

ENEL GENERACIÓN CHILE
ANNOUNCES CONSOLIDATED RESULTS
FOR THE PERIOD ENDED JUNE 30, 2022
(Amounts expressed in millions of Chilean Pesos)

EXECUTIVE SUMMARY

- Net income of Enel Generación Chile S.A. reached a Ch\$ 44,789 million profit as of June 2022 representing a 34.5% reduction when compared to the same period of 2021, mainly due to an increase in operating costs as a consequence of a complex scenario in the electricity sector in Chile. Net income for Q2 2022 reached a Ch\$ 822 million loss, which represents a Ch\$ 44,905 million reduction when compared to Q2 2021, explained by an increase in operating costs mainly related to energy purchases.
- When excluding the extraordinary effect related to Bocamina II, net income of Enel Generación Chile S.A. declined 2.2% to Ch\$ 82,068 million as of June 31, 2022, compared to the adjusted Ch\$ 83,947 million net income as of June 2021. When excluding the extraordinary effect from quarterly results, net income for Q2 2022 declined 53.4% to Ch\$ 24,089 million.
- Net electricity generation reached 8,157 GWh during the first semester of 2022, 7.3% (+558 GWh) more than the same period of last year, mainly explained by higher dispatch of the Company's combined cycle power plants. Net electricity generation during Q2 2022 amounted to 3,995 GWh, which is 1.4% (+55 GWh) higher than the figure for the Q2 2021 also due to greater thermal energy dispatch.
- Physical energy sales amounted to 15,524 GWh as of June 2022, 21.2% (+2,715 GWh) more than the same period of last year, mainly explained by higher sales to unregulated customers, primarily related to new contracts, coupled with an improvement in sales to regulated customers. Also, during Q2 2022, physical electricity sales increased 13.1% to 7,479 GWh (+864 GWh) as a result of greater physical sales to both regulated and unregulated customers.
- In line with the aforementioned, operating revenues increased by 70.4% to Ch\$ 1,422,655 million as of June 2022, owing to higher physical energy sales, a higher average energy sales price when expressed in Chilean pesos and also higher gas sales. Similarly, during Q2 2022, operating revenues grew by 69.7% to Ch\$ 760,926 million.
- Procurement and services costs increased 121.2% to Ch\$ 1,306,542 million as of June 2022, mainly explained by higher electricity purchase costs due to larger physical purchases and higher average purchase price, higher fuel consumption costs related to higher thermal electricity dispatch and higher commodity prices in addition to higher gas sales costs. The same trend was recorded in quarterly

operating costs, which went from Ch\$ 310,748 million in 2Q 2021 to Ch\$ 745,482 million in 2Q 2022.

- As a result of the factors previously mentioned, the Company's EBITDA decreased 67.7% to Ch\$ 56,605 million when compared to June 2021. When excluding the extraordinary effects previously mentioned, Enel Generación Chile's EBITDA decreased 45.3% to Ch\$ 107,672 million. During Q2 2022, EBITDA reached a Ch\$ 14,974 million loss. When excluding extraordinary effects, EBITDA recorded a positive value of Ch\$ 19,150 million, equivalent to a 82.5% decline compared to 2Q 2021.
- Financial result improved Ch\$ 48,256 million as of June 2022 to a Ch\$ 6,485 million expense, mostly explained by lower net financial expenses during the period. During Q2 2022, financial result amounted to a Ch\$ 913 million profit, representing a Ch\$ 24,335 million improvement.

FINANCIAL SUMMARY

- > Gross financial debt of the Company as of June 2022 reached US\$ 1,043 million, US\$ 23 million less than December 2021.
 - > The average cost of debt remained stable at 6.8% for the first semester of 2022 compared to December 2021.
 - > The Company's available cash and cash equivalents amounted to US\$ 15 million as of June 2022.
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ENEL GENERACIÓN CHILE

FINANCIAL STATEMENTS ANALYSIS

AS OF JUNE 30, 2022



Enel Generación Chile Group has a 5.937¹ MW total gross installed capacity as of June 30, 2022. Of this total, 59% is renewable energy capacity, 3,426 MW are hydroelectric generation capacity, 2,433 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			Quarterly			Jun-22	Jun-21
	Jun-22	Jun-21	% Change	Q2 2022	Q2 2021	% Change		
Sistema Eléctrico Nacional (SEN)	15,524	12,809	21.2%	7,479	6,615	13.1%	41.0%	34.5%

¹ Considers the sale of Diego Almagro thermal power plant (-23.8 MW), the adjustment of the installed capacity of Abanico power plant (-42.8 MW), and the increases of installed capacity 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 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. This limit was reached in February 2022. 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. INCOME STATEMENT ANALYSIS

Net income of Enel Generación Chile as of June 30, 2022, amounted to Ch\$ 44,789 million, compared to Ch\$ 68,422 million booked for the same period of 2021.

The following table shows comparative figures for each item of the income statement as of June 30, 2022 and 2021:

CONSOLIDATED INCOME STATEMENT (Million Ch\$)	Cumulative Figures				Quarterly Figures			
	Jun-22	Jun-21	Change	% Change	Q2 2022	Q2 2021	Change	% Change
REVENUES	1,422,655	834,730	587,925	70.4%	760,926	448,426	312,500	69.7%
Sales	1,344,686	825,928	518,758	62.8%	713,967	443,316	270,651	61.1%
Other operating revenues	77,969	8,802	69,167	n/a	46,959	5,110	41,849	n/a
PROCUREMENT AND SERVICES	(1,306,542)	(590,662)	(715,880)	121.2%	(745,482)	(310,748)	(434,734)	139.9%
Energy purchases	(695,720)	(331,108)	(364,612)	110.1%	(384,478)	(168,279)	(216,199)	128.5%
Fuel consumption	(312,475)	(124,233)	(188,242)	151.5%	(192,751)	(62,032)	(130,719)	n/a
Transportation expenses	(135,575)	(70,565)	(65,010)	92.1%	(57,741)	(35,186)	(22,555)	64.1%
Other variable procurement and service cost	(162,772)	(64,756)	(98,016)	151.4%	(110,512)	(45,251)	(65,261)	144.2%
CONTRIBUTION MARGIN	116,113	244,068	(127,955)	(52.4%)	15,444	137,678	(122,234)	(88.8%)
Other work performed by entity and capitalized	1,981	1,382	599	43.3%	1,100	370	730	197.3%
Employee benefits expense	(22,829)	(29,932)	7,103	(23.7%)	(12,379)	(17,370)	4,991	(28.7%)
Other fixed operating expenses	(38,660)	(40,093)	1,433	(3.6%)	(19,139)	(21,387)	2,248	(10.5%)
GROSS OPERATING INCOME (EBITDA)	56,605	175,425	(118,820)	(67.7%)	(14,974)	99,291	(114,265)	(115.1%)
Depreciation and amortization	(35,613)	(35,716)	103	(0.3%)	(17,926)	(17,664)	(262)	1.5%
Impairment loss (Reversal) for applying IFRS 9	(346)	71	(417)	n/a	(293)	35	(328)	n/a
OPERATING INCOME (EBIT)	20,646	139,780	(119,134)	(85.2%)	(33,193)	81,662	(114,855)	(140.7%)
NET FINANCIAL EXPENSE	(6,485)	(54,741)	48,256	(88.2%)	913	(23,422)	24,335	(103.9%)
Financial income	14,494	2,165	12,329	n/a	12,950	1,615	11,335	n/a
Financial costs	(24,229)	(53,813)	29,584	(55.0%)	(15,838)	(23,008)	7,170	(31.2%)
Gain (Loss) for indexed assets and liabilities	3,942	160	3,782	n/a	4,768	1,121	3,647	n/a
Foreign currency exchange differences, net	(692)	(3,253)	2,561	n/a	(967)	(3,150)	2,183	(69.3%)
OTHER NON-OPERATING RESULTS	2,429	343	2,086	n/a	1,507	(82)	1,589	n/a
Share of profit (loss) of associates accounted for using the equity method	1,520	343	1,177	n/a	1,041	(82)	1,123	n/a
Net Income from other investments	98	-	98	100.0%	98	-	98	100.0%
Net Income from sale of assets	811	-	811	100.0%	368	-	368	100.0%
NET INCOME BEFORE TAXES	16,590	85,382	(68,792)	(80.6%)	(30,773)	58,158	(88,931)	(152.9%)
Income Tax	32,642	(13,444)	46,086	n/a	32,760	(12,215)	44,975	n/a
NET INCOME	49,232	71,938	(22,706)	(31.6%)	1,987	45,943	(43,956)	(95.7%)
Shareholders of the parent company	44,789	68,422	(23,633)	(34.5%)	(822)	44,083	(44,905)	(101.9%)
Non-controlling interest	4,443	3,516	927	26.4%	2,809	1,860	949	51.0%
Earning per share (Ch\$/share) (*)	5.46	8.34	(2.88)	(34.5%)	(0.10)	5.37	(5.48)	(101.9%)

(*) As of June 30, 2022 and June 30, 2021 the average number of paid and subscribed shares was 8,201,754,580.

Operating Income

The Company's EBITDA decreased Ch\$ 118,820 million to Ch\$ 56,605 million and operating income decreased Ch\$ 119,134 million to Ch\$ 20,646 million as of June 30, 2022, when compared to the same period of 2021.

Operating revenues totaled Ch\$ 1,422,655 million, representing a Ch\$ 587,925 million or 70.4% increase when compared to the same period of the previous year, mainly due to the following:

- Greater **energy sales** for Ch\$ 404,211 million, mainly explained by: (i) 2,715 GWh greater physical sales amounting to Ch\$ 154,579 million, which includes greater physical sales to unregulated customers (+1,675 GWh), primarily related to new customer contracts, to regulated customers (+808 GWh), and also higher spot market sales (+233 GWh); and (ii) a positive price effect for Ch\$ 276,636 million due to the depreciation of the local currency / US dollar exchange rate during the period. These effects were partially offset by (iii) lower ancillary services revenue related to safety and service quality for Ch\$ 2,521 million and (iv) lower revenue from commodity hedges for Ch\$ 24,483 million.
- Higher **other sales** for Ch\$114,394 million mainly due to an increase in gas sales revenues for Ch\$ 114,556 million.
- Greater **other operating revenue** for Ch\$ 69,167 million, mostly higher revenue related to commodity derivatives for Ch\$ 60,523 million, higher revenue from regasification services for Ch\$ 7,116 million and other services for Ch\$ 2,206 million.

During the Q2 2022, operating revenues amounted to Ch\$ 760,926 million, which represents a Ch\$ 312,500 million increase (or 69.7%), when compared to the Ch\$ 448,426 million for the same quarter of 2021. This variation is mainly explained by:

- A Ch\$ 191,514 million increase in **energy sales** mainly due to a Ch\$ 52,484 million increase in physical sales (equivalent to +864 GWh), and an increase in the average sales price for Ch\$ 158,695 million, in addition to a Ch\$ 28 million increase in ancillary services revenue, offset by lower revenue from commodity hedges for Ch\$ 19,693 million.
- Greater **other sales** for Ch\$ 78,675 million, mainly due to an increase in gas sales revenue for Ch\$ 78,702 million.
- Higher **other operating revenue** for Ch\$ 41,849 million, mainly higher revenue related to commodity derivatives for Ch\$ 35,748 million, and higher revenue from regasification services for Ch\$ 7,116 million.

Procurement and services costs increased 121.2% to Ch\$ 715,880 million explained by the following:

- A Ch\$ 364,612 million increase in **energy purchases**, mainly higher physical energy purchases from other generation companies (+1,403 GWh) and on the spot market (+754 GWh), mainly due to the need to satisfy the greater electricity

demand of both regulated and unregulated customers, in addition to a higher spot market price due to the conditions of the electricity system.

- A Ch\$ 188,242 million increase in **fuel consumption** costs mostly due to (i) higher gas consumption costs for Ch\$ 129,451 million mainly due to higher generation with this fuel coupled with a higher average purchase price, (ii) a Ch\$ 35,045 million increase in impairment loss on coal inventories and Ch\$ 601 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 coal consumption costs for Ch\$ 9,411 million, and (iv) higher fuel oil consumption costs amounting to Ch\$ 18,817 million. The above was partly offset by (v) a positive commodity hedging effect for Ch\$ 5,086 million.
- A Ch\$ 65,010 million increase in **transportation costs** mainly due to (i) higher tolls amounting to Ch\$ 35,504 million primarily related to higher Tariff Revenue costs ("IT" in its Spanish acronym) as a consequence of higher marginal costs amounting to Ch\$ 43,011 million, partially offset by lower costs resulting from the resettlements of the contract with Transquillota for Ch\$ 2,593 million, a Ch\$ 8,852 million cost reduction related to the AAT tariff adjustment (*Ajuste de Armonización Tarifaria*, "AAT" in its Spanish acronym) of the zonal transmission system, and (ii) higher gas transportation and regasification costs for Ch\$ 29,506 million.
- A Ch\$ 98,016 million increase in **other procurement and services costs** mainly due to (i) higher gas commercialization costs for Ch\$ 91,609 million, (ii) higher thermal emissions tax for Ch\$ 3,406 million, (iii) higher various generation input costs (water, chemicals, etc.) for Ch\$ 2,497 million, and (iv) higher commodity hedging costs amounting to Ch\$ 504 million.

During Q2 2022, procurement and services costs reached Ch\$ 745,482 million, increasing 139.9%, or Ch\$ 434,734 million, when compared to the Ch\$ 310,748 million for the same quarter of 2021. This increase is mainly due to:

- A Ch\$ 216,199 million increase in **energy purchases** primarily greater physical energy purchases from other generation companies (+428 GWh) and on the spot market (+381 GWh), mainly needed to satisfy unregulated customers' greater electricity demand and also a higher spot market price due to the conditions of the electricity system.
- Higher **fuel consumption** costs for Ch\$ 130,719 million mainly due to (i) higher gas consumption for Ch\$ 71,292 million, (ii) higher fuel oil consumption amounting to Ch\$ 22,430 million, (iii) greater coal consumption amounting to Ch\$ 8,099 million, and (iv) a Ch\$ 29,233 million increase in impairment loss on coal inventories, partially offset by (v) lower commodity hedging costs for Ch\$ 724 million.

- A Ch\$ 22,555 million increase in **transportation costs**, mainly higher tolls for Ch\$ 7,844 million, higher regasification costs for Ch\$ 12,341 million and higher gas transportation costs for Ch\$ 2,370 million.
- Higher **other procurement and services costs** for Ch\$ 65,261 million, explained by (i) greater gas commercialization cost for Ch\$ 59,751 million, (ii) higher thermal emissions tax for Ch\$ 2,412 million, (iii) higher various generation input costs (water, chemicals, etc.) for Ch\$ 783 million, and (iv) higher commodity hedging derivative costs for Ch\$ 2,315 million.

Personnel expenses (net of personnel expense capitalization) reached Ch\$ 20,848 million as of June 30, 2022, which represents a Ch\$ 7,702 million decrease when compared to the same period of 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, a lower net expense of other benefits for Ch\$ 1,102 million and higher capitalization of personnel expenses of the Los Cóndores project amounting to Ch\$ 599 million.

During Q2 2022, **personnel expenses (net of personnel expense capitalization)** reached Ch\$ 11,279 million as of June 30, 2022, which represents a Ch\$ 5,721 million decrease when compared to the same period of 2021. This lower cost is mainly due the Company's Ch\$ 6,001 million lower restructuring costs related to the Group's digitalization strategy for 2021-2024, and greater capitalization of personnel expenses of the Los Cóndores project amounting to Ch\$ 730 million, partially offset by a higher net expense of other benefits for Ch\$ 1,010 million.

The accumulated and quarterly revenues, costs and operating income for the periods ended June 30, 2022 and 2021, are shown below:

	Cumulative Figures (Figures in million Ch\$)					
	Jun-22			Jun-21		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	1,381,922	(1,440,979)	(59,057)	819,273	(744,552)	74,721
Empresa Eléctrica Pehuenche S.A.	91,902	(12,199)	79,703	93,036	(27,977)	65,059
Consolidation adjustments	(51,169)	51,169	-	(77,579)	77,579	-
Total Consolidated	1,422,655	(1,402,009)	20,646	834,730	(694,950)	139,780

	Quarterly Figures (Figures in million Ch\$)					
	Q2 2022			Q2 2021		
	Operating Revenues	Operating Costs	Operating Income	Operating Revenues	Operating Costs	Operating Income
Enel Generación Chile S.A.	732,421	(816,050)	(83,629)	440,404	(393,255)	47,149
Empresa Eléctrica Pehuenche S.A.	56,140	(5,704)	50,436	46,966	(12,453)	34,513
Consolidation adjustments	(27,635)	27,635	-	(38,944)	38,944	-
Total Consolidated	760,926	(794,119)	(33,193)	448,426	(366,764)	81,662

ENEL GENERACIÓN CHILE

FINANCIAL STATEMENTS ANALYSIS

AS OF JUNE 30, 2022



Energy sales of Enel Generación Chile and its subsidiary for the periods ended June 30, 2022 and 2021, are shown below:

(Figures in million Ch\$)	Cumulative Figures				Quarterly Figures			
	Jun-22	Jun-21	Change	% Change	Q2 2022	Q2 2021	Change	% Change
Sales to regulated customers	498,984	357,907	141,077	39.4%	263,194	189,109	74,085	39.2%
Sales to unregulated customers	621,449	393,782	227,667	57.8%	293,806	203,723	90,083	44.2%
Sales at spot market	52,140	16,674	35,466	212.7%	35,993	8,648	27,345	316.2%
Total energy sales	1,172,573	768,363	404,210	52.6%	592,993	401,480	191,513	47.7%

Non-Operating Income

Non-operating income as of June 30, 2022 and 2021 are summarized below:

NON OPERATING INCOME (Figures in million Ch\$)	Cumulative Figures				Quarterly Figures			
	Jun-22	Jun-21	Change	% Change	Q2 2022	Q2 2021	Change	% Change
Financial income	14,494	2,165	12,329	n/a	12,950	1,615	11,335	n/a
Financial costs	(24,229)	(53,813)	29,584	(55.0%)	(15,838)	(23,008)	7,170	(31.2%)
Gain (Loss) for indexed assets and liabilities	3,942	160	3,782	n/a	4,768	1,121	3,647	n/a
Foreign currency exchange differences, net	(692)	(3,253)	2,561	(78.7%)	(967)	(3,150)	2,183	(69.3%)
NET FINANCIAL EXPENSE	(6,485)	(54,741)	48,256	(88.2%)	913	(23,422)	24,335	(103.9%)
Share of profit (loss) of associates accounted for using the equity method	1,520	343	1,177	n/a	1,041	(82)	1,123	n/a
Net Income From Other Investments	98	-	98	100.0%	98	-	98	100.0%
Net Income From Sale of Assets	811	-	811	100.0%	368	-	368	(100.0%)
OTHER NON-OPERATING RESULTS	2,429	343	2,086	n/a	1,507	(82)	1,589	n/a
NET INCOME BEFORE TAXES	16,590	85,382	(68,792)	(80.6%)	(30,773)	58,158	(88,931)	(152.9%)
Income Tax	32,642	(13,444)	46,086	n/a	32,760	(12,215)	44,975	n/a
NET INCOME OF THE PERIOD	49,232	71,938	(22,706)	(31.6%)	1,987	45,943	(43,956)	(95.7%)
Attributable to Shareholders of the parent company	44,789	68,422	(23,633)	(34.5%)	(822)	44,083	(44,905)	(101.9%)
<i>Attributable to Non-controlling interest</i>	4,443	3,516	927	26.4%	2,809	1,860	949	51.0%

Financial Result

The financial result as of June 30, 2022, amounted to a Ch\$ 6,485 million loss, which represents a Ch\$ 48,256 million positive variation when compared to the same period of the previous year, mainly explained by the following:

Higher financial income for Ch\$ 12,329 million, mainly due to (i) greater income from the financial restatement of dismantling provisions of the power plants that were impaired as a result of the Company's decarbonization process for Ch\$ 10,300 million as a result of increases in interest rates during the period, (ii) higher interest income related to the Tariff Stabilization Law amounting to Ch\$ 273 million, and (iii) higher interest received for the funds invested through the Centralized Treasury Service Contract with Enel Chile for Ch\$ 959 million.

Financial income during **Q2 2022** increased Ch\$ 11,335 million when compared to the same period of 2021 mainly due (i) greater income from to the financial restatement of dismantling provisions of the power plants that were impaired as a result of the Company's decarbonization process for Ch\$ 10,300 million as a result of increases in interest rates during the period, and (ii) greater interest received for the funds invested through the Centralized Treasury Service Contract with Enel Chile for Ch\$ 416 million.

Lower financial expenses for Ch\$ 29,584 million, mainly explained by (i) lower financial expenses on electricity sales invoice factoring for Ch\$ 33,933 million related to the temporary tariff stabilization mechanism applicable to regulated customers ("Tariff Stabilization Law"), (ii) lower financial expenses related to customer payment agreements for Ch\$ 4,477 million, offset by (iii) a Ch\$ 5,175 million increase in financial expenses resulting from the interest of the structured loan obtained from Enel Chile S.A. and (iv) a Ch\$ 3,552 million increase in capitalized interest related to the Los Cóndores project.

During the **Q2 2022**, financial expenses decreased Ch\$ 7,170 million when compared to the same quarter of 2021 mainly due to (i) lower financial expenses on electricity sales invoice factoring for Ch\$ 8,327 million related to the temporary tariff stabilization mechanism applicable to regulated customers ("Tariff Stabilization Law"), (ii) lower financial expenses related to customer payment agreements for Ch\$ 6,042 million, (iii) a Ch\$ 3,112 million increase in capitalized interest related to the Los Cóndores project, offset by (iv) a Ch\$ 4,104 million increase in financial expenses resulting from the interest of the structured loan obtained from Enel Chile S.A., (v) higher interest on bonds for Ch\$ 2,950 million, (vi) higher bank fees and expenses for Ch\$ 1,293 million, and (vii) higher financial expenses due to the restatement of dismantling provisions for Ch\$ 1,964 million.

Higher profit related to indexation for Ch\$ 3,782 million primarily explained by greater profit from indexation on recoverable taxes for Ch\$ 1,413 million, higher profit on other financial liabilities for Ch\$ 1,707 million, and a lower negative effect related to IAS 29 "Financial Reporting in Hyperinflationary Economies" on the Group's branch in Argentina that amounted to a Ch\$ 662 million profit.

During Q2 2022, income related to indexation recorded a Ch\$ 3,647 million higher profit when compared to the same quarter of 2021, primarily explained by greater profit from indexation on recoverable taxes for Ch\$ 1,079 million, higher profit on other financial liabilities for Ch\$ 1,708 million and a Ch\$ 860 million lower negative effect due to the IAS 29 "Financial Reporting in Hyperinflationary Economies" on the Group's branch in Argentina.

Greater profit from exchange rate differences for Ch\$ 2,561 million, mainly due to: (i) a higher positive exchange rate difference on trade account receivables for Ch\$ 17,776 million, including the Ch\$ 24,432 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, (ii) a higher positive exchange rate difference effect on cash and cash equivalents for Ch\$ 5,842

million, offset by (iii) a higher negative exchange rate difference effect on trade accounts payable and other accounts payable for Ch\$ 18,844 million that includes the Ch\$ 15,730 million effect resulting from the structured loan obtained from Enel Chile S.A., and (iv) a greater negative exchange rate difference effect related to derivative contracts for Ch\$ 2,354 million.

During Q2 2022, profit from exchange rate differences increased Ch\$ 2,183 million when compared to the same quarter of 2021, primarily due to: (i) a greater positive exchange rate difference effect on trade account receivables for Ch\$ 38,226 million, including the Ch\$ 46,459 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, (ii) a greater positive exchange rate difference effect on cash and cash equivalents for Ch\$ 2,512 million, offset by (iii) a higher negative exchange rate difference effect on trade accounts payable and other accounts payable for Ch\$ 32,946 million that includes the Ch\$ 25,938 million effect resulting from the structured loan obtained from Enel Chile S.A., and (iv) a greater negative exchange rate difference effect related to derivative contracts for Ch\$ 5,335 million.

Other Non-operating results

Companies accounted for using the equity method

Income from companies accounted for using the equity method increased Ch\$ 1,177 million mainly due to the greater profit from our associate company GNL Chile S.A. for Ch\$ 972 million, and a Ch\$ 146 million lower loss from Transmisora Eléctrica de Quillota Ltda., associate company sold in December 2021.

During Q2 2022, Income from companies accounted for using the equity method increased Ch\$ 1,123 million mainly due to the greater profit from our associate company GNL Chile S.A. for Ch\$ 922 million, and a Ch\$ 146 million lower loss from Transmisora Eléctrica de Quillota Ltda., associate company sold in December 2021.

Sale of Assets

Income from the **Sale of assets** increased Ch\$ 811 million mainly explained by the sale of Diego de Almagro thermal power plant for Ch\$ 494 million and the sale of land for Ch\$ 317 million.

During Q2 2022, income from the **Sale of assets** increased Ch\$ 368 million mainly explained by the sale of land for Ch\$ 317 million.

Corporate Taxes

Corporate income tax amounted to a Ch\$ 32,642 million income, which represents a Ch\$ 46,086 million income increase when compared to the previous year. This variation is primarily explained by (i) a Ch\$ 21,951 million increase in tax income due to the period's price-level restatement, (ii) a Ch\$ 34,548 million lower income tax expense related to the period's lower operating income, and (iii) less tax income on earnings for Ch\$ 9,817 million due to the financial expenses of PEC invoice factoring last year.

During Q2 2022, corporate income tax reached a Ch\$ 32,760 million income, representing a Ch\$ 44,975 million income increase when compared to same quarter of 2021. This variation is primarily due to (i) a Ch\$ 16,742 million increase in tax income due to the period's price-level restatement, and (ii) a Ch\$ 32,981 million lower income tax expense related to the period's lower operating income.

2. BALANCE SHEET ANALYSIS

ASSETS (Figures in million Ch\$)	Jun-22	Dec-21	Change	% Change
Current Assets	835,081	546,173	288,908	52.9%
Non Current Assets	2,950,630	2,755,711	194,919	7.1%
Total Assets	3,785,711	3,301,884	483,827	14.7%

Total Assets of the Company as of June 2022 increased **Ch\$ 483,827 million** when compared to December 2021, mainly explained by:

Current Assets increased Ch\$ 288,908 million as of June 30, 2022. Changes of the main categories of current assets are the following:

- **A Ch\$ 10,347 million increase in cash and cash equivalents** mainly explained by a higher balance of bank accounts.
- **A Ch\$ 25,146 million increase in other non-financial current assets** mainly due to greater value added tax credits for Ch\$ 34,720 million, offset by a Ch\$ 9,439 million reduction in insurance assets.
- **A Ch\$ 146,412 million increase in current trade accounts and other current accounts receivables** mainly due to an increase in customer trade accounts receivables for Ch\$ 144,287 million, and a Ch\$ 2,274 million increase in the balance of advance payments to suppliers.
- **A Ch\$ 96,213 million increase in Current related party accounts receivables** mainly due to the Ch\$ 74,966 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\$ 38,415 million, greater accounts receivables for gas sales to Endesa Energía for Ch\$ 29,480 million, higher accounts receivables for energy sales to Enel Green Power Chile S.A. for Ch\$ 11,381 million, partly offset by a lower balance of funds invested through the Centralized Treasury Service contract with Enel Chile S.A. for Ch\$ 58,996 million.
- **A Ch\$ 10,376 million increase in Inventories** mainly higher stock of gas for Ch\$ 3,390 million and higher spare parts and other materials for Ch\$ 7,616 million.

Non-Current Assets increased Ch\$ 194,919 million when compared to the balance as of December 31, 2021. Changes of the main categories of non-current assets are the following:

- **A Ch\$ 19,227 million increase in other non-current financial assets**, mainly hedging derivatives.
- **A Ch\$ 23,532 million increase in non-current trade accounts receivables and other non-current accounts receivables** primarily due to an increase in energy sales accounts receivables for Ch\$ 24,136 million related to the temporary electricity tariff stabilization mechanism for regulated customers (“Tariff Stabilization Law”).
- **A Ch\$ 22,038 million increase in non-current related party accounts receivables** explained by greater accounts receivable from Enel Distribución Chile as a consequence of the Tariff Stabilization Law for Ch\$ 20,677 million and higher accounts receivables from GNL Chile S.A. related to advance payments to purchase gas amounting to Ch\$ 1,361 million.
- **A Ch\$ 57,380 million increase in Property, Plant and Equipment** mainly due to the Ch\$ 93,253 million increase in projects under construction, partially offset by the Ch\$ 32,839 million depreciation of the period.
- **A Ch\$ 71,667 million increase in Deferred tax assets** mainly related to a higher balance of tax losses for Ch\$ 46,804 million and a higher balance of tax on fixed assets for Ch\$ 22,116 million.

LIABILITIES AND EQUITY (Figures in million Ch\$)	Jun-22	Dec-21	Change	% Change
Current Liabilities	936,783	508,122	428,661	84.4%
Non Current Liabilities	1,353,839	1,283,154	70,685	5.5%
Total Equity	1,495,089	1,510,608	(15,519)	(1.0%)
<i>Attributable to the Shareholders of parent company</i>	1,482,899	1,499,913	(17,014)	(1.1%)
<i>Attributable to Non-controlling interest</i>	12,190	10,695	1,495	14.0%
Total Liabilities and Equity	3,785,711	3,301,884	483,827	14.7%

Total Liabilities including **Net Equity** of the Company increased **Ch\$ 483,827 million** as of June 30, 2022 when compared to December 2021.

Current Liabilities increased **Ch\$ 428,661 million** and the variations in the main categories are summarized as follows:

- **A Ch\$ 8,295 million increase in Other current financial liabilities** primarily due to a Ch\$ 4,890 million increase in hedging and other derivative liabilities, a Ch\$ 2,341 million increase in the balance of UF denominated bond debt due to

indexation, a Ch\$ 24,991 million increase in interest accruals on bonds, offset by bond interest payments amounting to Ch\$ 23,927 million.

- **A Ch\$ 170,452 million increase in trade accounts payable and other accounts payable**, mainly due to higher energy and fuel accounts payable for Ch\$ 231,993 million, offset by lower accounts payable to suppliers of goods, services and fixed assets for Ch\$ 54,932 million, a Ch\$ 2,150 million decrease in employee accounts payable and a Ch\$ 4,459 million reduction in other accounts payable.
- **A Ch\$ 236,150 million increase in Accounts payable to related parties** primarily due to a higher balance of services payable to Enel Chile S.A. for the Centralized Treasury Service contract amounting to Ch\$ 164,282 million, a higher balance of accounts payable to Enel Global Trading S.p.A. for Ch\$ 75,312 million related to commodity derivatives, a Ch\$ 30,987 million increase in accounts payable to GNL Chile S.A. for gas purchases, partly offset by a lower balance of dividends payable to Enel Chile S.A. for Ch\$ 32,538 million.
- **A Ch\$ 5,801 million increase in Other current provisions** mainly due to a Ch\$ 5,933 million increase in dismantling provisions.
- **A Ch\$ 3,218 million increase in current tax liabilities** related to income tax.

Non-Current Liabilities increased **Ch\$ 70,685 million** as of June 30, 2022 mainly due to the following:

- **A Ch\$ 77,352 million increase in Other non-current financial liabilities**, mainly explained by a Ch\$ 16,505 million increase in hedging and other derivative liabilities, a Ch\$ 60,848 million increase in the balance of bond debt due to higher exchange differences for Ch\$ 62,665 million, higher balance of UF denominated bond debt for Ch\$ 15,838 million due to indexation, offset by payments during the period amounting to Ch\$ 18,271 million.
- **A Ch\$ 15,730 million increase in Non-current accounts payable to related parties** due to the effect of exchange rate differences on the structured debt obtained from Enel Chile S.A.
- **A Ch\$ 14,628 million decrease in Other non-current provisions**, primarily the Ch\$ 14,281 million reduction in dismantling provisions.

Total Net Equity amounted to **Ch\$ 1,495,089 million** as of June 30, 2022.

Equity attributable to the owners of Enel Generación Chile amounted to **Ch\$ 1,482,899 million**, which represents a **Ch\$ 17,014 million decrease**, primarily explained by the Ch\$ 59,190 million comprehensive income statement loss, partly offset by the Ch\$ 44,789 million positive result for the period.

Equity of non-controlling shareholdings amounted to Ch\$ 12,190 million, which represents a Ch\$ 1,495 million improvement when compared to the balance as of December 31, 2021, primarily explained by the Ch\$ 4,443 million profit of the period, offset by the Ch\$ 2,948 million dividend payment.

The performance of the main financial ratios is the following:

RATIO		UNIT	Jun-22	Dec-21	Jun-21	Chg	Chg %
Liquidity	Liquidity (1)	Times	0.89	1.07	-	(0.18)	(16.8%)
	Acid-test (2)	Times	0.86	1.02	-	(0.16)	(15.7%)
	Working capital	Million Ch\$	(101,702)	38,051	-	(139,753)	(367.3%)
Leverage	Leverage (3)	Times	1.53	1.19	-	0.34	28.6%
	Short-term debt (4)	%	40.9%	28.4%	-	12.5%	44.2%
	Long-term debt (5)	%	59.1%	71.6%	-	(12.5%)	(17.5%)
	Financial expenses coverage (6)	Times	2.70	-	3.08	(0.38)	-
Profitability	Op. income / Op. Revenues	%	1.5%	-	16.7%	(15.3%)	(91.3%)
	ROE (7)	%	6.0%	-	21.1%	(15.1%)	(71.6%)
	ROA (8)	%	3.0%	-	10.8%	(7.9%)	(72.5%)

(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 June 30, 2022, reached 0.89 times, which represents a 16.8% decrease when compared to December 2021. This variation is mainly explained by the increase of current trade accounts payable and other current accounts payable, including higher current accounts payable to related parties.
- > **The acid test**, as of June 30, 2022, was 0.86 times, a 15.7% decrease when compared to December 31, 2021, mainly due to the increase of current trade accounts payable and other current accounts payable, including higher current accounts payable to related parties, and also greater inventories.
- > **Working capital**, as of June 30, 2022, amounted to a negative Ch\$ 101,702 million, equivalent to a Ch\$ 139,753 million negative variation when compared to December 2021, mainly due to the increase of current trade accounts payable and other current accounts payable, coupled with higher current accounts payable to related parties.

- > **The debt ratio** was 1.53 times, which means that the level of commitment of Enel Generación Chile equity was 1.53 times for the period ended June 30, 2022.
- > **The financial expenses coverage ratio** as of June 30, 2022 was 2.7 times, which represents the ability to cover all financial expenses with the EBITDA of the 2022 period. This ratio declined due to the lower EBITDA of 2022 when compared to 2021.
- > **The profitability index**, calculated by dividing operating income by operating revenues, was 1.5% as of June 30, 2022, which is lower than the figure for the same period of 2021 because of the lower EBIT and higher operating revenues this year. When excluding the higher impact of the fuel inventory write-off booked during the first semester of 2022, related to the disconnection of Central Bocamina II, this ratio would have reached a 5.0% (19.3% as of June 2021).
- > **Return on equity** of the owners of the controlling shareholder was 6.0% for the period ended June 30, 2022, which is significantly lower than the 21.1% for the same period of 2021. When excluding the higher impact of the fuel inventory write-off booked during the first semester of 2022, related to the disconnection of Central Bocamina II, return on equity would have reached 11.1% (22.8% as of June 30, 2021).
- > **Return on assets** was 3.0% for the period ended June 30, 2022. When excluding the higher impact of the fuel inventory write-off booked during the first semester of 2022, related to the disconnection of Central Bocamina II, return on assets would have reached 5.4% (11.7% as of June 30, 2021).

3.- CASH FLOW ANALYSIS

The Enel Generación Chile Group generated a Ch\$ 8,995 million positive cash flow during the period ended June 30, 2022, which represents a Ch\$ 5,555 million increase when compared to the same period of 2021. The main variables per cash flow category, that is, operating, investing and financing, which explain this cash flow increase are described below:

NET CASH FLOW (Figures in million Ch\$)	Jun-22	Jun-21	Change	% Change
From Operating Activities	(42,922)	213,535	(256,457)	(120.1%)
From Investing Activities	(19,105)	6,258	(25,363)	(405.3%)
From Financing Activities	71,022	(216,353)	287,375	(132.8%)
Total Net Cash Flow	8,995	3,440	5,555	161.5%

Operating activities generated a Ch\$ 42,922 million negative cash flow, which represents a 120.1% decrease when compared to June 2021. This cash flow mainly comprises Ch\$ 1,489,917 million in payments received for sales of goods and services, partially offset by payments to suppliers of good and services for Ch\$ 1,437.305 million, employee-related payments amounting to Ch\$ 21,284 million, insurance premium payments for Ch\$ 19,609 million, tax payments for Ch\$ 16,548 million, and other operating activity payments for Ch\$ 41,749 million.

Investing activities generated a Ch\$ 19,105 million negative cash flow, mostly explained by payments for additional property, plant, and equipment for Ch\$ 78,934 million and the purchase of intangible assets for Ch\$ 1,177 million, partly offset by the sale of Diego de Almagro thermal power plant for Ch\$ 1,483 million and Ch\$ 58,992 million received from related parties corresponding to funds invested through the Centralized Treasury Service Contract.

Financing activities generated a Ch\$ 71,022 million positive cash flow. This cash flow is primarily explained by Ch\$ 162,960 million in funds received from related parties through the Centralized Treasury Service Contract, partially offset by dividend payments for Ch\$ 39,688 million, interest payments for Ch\$ 32,425 million and bond repayments for Ch\$ 18,271 million.

The payments for additional Property, Plants and Equipment and depreciation for the period ended June 30, 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	
	Jun-22	Jun-21	Jun-22	Jun-21
Enel Generación Chile	76,664	79,468	29,160	30,041
Pehuenche	2,270	277	3,679	3,670
Total Consolidated	78,934	79,745	32,839	33,711

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 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. In January 2020, a new risk taxonomy has been approved for the entire Enel Group, which considers 6 macro categories and 38 subcategories.

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 (%)	June 30, 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 second 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 June 30, 2022, the Company held swaps for 799 Kbbbl of Brent oil to be settled in 2022 and 1,425 Kbbbl of Brent oil to be settled in 2023, 11.3 TBtu of Henry Hub gas to be settled in 2022 and 5.6 TBtu of Henry Hub gas to be settled in 2023, also 6.0 TBtu of TFU be settled in 2023. 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 second 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.

Despite the negative working capital existing at the end of June 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 18 and 21.2.

As of June 30, 2022, the Enel Generación Chile Group's liquidity was Ch\$ 14,144 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 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\$ 163,147 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.