$ 30,772 million expense, mainly explained by higher financial income and higher profit from exchange rate differences. Quarterly, financial results went from a Ch\$ 3,199 million profit in Q4 2021 to a Ch\$ 24,633 million loss during Q4 2022 partly due to greater financial expenses.

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- On September 30, 2022, in line with the Company's Just Energy Transition Strategy, Enel Generación Chile permanently disconnected Unit 2 (350 MW) of the Bocamina Thermoelectric Complex located in the city of Coronel, the last of the two units of this power plant, thus becoming the first coal-free electricity generation company in Chile. After the disconnection of Bocamina, the Company met the challenge assumed in 2019 by signing the National Decarbonization Agreement, 18 years earlier than initially committed.

FINANCIAL SUMMARY

- Gross financial debt of the Company as of December 2022 reached US\$ 1,020 million, US\$ 46 million less than December 2021.
 - The average cost of debt declined from 6.8% as of December 2021 to 6.7% as of December 2022.
 - The Company's available cash and cash equivalents amounted to US\$ 18 million as of December 2022.
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Enel Generación Chile Group has 5,548¹ MW total net power capacity as of December 31, 2022, of which 63% is renewable energy. A total 3,416 MW is hydroelectric installed capacity, 2,050 MW is thermal capacity that operates using gas or fuel oil, and 82 MW is wind fired installed capacity.

ENEL GENERACIÓN CHILE Markets in which participates	Energy Sales (GWh)						Market share (%)	
	Cumulative			Quarterly			Dec-22	Dec-21
	Dec-22	Dec-21	% Change	Q4 2022	Q4 2021	% Change		
Sistema Eléctrico Nacional (SEN)	31,457	27,477	14.5%	8,000	7,259	10.2%	40.8%	36.7%

¹ Considers the sale of Diego de Almagro thermal power plant (-23.8 MW), the disconnection of Bocamina 2 (-320 MW), the capacity adjustment of Abanico power plant (-42.8 MW), and increases in power of Tal Tal power plant (+2.6 MW) and Sauzal power plant (+0.5 MW).

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 would 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 System Coordinator, which replaces the average value of the dollar during the billing month that had been in force up to then.

- > Law 21,472 was enacted on August 2, 2022 creating a Tariff Stabilization Fund and a new Temporary Electricity Tariff Stabilization Mechanism for regulated customers. This Law introduces a mechanism to protect customers from price increases by paying for the difference between the regulated electricity supply contract price and the stabilized electricity price. The objective is to prevent electricity prices to increase in 2022 and allow for gradual price increases during the next decade. The price differences will be covered by a US\$ 1,800 million temporary fund financed with a price indexed, transferable payment document to expire in December 2032 that

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issued monthly by the Chilean Treasury Department in US dollars and is guaranteed by the State.

This fund is to be financed with an additional charge to end customers based on their level of electricity consumption. Small businesses that consume up to 1,000 kWh and end customers that consume less than 350 kWh are exempt of the additional charge.

The Fund is managed by the Chilean Treasury Department that will directly contribute US\$ 20 million to the fund every year until December 31, 2032. All balances generated in excess of the US\$ 1,350 million fund indicated in Law No. 21,185 are recognized as part of the mechanism established in Law No. 21,472.

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I.- CONSOLIDATED FINANCIAL STATEMENT ANALYSIS

1. INCOME STATEMENT ANALYSIS

Net income of Enel Generación Chile as of December 31, 2022, amounted to Ch\$ 597,565 million, compared to Ch\$ 115,941 million booked for 2021.

The following table shows comparative figures for each item of the income statement from operations as of December 31, 2022, and 2021:

CONSOLIDATED INCOME STATEMENT (Million Ch\$)	Cumulative Figures				Quarterly Figures			
	Dec-22	Dec-21	Change	% Change	Q4 2022	Q4 2021	Change	% Change
REVENUES	3,818,907	1,899,774	1,919,133	101.0%	1,402,005	521,782	880,223	168.7%
Sales	3,250,486	1,882,345	1,368,141	72.7%	935,903	523,486	412,417	78.8%
Other operating revenues	568,421	17,429	550,992	n/a	466,102	(1,704)	467,806	n/a
PROCUREMENT AND SERVICES	(2,818,055)	(1,505,111)	(1,312,944)	87.2%	(704,382)	(398,675)	(305,707)	76.7%
Energy purchases	(1,351,041)	(824,941)	(526,100)	63.8%	(332,015)	(218,377)	(113,638)	52.0%
Fuel consumption	(587,064)	(374,748)	(212,316)	56.7%	(99,305)	(124,116)	24,811	(20.0%)
Transportation expenses	(302,406)	(153,426)	(148,980)	97.1%	(92,244)	(34,826)	(57,418)	164.9%
Other variable procurement and service cost	(577,544)	(151,996)	(425,548)	n/a	(180,818)	(21,356)	(159,462)	n/a
CONTRIBUTION MARGIN	1,000,852	394,663	606,189	153.6%	697,623	123,107	574,516	n/a
Other work performed by entity and capitalized	5,734	3,183	2,551	80.1%	2,385	1,012	1,373	135.7%
Employee benefits expense	(48,778)	(52,345)	3,567	(6.8%)	(12,013)	(10,931)	(1,082)	9.9%
Other fixed operating expenses	(108,038)	(85,496)	(22,542)	26.4%	(46,464)	(26,601)	(19,863)	74.7%
GROSS OPERATING INCOME (EBITDA)	849,770	260,005	589,765	n/a	641,531	86,587	554,944	n/a
Depreciation and amortization	(71,520)	(72,007)	487	(0.7%)	(17,901)	(18,275)	374	(2.1%)
Impairment loss (Reversal)	(2,286)	(28,773)	26,487	(92.1%)	(2,286)	(28,773)	26,487	(92.1%)
Impairment loss (Reversal) for applying IFRS 9	(1,931)	(697)	(1,234)	177.0%	(620)	(773)	153	(19.8%)
OPERATING INCOME (EBIT)	774,033	158,528	615,505	n/a	620,724	38,766	581,958	n/a
NET FINANCIAL EXPENSE	(30,772)	(42,445)	11,673	(27.5%)	(24,633)	3,199	(27,832)	n/a
Financial income	10,012	7,632	2,380	31.2%	(7,309)	4,662	(11,971)	n/a
Financial costs	(70,397)	(68,653)	(1,744)	2.5%	(13,686)	(9,240)	(4,446)	48.1%
Gain (Loss) for indexed assets and liabilities	(3,331)	3,386	(6,717)	(198.4%)	(7,569)	2,212	(9,781)	n/a
Foreign currency exchange differences, net	32,944	15,190	17,754	116.9%	3,931	5,565	(1,634)	(29.4%)
OTHER NON-OPERATING RESULTS	7,759	13,387	(5,628)	(42.0%)	3,108	12,767	(9,659)	(75.7%)
Share of profit (loss) of associates accounted for using the equity method	6,824	3,220	3,604	111.9%	3,082	2,735	347	12.7%
Net Income from other investments	124	10,137	(10,013)	(98.8%)	26	10,032	(10,006)	(99.7%)
Net Income from sale of assets	811	30	781	n/a	-	-	-	n/a
NET INCOME BEFORE TAXES	751,020	129,470	621,550	n/a	599,199	54,732	544,467	n/a
Income Tax	(139,713)	(5,812)	(133,901)	n/a	(155,197)	(726)	(154,471)	n/a
NET INCOME	611,307	123,658	487,649	n/a	444,002	54,006	389,996	n/a
Shareholders of the parent company	597,565	115,941	481,624	n/a	438,692	51,453	387,239	n/a
Non-controlling interest	13,742	7,717	6,025	78.1%	5,310	2,553	2,757	108.0%
Earning per share (Ch\$ /share) (*)	72.86	14.14	58.72	n/a	53.49	6.27	47.21	n/a

(*) As of December 31, 2022 and December 31, 2021 the average number of paid and subscribed shares was 8,201,754,580.

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OPERATING INCOME

The Company's EBITDA as of December 31, 2022, increased Ch\$ 589,765 million to Ch\$ 849,770 million and operating income as of December 31, 2022, increased Ch\$ 615,505 million to Ch\$ 774,033 million.

Operating revenues totaled Ch\$ 3,818,907 million, representing a Ch\$ 1,919,133 million or 101% increase when compared to the previous year, mainly due to the following:

- > **Greater energy sales amounting to Ch\$ 822,208 million**, mainly explained by: (i) +3,979 GWh greater physical sales amounting to Ch\$ 265,456 million, which includes greater physical sales to unregulated customers (+1,481 GWh), primarily related to new customer contracts, higher sales to regulated customers (+1,803 GWh), and higher spot market sales (+695 GWh); (ii) a positive price effect for Ch\$ 559,223 million mainly due to the depreciation of the local currency / US dollar exchange rate during the period, and (iii) higher ancillary services revenue for Ch\$ 43,935 million related to safety and service quality. These effects were partially offset by (iv) lower revenue from commodity hedges for Ch\$ 45,806 million.
- > **Greater other sales for Ch\$ 542,477 million** mainly due to an increase in gas sales revenue for Ch\$ 542,290 million.
- > **Greater other operating revenues for Ch\$ 550,592 million**, mainly owing to greater revenue related to commodity derivatives for Ch\$ 59,692 million, greater revenue from regasification services for Ch\$ 29,740 million and the Shell agreement for Ch\$ 460,715 million.

During the Q4 2022, operating revenues amounted to Ch\$ 1,402,005 million, which represents a Ch\$ 880,223 million increase (or 168.7%), when compared to the Ch\$ 521,782 million for the same quarter of 2021. This variation is mainly explained by:

- > **A Ch\$ 219,454 million increase in energy sales** mainly due to a Ch\$ 34,211 million increase in physical sales (equivalent to +741 GWh), a positive effect on the average sales price expressed in pesos for Ch\$ 159,659 million, and a Ch\$ 26,712 million increase in ancillary services, offset by lower revenue from commodity hedges for Ch\$ 1,128 million.
- > **Greater other sales for Ch\$ 190,975 million**, mainly due to an increase in gas sales revenue for Ch\$ 190,904 million.
- > **Greater other operating revenues for Ch\$ 467,806 million**, mainly owing to greater revenue from regasification services for Ch\$ 7,194 million and the Shell agreement for Ch\$ 460,715 million.

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Procurement and services costs increased 87.2% to Ch\$ 1,312,944 million explained by the following:

- > **A Ch\$ 526,100 million increase in energy purchases**, mainly greater physical energy purchases from other generation companies (+2,281 GWh), offset by lower purchases on the spot market (-448 GWh), mainly due to the need to satisfy the greater electricity demand of regulated and unregulated customers in addition to a higher spot market price due to electricity industry conditions.
- > **A Ch\$ 212,316 million increase in fuel consumption costs** mainly due to (i) higher gas consumption costs for Ch\$ 188,183 million, mainly due to greater gas fired thermal electricity generation and a higher average gas price, (ii) a Ch\$ 4,232 million increase in impairment losses on coal inventories and Ch\$ 410 million on diesel oil inventories, both related to the disconnection of Central Bocamina II coal unit impaired during the first semester of 2020, (iii) higher fuel oil consumption costs amounting to Ch\$ 17,792 million, and (iv) a lower commodity hedging effect for Ch\$ 2,656 million.
- > **A Ch\$ 148,980 million increase in transportation costs** mainly due to: (i) higher tolls amounting to Ch\$ 95,187 million primarily related to higher Tariff Revenue ("IT" in its Spanish acronym) costs as a consequence of higher marginal costs amounting to Ch\$ 95,430 million, and (ii) higher gas transportation and regasification costs for Ch\$ 53,793 million.
- > **A Ch\$ 425,548 million increase in other procurement and services costs** mainly due to: (i) higher gas commercialization costs for Ch\$ 408,644 million, (ii) higher thermal emissions tax for Ch\$ 773 million, (iii) higher various generation input costs (water, chemicals, etc.) for Ch\$ 2,728 million, (iv) higher commodity hedging costs amounting to Ch\$ 10,105 million, and (v) higher temporary facility rentals for Ch\$ 3,298 million.

During Q4 2022, procurement and services costs reached Ch\$ 704,382 million, increasing 76.7%, or Ch\$ 305,707 million, when compared to the Ch\$ 398,675 million for the same quarter of 2021. This increase is mainly due to:

- > **A Ch\$ 113,638 million increase in energy purchases** primarily greater physical energy purchases from other generation companies (+458 GWh) mainly needed to satisfy regulated customers' greater electricity demand, coupled with a higher spot market price due to electricity industry conditions.
- > **Lower fuel consumption costs for Ch\$ 24,811 million**, mainly due to (i) lower coal consumption amounting to Ch\$ 19,618 million, (ii) a Ch\$ 23,429 million lower impairment loss on coal inventories, partly offset by (iii) a lower positive effect from commodity hedges for Ch\$ 12,064 million, and (iv) higher fuel oil consumption amounting to Ch\$ 6,548 million.

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- > A Ch\$ 57,418 million increase in transportation costs, mainly higher tolls for Ch\$ 46,712 million, higher regasification costs for Ch\$ 8,905 million and higher gas transportation costs for Ch\$ 1,801 million.
- > Higher other procurement and services costs for Ch\$ 159,462 million, mainly explained by: (i) greater gas commercialization cost of sales for Ch\$ 162,463 million, (ii) greater commodity hedging derivative costs for Ch\$ 3,847 million, partly offset by (iii) lower thermal emissions tax for Ch\$ 7,831 million.

Personnel expenses (net of personnel expense capitalization) reached Ch\$ 43,044 million as of December 31, 2022, which represents a Ch\$ 6,118 million decrease when compared to 2021. This lower cost mainly responds to the Company's Ch\$ 6,001 million lower restructuring costs related to the Group's digitalization strategy for 2021-2024, greater capitalization of personnel expenses of Los Cóndores project amounting to Ch\$ 2,551 million, offset by a Ch\$ 2,688 million increase in remunerations due to CPI indexation.

During Q4 2022, **personnel expenses (net of personnel expense capitalization)** reached Ch\$ 9,628 million as of December 31, 2022, which represents a Ch\$ 291 million decrease when compared to the same period of 2021.

Other expenses increased Ch\$ 22,542 million mainly due to a Ch\$ 22,912 million higher expense resulting from the impairment of assets related to thermal and hydroelectric projects that will not be developed given the Company's decarbonization strategy and the new market conditions, respectively.

During Q4 2022, **other expenses** amounted to Ch\$ 46,464 million, which represents a Ch\$ 19,863 million increase, or 74.7%, when compared to the Ch\$ 26,601 million booked for the same quarter of 2021. This increase is mainly explained by the Ch\$ 22,912 million impairment of assets related to hydroelectric and thermal power plant projects abovementioned.

The accumulated and quarterly revenues, costs and operating income for the periods ended December 31, 2022 and 2021, are shown below:

COMPANY	Cumulative Figures (Figures in million Ch\$)					
	Dec-22			Dec-21		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	3,666,454	(3,141,256)	525,198	1,869,125	(1,852,974)	16,151
Empresa Eléctrica Pehuenche S.A.	272,442	(23,607)	248,835	208,153	(65,776)	142,377
Consolidation adjustments	(119,989)	119,989	-	(177,504)	177,504	-
Total Consolidated	3,818,907	(3,044,874)	774,033	1,899,774	(1,741,246)	158,528

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COMPANY	Quarterly Figures (Figures in million Ch\$)					
	Q4 2022			Q4 2021		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	1,336,553	(812,605)	523,948	511,558	(519,657)	(8,099)
Empresa Eléctrica Pehuenche S.A.	100,699	(3,923)	96,776	59,268	(12,403)	46,865
Consolidation adjustments	(35,247)	35,247	-	(49,044)	49,044	-
Total Consolidated	1,402,005	(781,281)	620,724	521,782	(483,016)	38,766

Energy sales of Enel Generación Chile and its subsidiary for the periods ended December 31, 2022 and 2021, are shown below:

(Figures in million Ch\$)	Cumulative Figures				Quarterly Figures			
	Dec-22	Dec-21	Change	% Change	Q4 2022	Q4 2021	Change	% Change
Sales to regulated customers	1,169,809	772,624	397,185	51.4%	339,747	207,440	132,307	63.8%
Sales to unregulated customers	1,197,552	923,199	274,353	29.7%	285,214	295,405	(10,191)	(3.5%)
Sales at spot market	204,123	52,852	151,271	n/a	104,802	7,463	97,339	n/a
Total energy sales	2,571,484	1,748,676	822,808	47.1%	729,763	510,309	219,454	43.0%

NON-OPERATING INCOME

Non-operating income as of December 31, 2022 and 2021 is summarized below:

NON-OPERATING INCOME (Figures in million Ch\$)	Cumulative Figures				Quarterly Figures			
	Dec-22	Dec-21	Change	% Change	Q4 2022	Q4 2021	Change	% Change
Financial income	10,012	7,632	2,380	31.2%	(7,309)	4,662	(11,971)	n/a
Financial costs	(70,397)	(68,653)	(1,744)	2.5%	(13,686)	(9,240)	(4,446)	48.1%
Gain (Loss) for indexed assets and liabilities	(3,331)	3,386	(6,717)	(198.4%)	(7,569)	2,212	(9,781)	n/a
Foreign currency exchange differences, net	32,944	15,190	17,754	116.9%	3,931	5,565	(1,634)	(29.4%)
NET FINANCIAL EXPENSE	(30,772)	(42,445)	11,673	(27.5%)	(24,633)	3,199	(27,832)	n/a
Share of profit (loss) of associates accounted for using the equity method	6,824	3,220	3,604	111.9%	3,082	2,735	347	12.7%
Net Income From Other Investments	124	10,137	(10,013)	(98.8%)	26	10,032	(10,006)	(99.7%)
Net Income From Sale of Assets	811	30	781	n/a	-	-	-	0.0%
OTHER NON-OPERATING RESULTS	7,759	13,387	(5,628)	(42.0%)	3,108	12,767	(9,659)	(75.7%)
NET INCOME BEFORE TAXES	751,020	129,470	621,550	n/a	599,199	54,732	544,467	n/a
Income Tax	(139,713)	(5,812)	(133,901)	n/a	(155,197)	(726)	(154,471)	n/a
NET INCOME OF THE PERIOD	611,307	123,658	487,649	n/a	444,002	54,006	389,996	n/a
<i>Attributable to Shareholders of the parent company</i>	<i>597,565</i>	<i>115,941</i>	<i>481,624</i>	<i>n/a</i>	<i>438,692</i>	<i>51,453</i>	<i>387,239</i>	<i>n/a</i>
<i>Attributable to Non-controlling interest</i>	<i>13,742</i>	<i>7,717</i>	<i>6,025</i>	<i>78.1%</i>	<i>5,310</i>	<i>2,553</i>	<i>2,757</i>	<i>108.0%</i>

Financial Result

The financial result as of December 31, 2022, amounted to a Ch\$ 30,772 million loss, which represents a Ch\$ 11,673 million positive variation when compared to last year, which is mainly explained by the following:

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Higher financial income for Ch\$ 2,380 million, mainly due to (i) greater interest income related to the Tariff Stabilization Law amounting to Ch\$ 2,307 million, and (ii) higher interest received for the funds invested through the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 3,594 million, offset by lower income from the restatement of dismantling provisions of the power plants that were impaired as a result of the Company's decarbonization process for Ch\$ 3,524 million as a consequence of interest rate increases during 2022.

Financial income during Q4 2022 decreased Ch\$ 11,971 million when compared to the same quarter of 2021 mainly due to lower income from the restatement of dismantling provisions of the power plants that were impaired as a result of the Company's decarbonization process for Ch\$ 13,824 million compensated by greater interest income related to the Tariff Stabilization Law amounting to Ch\$ 257 million and higher interest received for the funds invested through the Centralized Treasury Service Contract with Enel Chile for Ch\$ 1,584 million.

Greater financial expenses for Ch\$ 1,744 million, mainly explained by (i) higher interest expenses on the structured loan obtained from Enel Chile S.A. and the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 18,793 million, (ii) a Ch\$ 8,070 million increase in financial expenses related to the restatement of dismantling provisions, (iii) a Ch\$ 5,199 million increase in interest for postponing supplier payments, and (iv) higher bank fees and expenses for Ch\$ 906 million, offset by (v) a Ch\$ 19,752 million reduction in financial expenses for customer invoice factoring mainly the Ch\$ 27,296 million reduction related to the Tariff Stabilization Law, (vi) a Ch\$ 3,249 million increase in capitalized interest related to Los Cóndores project and (vii) Ch\$ 8,223 million lower financial expenses for commercial agreements with customers.

During Q4 2022, financial expenses increased Ch\$ 4,446 million when compared to the same quarter of 2021 mainly due to (i) a Ch\$ 1,299 million increase in interest for postponing supplier payments, (ii) higher interest expenses on the structured loan obtained from Enel Chile S.A. and the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 7,160 million, (iii) a Ch\$ 2,109 million increase in financial expenses related to the restatement of dismantling provisions, offset by (iv) a Ch\$ 786 million increase in capitalized interest related to Los Cóndores project, (v) lower interest expenses related to the Tariff Stabilization Law amounting to Ch\$ 2,442 million, (vi) lower interest on bonds for Ch\$ 510 million, (vii) Ch\$ 1,788 million lower financial expenses for sales and assignment of trade account receivables, and (viii) lower bank charges and commissions for Ch\$ 596 million.

Higher losses related to indexation for Ch\$ 6,717 million, primarily explained by a greater negative effect related to IAS 29 "Financial Reporting in Hyperinflationary Economies" on the Group's branch in Argentina that amounted to a Ch\$ 11,042 million loss, a greater loss on other financial liabilities for Ch\$ 2,170 million, offset by a greater profit from indexation on recoverable taxes for Ch\$ 6,495 million.

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During Q4 2022, losses related to indexation increased Ch\$ 9,781 million when compared to the same quarter of 2021, primarily explained by a greater loss from indexation due to the IAS 29 “Financial Reporting in Hyperinflationary Economies” for Ch\$ 10,709 million, a greater loss on other financial liabilities for Ch\$ 1,416 million, offset by a greater profit from indexation on recoverable taxes for Ch\$ 2,344 million.

Greater profit from exchange differences amounting to Ch\$ 17,754 million, mainly due to: (i) a higher positive exchange rate difference effect on derivatives for Ch\$ 4,067 million, (ii) a higher positive exchange rate difference effect on trade accounts payable and other accounts payable for Ch\$ 29,576 million that includes the Ch\$ 30,600 million effect resulting from the structured loan obtained from Enel Chile S.A., (iii) a higher positive exchange rate difference effect on other financial liabilities for Ch\$ 19,479 million, offset by a lower exchange rate difference effect on trade accounts receivables for Ch\$ 35,332 million that includes the Ch\$ 21,596 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.

During Q4 2022, income from exchange differences decreased Ch\$ 1,634 million when compared to the same quarter of 2021, primarily due to greater a negative exchange rate difference effect on trade account receivables for Ch\$ 66,582 million, including the Ch\$ 61,072 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, offset by (i) a greater positive exchange rate difference effect on cash and cash equivalents for Ch\$ 5,433 million, (ii) a greater positive exchange rate difference effect on other financial liabilities for Ch\$ 20,198 million, (iii) a higher positive exchange rate difference effect on trade accounts payable and other accounts payable for Ch\$ 38,246 million that includes the Ch\$ 43,972 million effect resulting from the structured loan obtained from Enel Chile S.A., and (iv) a higher positive exchange rate difference effect on derivative contracts for Ch\$ 1,071 million.

Other Non-operating results

Companies accounted for using the equity method

Income from companies accounted for using the equity method improved Ch\$ 3,604 million during 2022 when compared to 2021, mainly due to a Ch\$ 3,226 million increase in profit from our associate company GNL Chile S.A.

During Q4 2022, **Income from companies accounted for using the equity method** increased Ch\$ 347 million [when compared to the same quarter of the previous year.

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Sale of assets

Income from the **Sale of assets** increased Ch\$ 781 million, mainly explained by the sale of thermal power plant Diego de Almagro for Ch\$ 494 million and the sale of land for Ch\$ 317 million.

During 4Q 2022, Sale of assets remained unchanged.

Corporate taxes

Corporate income tax in 2022 amounted to a Ch\$ 139,713 million expense, which represents a Ch\$ 133,901 million expense increase when compared to 2021. This variation is primarily explained by a Ch\$ 124,393 million increase in tax expenses related to the additional operating revenue resulting from the agreement with Shell, a Ch\$ 39,278 million greater income tax expense related to this period's higher operating income, offset by a Ch\$ 32,614 million greater tax income due to this period's price-level restatement.

During Q4 2022, **corporate income tax** reached a Ch\$ 155,197 million expense, representing a Ch\$ 154,471 million higher expense when compared to same quarter of 2021. This variation is primarily due to a Ch\$ 124,393 million increase in income tax on earnings related to the additional operating revenue resulting from the agreement with Shell and greater income tax on profits for Ch\$ 31,715 million related to this period's higher operating income.

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2. BALANCE SHEET ANALYSIS

Total Assets of the Company as of December 2022 increased Ch\$ **1,105,421 million** when compared to December 2021.

ASSETS (Figures in million Ch\$)	Dec-22	Dec-21	Change	% Change
Current Assets	1,700,123	546,173	1,153,950	n/a
Non Current Assets	2,707,182	2,755,711	(48,529)	(1.8%)
Total Assets	4,407,305	3,301,884	1,105,421	33.5%

Current Assets increased Ch\$ 1,153,950 million as of December 31, 2022. The variations of the main categories of Current assets are the following:

- A Ch\$ 11,332 million increase in **Cash and cash equivalents** mainly explained by a Ch\$ 11,332 million increase in the balance of bank accounts.
- A Ch\$ 111,531 million increase in **Other non-financial current assets** mainly due to greater value added tax credits for Ch\$ 114,523 million, offset by a Ch\$ 2,912 million reduction in insurance related assets.
- A Ch\$ 589,604 million increase in **Current trade accounts and other current accounts receivables** mainly due to an increase in customer trade accounts receivables for Ch\$ 577,934 million, and a Ch\$ 10,552 million increase in the balance of advance payments to suppliers.
- A Ch\$ 388,802 million increase in **Current related party accounts receivables** mainly due to the Ch\$ 174,205 million increase in the balance of accounts receivables related to commodity derivative transactions with Enel Global Trading S.p.A., higher accounts receivables for energy sales to Enel Distribución Chile S.A. for Ch\$ 64,779 million, greater accounts receivables for gas sales to Endesa Energía for Ch\$ 31,754 million, and a higher balance of funds invested through the Centralized Treasury Service Contract with Enel Chile S.A. for Ch\$ 124,053 million, partly offset by a Ch\$ 7,054 million lower balance of accounts receivables for advance payments for gas sales to GNL Chile S.A.
- A Ch\$ 20,819 million increase in **Inventories**, mainly higher fuel oil and gas inventory for Ch\$ 8,262 million and Ch\$ 4,286 million respectively, and higher spare parts and other materials for Ch\$ 8,271 million.
- A Ch\$ 4,230 million increase in **Current tax assets** mainly related to provisional monthly payments for Ch\$ 4,205 million.

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- A Ch\$ 26,445 million increase in Non-current assets available for sale, which corresponds to the sale of the Corporate building of Enel Generación Chile.

Non-current Assets decreased Ch\$ 48,529 million when compared to the balance as of December 31, 2021. The variations of the main categories of Non-current assets are the following:

- A Ch\$ 19,210 million increase in Other non-current financial assets, mainly hedging derivatives.
- A Ch\$ 6,699 million increase in Investments accounted for using the equity method primarily due to the profit of our associate company GNL Chile S.A. for Ch\$ 6,847 million, offset by negative exchange rate differences for Ch\$ 149 million.
- A Ch\$ 116,738 million increase in Property, Plant and Equipment mainly due to the Ch\$ 231,039 million increase in projects under construction partially offset by the Ch\$ 65,781 million depreciation of the period, Ch\$ 26,445 million of assets available for sale and Ch\$ 24,881 million due to asset retirements.
- A Ch\$ 49,808 million reduction in the balance of Trade accounts receivables and other accounts receivables mainly explained by the Ch\$ 49,983 million reduction in the balance of customer energy sales accounts receivables related to the Tariff Stabilization Law applicable to regulated customers.
- A Ch\$ 138,167 million decrease in Deferred tax assets mainly related to a Ch\$ 29,860 million reduction in the balance of tax losses and a Ch\$ 108,580 million reduction in the balance of tax on fixed assets.

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Total Liabilities including Equity of the Company increased **Ch\$ 1,105,421 million** as of December 31, 2022 when compared to December 2021.

LIABILITIES AND EQUITY (Figures in million Ch\$)	Dec-22	Dec-21	Change	% Change
Current Liabilities	1,082,602	508,122	574,480	113.1%
Non Current Liabilities	1,240,479	1,283,154	(42,675)	(3.3%)
Total Equity	2,084,224	1,510,608	573,616	38.0%
<i>Attributable to the Shareholders of parent company</i>	<i>2,071,385</i>	<i>1,499,913</i>	<i>571,472</i>	<i>38.1%</i>
<i>Attributable to Non-controlling interest</i>	<i>12,839</i>	<i>10,695</i>	<i>2,144</i>	<i>20.1%</i>
Total Liabilities and Equity	4,407,305	3,301,884	1,105,421	33.5%

Current Liabilities increased **Ch\$ 574,480 million**. The explanation of the variations of the main categories of Current liabilities are the following:

- A **Ch\$ 357 million increase in Other current financial liabilities** primarily due to a Ch\$ 4,601 million increase in the balance of UF denominated bond debt due to indexation, and a Ch\$ 50,379 million increase in bond interest accruals, offset by the payment of interest on bonds amounting to Ch\$ 50,242 million and a Ch\$ 4,381 million reduction in hedging and other derivative liabilities.
- A **Ch\$ 352,143 million increase in Current trade accounts payable and other current accounts payable**, mainly due to higher energy and fuel supplier accounts payable for Ch\$ 280,655 million, higher accounts payable to suppliers of goods, services and fixed assets for Ch\$ 54,977 million, and higher dividends payable for Ch\$ 13,738 million.
- A **Ch\$ 195,717 million increase in Current accounts payable to related parties** primarily due to a higher balance of dividends payable to Enel Chile S.A. for Ch\$ 135,165 million, a higher balance of accounts payable to Enel Global Trading S.p.A. for Ch\$ 37,793 million related to commodity derivatives, a Ch\$ 12,132 million increase in accounts payable to GNL Chile for gas purchases, and a Ch\$ 13,425 million increase in accounts payable to Enel Green Power Chile S.A. for energy purchases.
- A **Ch\$ 4,273 million increase in Other current provisions** mainly due to a Ch\$ 5,933 million increase in dismantling provisions partly offset by lower personnel benefit provisions for Ch\$ 1,996 million.
- A **Ch\$ 14,431 million increase in Current tax liabilities** related to income tax.
- A **Ch\$ 4,670 million increase in Other current non-financial liabilities** related to value added tax debits and other taxes.

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Non-Current Liabilities decreased **Ch\$ 42,675 million** as of December 31, 2022 mainly due to the following:

- A **Ch\$ 25,783 million decrease in Other non-current financial liabilities**, mainly explained by a Ch\$ 27,677 million decrease in hedging and other derivative liabilities, offset by a Ch\$ 1,894 million increase in the balance of bond debt due to higher exchange differences for Ch\$ 8,010 million, higher balance of UF denominated bond debt for Ch\$ 30,063 million due to indexation, greater debt formalization costs amounting to Ch\$ 1,554 million, offset by payments during the period amounting to Ch\$ 37,733 million.
- A **Ch\$ 2,011 million increase in Non-current accounts payable to related parties** due to the effect of exchange differences on the structured debt obtained from Enel Chile S.A.
- A **Ch\$ 5,952 million reduction in Non-current leasing liabilities**.
- A **Ch\$ 12,108 million decrease in Other non-current provisions**, primarily the Ch\$ 8,372 million reduction in dismantling provisions and a Ch\$ 3,737 million reduction in personnel benefit provisions.

Total Equity amounted to **Ch\$ 2,084,224 million** as of **December 31, 2022**.

Equity attributable to the owners of Enel Generación Chile amounted to **Ch\$ 2,071,385 million**, which represents a **Ch\$ 571,472 million increase**, primarily explained by the Ch\$ 597,565 million profit of the period, and the Ch\$ 147,333 million comprehensive income statement profit, offset by dividend payments for Ch\$ 179,270 million.

Equity of non-controlling shareholdings amounted to **Ch\$ 12,839 million**, which represents a **Ch\$ 2,144 million improvement** when compared to the balance as of December 31, 2021, primarily explained by the Ch\$ 13,742 million profit of the period, offset by the Ch\$ 11,598 million dividend payment.

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Performance of the main financial ratios:

RATIO	UNIT	Dec-22	Dec-21	Chg	Chg %	
Liquidity	Times	1.57	1.07	0.50	46.7%	
Acid-test (2)	Times	1.53	1.02	0.51	50.0%	
Working capital	Million Ch\$	617,521	38,051	579,470	n/a	
Leverage	Times	1.11	1.19	(0.08)	(6.7%)	
Short-term debt (4)	%	46.6%	28.4%	18.2%	64.3%	
Long-term debt (5)	%	53.4%	71.6%	(18.2%)	(25.5%)	
Financial expenses coverage (6)	Times	20.84	5.19	15.65	n/a	
Profitability	Op. income / Op. Revenues	%	20.3%	8.3%	11.9%	142.9%
ROE (7)	%	33.5%	7.2%	26.3%	n/a	
ROA (8)	%	15.9%	3.9%	12.0%	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 December 31, 2022, reached 1.57 times, which represents a 46.7% increase when compared to December 2021. This variation is mainly due to the increase of current trade accounts receivables and other current accounts receivables, including current accounts receivables from related parties and non-current assets available for sale.
- > **The acid test**, as of December 31, 2022, was 1.53 times, a 50.0% increase when compared to December 31, 2021. This variation is mainly due to the increase of current trade accounts receivables and other current accounts receivables, including current accounts receivables from related parties and non-current assets available for sale.
- > **Working capital**, as of December 31, 2022, amounted to Ch\$ 617,521 million, a Ch\$ 579,470 million increase when compared to December 2021. This increase is mainly due to higher current trade accounts receivables and other current accounts receivables, including current accounts receivables from related parties and non-current assets available for sale.
- > **The debt ratio** was 1.11 times, which means that the level of commitment of Enel Generación Chile equity was 1.11 times for the period ended December 31, 2022.

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- > **The financial expenses coverage ratio** as of December 31, 2022, was 20.84 times, which represents the ability to cover all financial expenses with EBITDA of the 2022 period. This figure increased because EBITDA of 2022 rose when compared to 2021.
- > **The profitability index**, calculated by dividing operating income by operating revenues, was 20.3% as of December 31, 2022, which is higher than the figure for 2021 because of the higher operating income this year. When excluding the impact of the fuel inventory write-offs booked during 2022 related to the disconnection of Bocamina II power plant, and the impairment of projects, the figure would have reached 22.2% (12.7 % as of December 2021).
- > **Return on equity** of the owners of the controlling shareholder was 33.5% for the period ended December 31, 2022, which is 26.3% higher than the figure for 2021. When excluding the extraordinary effect related to the fuel inventory write-offs booked during 2022 due to the disconnection of Bocamina II power plant, and the impairment of projects, return on equity would have reached 35.4% (10.7% as of December 31, 2021).
- > **Return on assets** was 15.9% for the period ended December 31, 2022. When excluding the extraordinary effect related to the fuel inventory write-offs booked during 2022 due to the disconnection of Bocamina II power plant and the impairment of projects, return on assets would have reached 17.0% (5.7% as of December 31, 2021).

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3.- MAIN CASH FLOWS

Enel Generación Chile Group generated a Ch\$ 10,295 million positive cash flow during the period ended December 31, 2022, which represents a Ch\$ 13,590 million increase when compared to 2021. 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\$)	Dec-22	Dec-21	Change	% Change
From Operating Activities	432,027	242,935	189,092	77.8%
From Investing Activities	(291,632)	(122,462)	(169,170)	138.1%
From Financing Activities	(130,100)	(123,768)	(6,332)	5.1%
Total Net Cash Flow	10,295	(3,295)	13,590	n/a

Operating activities generated a Ch\$ 432,027 million positive cash flow, which represents a 77.8% increase when compared to December 2021. This cash flow mainly comprises Ch\$ 4,056,505 million in payments received for sales of goods and services, partially offset by payments to suppliers of good and services for Ch\$ 3,444,500 million, employee-related payments amounting to Ch\$ 47,496 million, insurance premium payments for Ch\$ 20,435 million, tax payments for Ch\$ 42,173 million, and other operating activity payments for Ch\$ 72,414 million.

The material variations in the Company's operating cash flow are due to gas related transactions.

Investment activities generated a Ch\$ 291,632 million negative cash flow, mainly explained by payments for additional property, plant, and equipment for Ch\$ 168,306 million, the purchase of intangible assets for Ch\$ 3,816 million, and funds invested through the Centralized Treasury Service Contract for Ch\$ 123,423 million partly offset by the sale of thermal power plant Diego de Almagro for Ch\$ 1,483 million.

Financing activities generated a Ch\$ 130,100 million negative cash flow. This cash flow is primarily explained by Ch\$ 32,610 million in funds received through the Centralized Treasury Service Contract, partially offset by dividend payments for Ch\$ 43,938 million, interest payments for Ch\$ 78,474 million and bond repayments for Ch\$ 37,733 million.

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The payments for additional Property, Plants and Equipment and depreciation for the period ended December 31, 2022, and 2021 are included below:

Capex and Depreciation

INFORMATION FOR ASSETS AND EQUIPMENTS (Figures in million Ch\$)

COMPANY	Depreciation			
	Dec-22	Dec-21	Dec-22	Dec-21
Enel Generación Chile	163,213	156,130	58,376	60,504
Pehuenche	5,093	599	7,406	7,343
Total Consolidated	168,306	156,729	65,782	67,847



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

The companies of the Enel Generación Chile Group follow the guidelines of the Internal Risk Management Control System (SCIGR) 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, monitoring, 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 the 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. There is a risk taxonomy for the entire Enel Group, which considers 6 risk macro-categories: financial; strategic; governance and culture; digital technology; compliance; and operational; and 38 risk sub-categories to identify, analyze, assess, treat, monitor and communicate its risks.

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 of Enel Generación Chile 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.

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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 (%)	December 31, 2022	December 31, 2021
Fixed Interest Rate	100%	100%

This ratio considers only debt transactions with third parties and with Enel Finance International, if any.

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.

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.

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During the fourth quarter of 2022, exchange rate risk management continued in the context of complying with the aforementioned risk management policy, without difficulty in accessing the derivatives market.

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 December 31, 2022, the Company held swaps for 450 Kbbbl of Brent oil to be settled in 2023 corresponding to fuel purchases; regarding gas, there were swaps for two commodities: a) the HH Swap with 2.7 TBtu to be settled in 2023 for sales; and b) the HH Future, with 18.9 TBtu to be settled in 2023 for purchases. Regarding coal, there were 175.6 kTon to be settled in 2023 for purchases. As of December 31, 2021, the Company held swaps for 1,930 Kbbbl of Brent oil to be settled in 2022 and 9.1 TBtu of Henry Hub gas to be settled in 2022.

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 fourth quarter of 2022 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.

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Despite the negative working capital existing at the end of September 2022, the Company is able to respond to this situation and mitigate the risk with the policy and actions described herein.

The aforementioned forecast includes net financial debt maturities, i.e. after financial derivatives. For further detail with regard to the characteristics and conditions of debt and financial derivatives, see Notes 19 and 22.2.

As of December 31, 2022, the Enel Generación Chile Group's liquidity was Ch\$ 15,130 million in cash and cash equivalents. As of December 31, 2021, the Enel Generación Chile Group's liquidity was Ch\$ 3,798 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.

The Group's portfolio has demonstrated, to date, resilience to the global pandemic crisis. All this thanks to a strengthening of digital collection channels and a solid diversification of commercial clients that have had a low exposure to COVID-19 impacts.

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).

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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:

- > 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\$ 146,509 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.

FINANCIAL STATEMENTS ANALYSIS

ENEL GENERACIÓN CHILE GROUP

AS OF DECEMBER 31, 2022



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 reviewed 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 Consolidated Financial Statements.