

ENEL GENERACIÓN CHILE
ANNOUNCES CONSOLIDATED RESULTS
FOR THE PERIOD ENDED MARCH 31, 2022
(Amounts expressed in millions of Chilean Pesos)

EXECUTIVE SUMMARY

- Net income attributable to Enel Generación Chile S.A. as of March 31, 2022, reached a Ch\$ 45,611 million profit, which compares favorably with the Ch\$ 24,339 million profit recorded in the same quarter of 2021. This increase was partly due to higher energy sales and an improvement in the financial result during the period.
- When excluding the extraordinary effects related to Bocamina II, the Company's net income increased 79.6% to Ch\$ 57,979 million as of March 31, 2022, compared to an adjusted net profit amounting to Ch\$ 32,292 million for the same period of 2021.
- Net electricity generation reached 4,162 GWh during the first quarter of 2022, 13.8% more (+503 GWh) than the same period of last year mainly due to greater dispatch of the Company's combined cycle power plants.
- Physical energy sales amounted to 8,045 GWh as of March 2022, which represents a 29.9% increase (+1,850 GWh) mainly explained by higher sales to unregulated customers mostly related to new contracts and also higher sales to regulated customers.
- Operating revenues therefore reached Ch\$ 661,729 million, equivalent to a 71.3% increase when compared to March 2021 primarily due to higher physical energy sales and a higher average sales price when expressed in Chilean pesos, in addition to higher gas sales.
- Procurement and services costs reached Ch\$ 561,060 million as of March 2022, representing a 100.4% increase, mainly explained by higher energy purchases cost related to higher physical purchases and a higher average price, and also higher fuel consumption cost related to higher dispatch of thermal power plants and higher commodity prices, coupled with a higher cost of gas sales.
- As a result of the factors previously mentioned, the Company's EBITDA amounted to Ch\$ 71,579 million, a 6.0% reduction when compared to March 2021.
- When excluding the extraordinary effects previously mentioned, the Company's EBITDA increased 1.7% to Ch\$ 88,522 million as of March 31, 2022.

- The Company's financial result amounted to a Ch\$ 7,398 million expense, a Ch\$ 23,921 million lower expense than the figure booked for the first quarter of 2021, mainly explained by lower financial expenses during the first quarter of this year.

FINANCIAL SUMMARY

- > Gross financial debt of the Company remained stable when compared to December 2021, reaching US\$ 1,066 million as of March 2022.
- > The average cost of debt remained stable at 6.8% as of March 31, 2022 when compared to December 2021.
- > The Company's available cash and cash equivalents amounted to US\$ 18 million as of March 31, 2022.

ENEL GENERACIÓN CHILE

FINANCIAL STATEMENTS ANALYSIS

AS OF MARCH 31, 2022



Enel Generación Chile Group has a 5.979¹ MW total gross installed capacity as of March 31, 2022. Of this total, 59.3% is renewable energy capacity, 3,469 MW are hydroelectric generation capacity, 2,432 MW are either gas, coal or fuel oil thermal generation capacity and 78 MW are wind generation capacity.

Markets in which participates	Energy Sales (GWh)			Market share (%)	
	Cumulative			Mar-22	Mar-21
	Mar-22	Mar-21	% Change		
Sistema Eléctrico Nacional (SEN)	8,045	6,194	29.9%	42.7%	33.6%

¹ Includes the sale of Diego de Almagro thermal power plant (23.8 MW) and the increase in capacity of Taltal TG power plant (+2.6 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 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.

I.- CONSOLIDATED FINANCIAL STATEMENT ANALYSIS

1. STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

Net income of Enel Generación Chile as of March 31, 2022, amounted to Ch\$ 45,611 million, compared to a Ch\$ 24,339 million profit booked for the same period of 2021.

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

CONSOLIDATED INCOME STATEMENT (Million Ch\$)	Mar-22	Mar-21	Change	% Change
REVENUES	661,729	386,304	275,425	71.3%
Sales	630,719	382,612	248,107	64.9%
Other operating revenues	31,010	3,692	27,318	n/a
PROCUREMENT AND SERVICES	(561,060)	(279,914)	(281,146)	100.4%
Energy purchases	(311,242)	(162,829)	(148,413)	91.2%
Fuel consumption	(119,724)	(62,201)	(57,523)	92.5%
Transportation expenses	(77,834)	(35,379)	(42,455)	120.0%
Other variable procurement and service cost	(52,260)	(19,505)	(32,755)	167.9%
CONTRIBUTION MARGIN	100,669	106,390	(5,721)	(5.4%)
Other work performed by entity and capitalized	881	1,012	(131)	(12.9%)
Employee benefits expense	(10,450)	(12,562)	2,112	(16.8%)
Other fixed operating expenses	(19,521)	(18,706)	(815)	4.4%
GROSS OPERATING INCOME (EBITDA)	71,579	76,134	(4,555)	(6.0%)
Depreciation and amortization	(17,687)	(18,052)	365	(2.0%)
Impairment loss (Reversal) for applying IFRS 9	(53)	36	(89)	n/a
OPERATING INCOME (EBIT)	53,839	58,118	(4,279)	(7.4%)
NET FINANCIAL EXPENSE	(7,398)	(31,319)	23,921	(76.4%)
Financial income	1,544	550	994	180.7%
Financial costs	(8,391)	(30,805)	22,414	(72.8%)
Gain (Loss) for indexed assets and liabilities	(826)	(961)	135	(14.1%)
Foreign currency exchange differences, net	275	(103)	378	n/a
OTHER NON-OPERATING RESULTS	922	425	497	116.9%
Share of profit (loss) of associates accounted for using the equity method	479	425	54	12.7%
Net Income from sale of assets	443	-	443	100.0%
NET INCOME BEFORE TAXES	47,363	27,224	20,139	74.0%
Income Tax	(118)	(1,229)	1,111	(90.4%)
NET INCOME	47,245	25,995	21,250	81.8%
Shareholders of the parent company	45,611	24,339	21,272	87.4%
Non-controlling interest	1,634	1,656	(22)	(1.3%)
Earning per share (Ch\$/share) (*)	5.56	2.97	2.59	87.4%

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

Operating Income

The Company's EBITDA decreased Ch\$ 4,555 million to Ch\$ 71,579 million as of March 31, 2022, when compared to the first quarter of 2021 and operating income decreased Ch\$ 4,279 million to Ch\$ 53,839 million as of March 31, 2022.

Operating revenues totaled Ch\$ 661,729 million, representing a Ch\$ 275,425 million or 71.3% increase when compared to the previous year, mainly due to the following:

- Greater **energy sales** amounting to Ch\$ 212,697 million, mainly explained by: (i) +1,850 GWh greater physical sales worth Ch\$ 97,502 million explained by greater sales to unregulated customers (+1,310 GWh) mostly related to new contracts, greater physical sales to regulated customers (+451 GWh) and greater physical sales on the spot market (+89 GWh); and (ii) a Ch\$ 120,134 million positive price effect when expressed in Chilean pesos mainly due to the depreciation of the local currency / US dollar exchange rate. These effects were partially compensated by (iii) a Ch\$ 2,549 million decrease in ancillary services revenue related to safety and service quality, and (iv) lower revenue from commodity hedges for Ch\$ 4,790 million.
- Greater **other sales** for Ch\$ 35,719 million mainly due to a Ch\$ 35,853 million increase in gas sales revenue.
- Greater **other operating revenues** for Ch\$ 27,318 million mainly due to greater revenue from commodity derivatives for Ch\$ 24,775 million and other services for Ch\$ 2,206 million.

Procurement and services costs increased 100.4% to Ch\$ 281,146 million explained by the following:

- A Ch\$ 148,413 million increase in **energy purchases**, mainly explained by greater physical energy purchases from other generation companies (+974 GWh) and on the spot market (+373 GWh) mainly related to the higher electricity demand of both unregulated and regulated customers, and also due to a higher spot market price related to the system conditions.
- **Fuel consumption** costs increased Ch\$ 57,523 million mainly due to: (i) higher gas consumption costs for Ch\$ 58,160 million, (ii) a Ch\$ 5,813 million impairment loss on coal inventories and Ch\$ 211 million on diesel oil inventories both related to the discontinued operations of coal power plant Central Bocamina II impaired during the first semester of 2020, and (iii) a Ch\$ 1,312 million increase in coal consumption costs. These effects were partially offset by (iv) a Ch\$ 4,361 million reduction in the cost of commodity hedges and (v) a lower fuel oil consumption cost amounting to Ch\$ 3,612 million.

- **Transportation costs** increased Ch\$ 42,455 million mainly explained by (i) a Ch\$ 27,660 million increase in tolls primarily due to the higher costs related to Tariff Revenue (“IT” in its Spanish acronym) caused by higher marginal costs amounting to Ch\$ 34,920 million, partially offset by lower costs related to the resettlements of the contract with Transquillota for Ch\$ 2,593 million, lower costs due to AAT tariff adjustment (*Ajuste de Armonización Tarifaria*, “AAT” in its Spanish acronym) of the zonal transmission system for Ch\$ 4,446 million, and (ii) a Ch\$ 14,795 million increase in regasification and gas transportation costs.
- Higher **other procurement and services costs** for Ch\$ 32,755 million, due to: (i) higher gas commercialization costs for Ch\$ 31,858, (ii) higher thermal emissions taxes for Ch\$ 994 million, (iii) higher various generation input costs (water, chemicals, etc.) for Ch\$ 1,714 million, offset by (iv) lower commodity hedging derivative costs for Ch\$ 1,811 million.

Personnel expenses (net of personnel expense capitalization) reached Ch\$ 9,569 million as of March 31, 2022, which represents a Ch\$ 1,981 million decrease when compared to the same period of 2021. This lower cost is mainly related to the lower number of employees equivalent to a Ch\$ 319 million cost reduction, less bonus payments related to the collective bargaining agreement for Ch\$ 1,434 million, and a Ch\$ 310 million reduction in other recurrent costs, partially offset by the less capitalization of personnel expenses of the Los Cóndores project amounting to Ch\$ 131 million.

Revenues, costs and operating income for the periods ended March 31, 2022, and 2021, are shown below:

	(Figures in million Ch\$)					
	Mar-22			Mar-21		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	649,501	(624,929)	24,572	378,869	(351,297)	27,572
Empresa Eléctrica Pehuenche S.A.	35,762	(6,495)	29,267	46,070	(15,524)	30,546
Consolidation adjustments	(23,534)	23,534	-	(38,635)	38,635	-
Total Consolidated	661,729	(607,890)	53,839	386,304	(328,186)	58,118

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

(Figures in million Ch\$)				
	Mar-22	Mar-21	Change	% Change
Sales to regulated customers	235,790	168,798	66,992	39.7%
Sales to unregulated customers	327,643	190,059	137,584	72.4%
Sales at spot market	16,147	8,026	8,121	101.2%
Total energy sales	579,580	366,883	212,697	58.0%

Non-Operating Income

Non-operating income as of March 31, 2022, and 2021 are summarized below:

NON OPERATING INCOME (Figures in million Ch\$)	Mar-22	Mar-21	Change	% Change
Financial income	1,544	550	994	180.7%
Financial costs	(8,391)	(30,805)	22,414	(72.8%)
Gain (Loss) for indexed assets and liabilities	(826)	(961)	135	(14.1%)
Foreign currency exchange differences, net	275	(103)	378	n/a
NET FINANCIAL EXPENSE	(7,398)	(31,319)	23,921	(76.4%)
Share of profit (loss) of associates accounted for using the equity method	479	425	54	12.7%
Net Income From Sale of Assets	443	-	443	100.0%
OTHER NON-OPERATING RESULTS	922	425	497	116.9%
NET INCOME BEFORE TAXES	47,363	27,224	20,139	74.0%
Income Tax	(118)	(1,229)	1,111	(90.4%)
NET INCOME OF THE PERIOD	47,245	25,995	21,250	81.8%
<i>Attributable to Shareholders of the parent company</i>	<i>45,611</i>	<i>24,339</i>	<i>21,272</i>	<i>87.4%</i>
<i>Attributable to Non-controlling interest</i>	<i>1,634</i>	<i>1,656</i>	<i>(22)</i>	<i>(1.3%)</i>

Financial Result

The financial result as of March 31, 2022, reached a Ch\$ 7,398 million loss, which represents a Ch\$ 23,921 million positive variation when compared to the same period of the previous year, which is mainly due to the following:

Higher financial income amounting to Ch\$ 994 million, mainly due to higher interest income related to the Tariff Stabilization Law amounting to Ch\$ 463 million and higher interest returns on funds invested through the Centralized Cash Management Service Contract with Enel Chile for Ch\$ 542 million.

Lower financial expenses amounting to Ch\$ 22,414 million, mainly explained by (i) lower financial expenses on factoring of electricity sales account receivables for Ch\$ 23,280 million, of which Ch\$ 25,606 million are related to 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\$ 205 million decrease in bank fees and commissions, offset by a Ch\$ 1,071 million increase in interest expenses related to the structured debt with Enel Chile S.A.

Greater profit related to indexation amounting to Ch\$ 135 million, primarily explained by the greater profit from the indexation of recoverable taxes for Ch\$ 334 million, compensated by the greater negative indexation effect related to IAS 29 "Financial Reporting in Hyperinflationary Economies" on the Group's branch in Argentina that amounted to a Ch\$ 199 million loss.

Greater profit from exchange differences amounting to Ch\$ 378 million, mainly due to (i) a higher positive exchange rate difference on the structured debt with Enel Chile S.A. for Ch\$ 10,208 million, (ii) a higher positive exchange rate difference on trade account payables for Ch\$ 3,894 million, (iii) a Ch\$ 3,395 million higher positive exchange rate difference on derivative contracts, and (iv) a higher positive exchange rate difference effect on cash and cash equivalents for Ch\$ 3,330 million, offset by (v) a lower positive exchange rate difference on trade accounts receivables for Ch\$ 20,449 million that includes the Ch\$ 22,026 million effect caused by the Tariff Stabilization Law that set the US dollar as the currency for the accounts receivables of pending billings to regulated customers.

Other Non-operating results

Companies accounted for using the equity method

Income from companies accounted for using the equity method increased Ch\$ 54 million mainly due to the greater profit of our associate company GNL Chile S.A. for Ch\$ 50 million.

Sale of Assets

Profit from the **Sale of assets** increased Ch\$ 443 million mainly explained by the sale of Diego de Almagro thermal power plant.

Corporate Taxes

Corporate income tax amounted to Ch\$ 118 million, which represents a Ch\$ 1,111 million expense reduction when compared to the previous year. This variation is primarily explained by a Ch\$ 1,545 million lower tax expense due to the Company's lower operating margin.

2. BALANCE SHEET ANALYSIS

ASSETS (Figures in million Ch\$)	Mar-22	Dec-21	Change	% Change
Current Assets	696,331	546,173	150,158	27.5%
Non Current Assets	2,783,747	2,755,711	28,036	1.0%
Total Assets	3,480,078	3,301,884	178,194	5.4%

Total Assets of the Company as of March 2022 increased Ch\$ 178,194 million when compared to December 2021, mainly due to:

Current Assets increased Ch\$ 150,158 million as of March 31, 2022. The variations of the main categories of current assets are the following:

- **A Ch\$ 10,347 million increase in cash and cash equivalents** mainly explained by higher bank account balances for Ch\$ 10,354 million.
- **A Ch\$ 14,831 million increase in Other non financial current assets** mainly due to higher value added tax credits for Ch\$ 20,353 million, offset by lower insurance assets for Ch\$ 5,366 million.
- **A Ch\$ 71,289 million increase in current trade accounts and other current accounts receivables** mainly due to an increase in customer trade accounts receivables for Ch\$ 66,728 million and a greater balance of advance payments to suppliers for Ch\$ 4,977 million.
- **A Ch\$ 47,858 million increase in Current related party accounts receivables** mainly due to a Ch\$ 44,156 million increase in accounts receivables from Enel Global Trading S.p.A. for commodity derivatives transactions, a Ch\$ 4,910 million increase in accounts receivables from Enel Distribución Chile S.A. for electricity sales, a Ch\$ 13,365 million increase in accounts receivables from GNL Chile S.A. for advance payments, partly offset by a lower balance of funds invested through the Centralized Cash Management Service Contract with Enel Chile for Ch\$ 12,375 million, and a lower balance of accounts receivables for professional services rendered to Enel Green Power Chile S.A. for Ch\$ 2,190 million.
- **A Ch\$ 3,838 million increase in Inventories** mainly higher fuel oil inventory for Ch\$ 1,307 million and higher spare parts and other materials for Ch\$ 3,443 million, offset by a Ch\$ 912 million reduction in gas inventories.
- **A Ch\$ 1,104 million increase in Current tax assets**, mainly related to monthly employee pension fund payments.

Non-Current Assets increased Ch\$ 28,036 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\$ 8,564 million increase in other non-current financial assets**, mainly hedging derivatives and other derivatives.
- **A Ch\$ 21,608 million increase in non-current trade accounts receivables and other non current accounts receivables** primarily due to greater energy sales accounts receivables related to the Temporary Regulated Customer Tariff Stabilization Mechanism for Ch\$ 21,807 million.
- **A Ch\$ 19,768 million increase in Property, Plant and Equipment** mainly due to the Ch\$ 37,054 million increase in projects under construction partially compensated by the Ch\$ 16,393 million depreciation of the period.
- **A Ch\$ 23,080 million decrease in Deferred tax assets** mainly related to a lower balance of tax losses for Ch\$ 30,653 million, partially compensated by higher taxes on fixed assets for Ch\$ 8,311 million.

LIABILITIES AND EQUITY (Figures in million Ch\$)	Mar-22	Dec-21	Change	% Change
Current Liabilities	636,718	508,122	128,596	25.3%
Non Current Liabilities	1,207,904	1,283,154	(75,250)	(5.9%)
Total Equity	1,635,456	1,510,608	124,848	8.3%
<i>Attributable to the Shareholders of parent company</i>	1,623,127	1,499,913	123,214	8.2%
<i>Attributable to Non-controlling interest</i>	12,329	10,695	1,634	15.3%
Total Liabilities and Equity	3,480,078	3,301,884	178,194	5.4%

Total Liabilities including Net Equity of the Company increased Ch\$ 178,194 million as of March 31, 2022 when compared to December 2021, mainly explained by the following:

Current Liabilities increased **Ch\$ 128,596 million**. The variations of the main categories of current liabilities are the following:

- **A Ch\$ 98,036 million increase in Trade accounts payable and other accounts payable** primarily due to a Ch\$ 3,826 million increase in accounts payable to suppliers of products, services and fixed assets, and a Ch\$ 102,583 million increase in the balance of energy and fuel accounts payable, partially offset by a Ch\$ 4,187 million reduction in personnel related accounts payable and a Ch\$ 4,019 million reduction in other various accounts payable.

- **A Ch\$ 31,126 million increase in Accounts payable to related parties** primarily due to a for Ch\$ 27,470 million increase in the balance of accounts payable to Enel Green Power Chile S.A. for energy purchases, a Ch\$ 19,335 million increase in accounts payable to GNL Chile S.A. for gas purchases, a Ch\$ 1,049 million increase in interest payable to Enel Chile S.A. related to the structured debt, partially offset by a Ch\$ 9,049 million reduction in the balance of dividends payable to Enel Chile S.A., a Ch\$ 1,591 million reduction in other services payable to Enel Chile S.A., and a Ch\$ 3,226 million reduction in accounts payable to Enel Global Trading S.p.A. related to commodity derivatives transactions.

Non - Current Liabilities decreased Ch\$ 75,250 million as of March 31, 2022 mainly due to the following:

- **A Ch\$ 65,277 million decrease in Other non-current financial liabilities**, mainly explained by a Ch\$ 30,726 million decrease in hedging and other derivative liabilities, and a Ch\$ 34,551 million decrease in the balance of bond debt, of which Ch\$ 40,665 million is due to lower exchange differences, partially offset by the Ch\$ 5,637 million increase in UF denominated bond debt due to indexation.
- **A Ch\$ 10,208 million decrease in Non-current accounts payable to related parties** entirely explained by the exchange rate difference of the structured debt with Enel Chile S.A.

Total Net Equity amounted to Ch\$ 1,635,456 million as of March 31, 2022.

Equity attributable to the owners of Enel Generación Chile amounted to Ch\$ 1,623,127 million, which represents a Ch\$ 123,214 million increase, primarily explained by the Ch\$ 45,611 million positive net income for the period and the Ch\$ 79,653 million comprehensive net income.

Equity of non-controlling shareholders amounted to Ch\$ 12,329 million, which represents a Ch\$ 1,634 million increase when compared to the balance as of December 31, 2021, primarily explained by the Ch\$ 1,634 million net income of the period.

The performance of the main financial ratios is the following:

RATIO		UNIT	Mar-22	Dec-21	Mar-21	Chg	Chg %
Liquidity	Liquidity (1)	Times	1.09	1.07	-	0.02	1.9%
	Acid-test (2)	Times	1.05	1.02	-	0.03	2.9%
	Working capital	Million Ch\$	59,613	38,051	-	21,562	56.7%
Leverage	Leverage (3)	Times	1.13	1.19	-	(0.06)	(5.0%)
	Short-term debt (4)	%	34.5%	28.4%	-	6.2%	21.7%
	Long-term debt (5)	%	65.5%	71.6%	-	(6.2%)	(8.6%)
	Financial expenses coverage (6)	Times	8.00	-	2.39	5.61	n/a
Profitability	Op. income / Op. Revenues	%	8.1%	-	15.0%	(6.9%)	(45.9%)
	ROE (7)	%	8.1%	-	(10.5%)	18.7%	(177.1%)
	ROA (8)	%	4.3%	-	(5.4%)	9.7%	(179.9%)

(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 March 31, 2022, reached 1.09 times, which represents a 1.9% increase when compared to December 2021. This improvement is mainly due to the increase in cash and cash equivalents and other non-financial current assets.
- > The **acid test**, as of March 31, 2022, was 1.05 times, a 2.9% increase when compared to December 31, 2021, mainly due to the increase in cash and cash equivalents and other non-financial current assets.
- > **Working capital**, as of March 31, 2022, amounted to Ch\$ 59,613 million, a Ch\$ 21,562 million positive variation when compared to December 2021, mainly due to the increase in cash and cash equivalents and other non-financial current assets.
- > The **debt ratio** was 1.13 times, which means that the level of commitment of Enel Generación Chile equity was 1.13 times for the period ended March 31, 2022.
- > The **financial expenses coverage ratio** as of March 31, 2022, was 8.0 times, which represents the ability to cover all financial expenses with the EBITDA margin of the 2022 period. This figure increased because financial expenses were lower this quarter when compared to the same quarter of 2021.

- > The **profitability index**, calculated by dividing operating income by operating revenues, was 8.1% as of March 31, 2022, which is lower than the figure for the same period of 2021 because operating revenues was higher this quarter. When excluding the impact of the coal write-offs related to the impairment of Bocamina II booked during the first quarter of 2022, this index would have reached 10.7% (17.9% as of March 31, 2021).
- > **Return on equity** of the owners of the controlling shareholder was 8.1% for the period ended March 31, 2022, which represents a significant improvement when compared to the negative 10.5% for the same period of last year. When excluding the impact of the coal write-offs related to the impairment of Bocamina II booked during the first quarter of 2022, this index would have reached 11.9% (18.7% as of March 31, 2021).
- > **Return on assets** reached 4.3% for the period ended March 31, 2022. When excluding the impact of the coal write-offs related to the impairment of Bocamina II booked during the first quarter of 2022, this index would have reached 6.2% (10.1% as of March 31, 2021).

3.- CASH FLOW ANALYSIS

Enel Generación Chile Group generated a Ch\$ 8,371 million positive cash flow during the quarter ended March 31, 2022, which represents a Ch\$ 5,540 million increase when compared to the same period of 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\$)	Mar-22	Mar-21	Change	% Change
From Operating Activities	41,959	171,221	(129,262)	(75.5%)
From Investing Activities	(11,766)	(156,745)	144,979	(92.5%)
From Financing Activities	(21,822)	(11,645)	(10,177)	87.4%
Total Net Cash Flow	8,371	2,831	5,540	195.7%

Operating activities generated a Ch\$ 41,959 million positive cash flow as of March 31, 2022, 75.5% less than the first quarter of 2021. This cash flow mainly comprises Ch\$ 674,263 million in payments received for sales of goods and services, partially offset by payments to suppliers of good and services for Ch\$ 597,675 million, employee-related payments amounting to Ch\$ 11,284 million, tax payments for Ch\$ 10,748 million, and other operating activity payments for Ch\$ 9,359 million.

Investment activities generated a Ch\$ 11,766 million negative cash flow, mainly explained by payments for additional property, plant, and equipment for Ch\$ 25,159 million and the purchase of intangible assets for Ch\$ 826 million, partially compensated by funds from the sale of Diego de Almagro thermal power plant for Ch\$ 1,483 million and funds received from related parties for Ch\$ 12,495 million that were invested through the Centralized Cash Management Service Contract.

Financing activities generated a Ch\$ 21,822 million negative cash flow. This cash flow is primarily explained by dividend payments for Ch\$ 11,026 million, and interest payments for Ch\$ 10,059 million.

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

Capex and Depreciation

COMPANY	INFORMATION FOR ASSETS AND EQUIPMENTS (Figures in million Ch\$)			
	Payments for Additions of Fixed Assets		Depreciation	
	Mar-22	Mar-21	Mar-22	Mar-21
Enel Generación Chile	24,254	38,841	14,787	15,134
Pehuenche	905	59	1,837	1,835
Total Consolidated	25,159	38,900	16,624	16,969

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

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, 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 38 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 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.

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 (%)	March 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.

During the first 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. 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 March 31, 2022, the Company held swaps for 2,469 kBbl of Brent oil to be settled in 2022, and 7.99 TBtu of Henry Hub gas to be settled in 2022 and 1.5 TBtu of Henry Hub gas to be settled in 2023.

As of December 31, 2021, the Company held swaps for 1,930 kBbl 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 first 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.

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 March 31, 2022, the Enel Generación Chile Group's liquidity was Ch\$ 14,145 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. 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.

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 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).

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\$ 115,364 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.